



## **Annual Report 2006**

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**Jakarta Centre for Law Enforcement Cooperation**

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## JCLEC Staff

### Training Centre, Semarang



Executive Director: Brigadier General Adjie Rustam Ramdja (INP)



Executive Director Programs: Federal Agent Lester Cross (AFP)



Director Administration: Senior Superintendent Dadang Rusli (INP)



Administration: Superintendent Andre Resep (INP)



Financial Investigation Training: Federal Agent Glenn Buscombe (AFP)



Police Training Adviser: Inspector Derek Ward (Metropolitan Police)

### Secretariat, Jakarta



Executive Director: Senior Superintendent Boy Salamuddin (INP)



Executive Manager: Federal Agent Jason Pourpouras (AFP)



Policy Officer: Ms Muji Novrita (Civilian)

- Policy Officer: Vacant (INP)

## **JCLEC Contact Details**

### **Training Centre, Semarang**

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### **Secretariat, Jakarta**

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Website: [www.jclec.com](http://www.jclec.com)

## JCLEC Management Structure

### Foundation Board of Patrons

<b>Presiding Patron:</b>	Commissioner Mick Keelty (AFP)
<b>Patrons:</b>	Police General Sutanto (INP)
	Inspector General Tjuk Sugiarso (INP)
	Inspector General Emanuel Winarto (INP)
	Vacant (AFP)

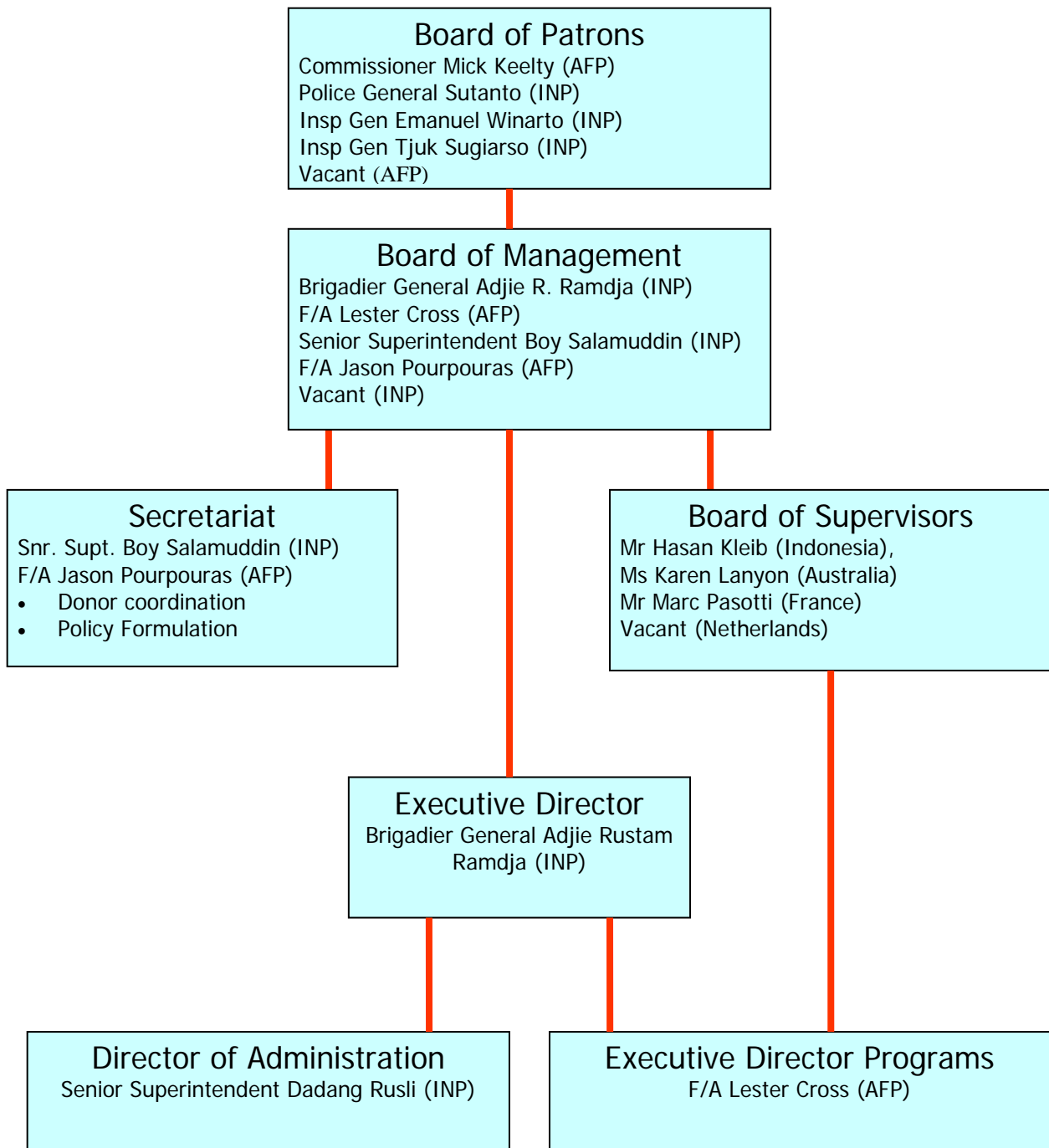
### Foundation Board of Management

<b>Chairman:</b>	Brigadier General Adjie Rustam Ramdja (INP)
<b>General Secretary:</b>	Federal Agent Lester Cross (AFP)
<b>Secretary:</b>	Senior Superintendent Boy Salamuddin (INP)
<b>General Treasurer:</b>	Federal Agent Jason Pourpouras (AFP)
<b>Treasurer:</b>	Vacant (INP)

### Foundation Board of Supervisors

<b>Members:</b>	Mr Hasan Kleib (Ministry of Foreign Affairs)
	Mr Marc Pasotti (French Embassy, Jakarta)
	Ms Karen Lanyon (Australian Embassy, Jakarta)
	Vacant (Netherlands Embassy)

## JCLEC Foundation Management Structure



## List of Acronyms

AFP	- Australian Federal Police
ALG	- Asian Law Group
ASEAN	- Association of South East Asian Nations
AUD	- Australian Dollar
AusAID	- Australian Agency for International Development
AUSTRAC	- Australian Transactions Reports and Analysis Centre
ASIO	- Australian Security Intelligence Organisation
BAIS	- Strategic Intelligence Agency
BoM	- Board of Management
BoP	- Board of Patrons
BoS	- Board of Supervisors
BIN	- National Intelligence Board
BNN	- National Narcotics Board
CBRN	- Chemical Biological Radiological and Nuclear
CT	- Counter Terrorism
ICITAP	- International Criminal Investigative Training Assistance Program
IDR	- Indonesian Rupiah
ILEA	- International Law Enforcement Academy
IMOSC	- International Management of Serious Crime
INP	- Indonesian National Police



IT	- Information Technology
JCLEC	- Jakarta Centre for Law Enforcement Cooperation
KPK	- Corruption Eradication Commission
LDF	- Legal Development Facility
LEWG	- Law Enforcement Working Group
LIWG	- Legal Issues Working Group
PPATK	- Indonesian Financial Transaction Report and Analyst Centre
RCMP	- Royal Canadian Mounted Police
SEARCCT	- South East Asian Regional Centre for Counter Terrorism
TNCC	- Trans-National Crime Centre
USAID	- United States Agency for International Development

## **Executive Summary**

The Jakarta Centre for Law Enforcement Cooperation (JCLEC) is an international law enforcement and training institution established by the Governments of Indonesia and Australia in 2004. The centre is jointly operated by the Indonesian National Police (INP) and the Australian Federal Police (AFP) with bilateral and multi-lateral assistance from foreign donor countries.

The training centre is located within the Indonesian Police Academy grounds in Semarang, Central Java and provides international training and capacity building programs to law enforcement agencies in Indonesia and the ASEAN region. The principle aim of the JCLEC programs, seminars and workshops is to increase the operational expertise of law enforcement personnel responsible for dealing with all forms of trans-national crimes, including terrorism.

The JCLEC international training team lead by the AFP undertakes the design, development and delivery of a broad range of international law enforcement education and training programmes. The participants are law enforcement members including operational managers, middle and senior level managers, and practitioners in specialised technical areas.

Throughout the Centre's second year of operation, significant milestones continue to be achieved. JCLEC graduated over 1600 predominantly-Indonesian students, although JCLEC's overall candidature was derived from over thirty countries. In 2006 the range of training programmes offered at the Centre was expanded with specialist courses being delivered by the Australian Federal Police, British Police, the Royal Canadian Mounted Police, the Italian Guardia della Finanza and other international law enforcement agencies.

### **Construction of Facilities – Semarang**

The year was also significant in terms of the completion of construction of JCLEC's infrastructure and facilities. The €6 million accommodation facilities funded by the Netherlands Government were completed in December 2006. These buildings which can accommodate up to 136 persons have provided JCLEC with significant capacity to provide secure short and longer term accommodation for instructors and participants attending the centre.

### **Secretariat – Jakarta**

The JCLEC Secretariat located in INP Headquarters in Jakarta, was formally opened by Commissioner Mick Keelty of the AFP and Police General Sutanto, the Chief of the INP on 28 February 2006. The Secretariat is staffed by members

of the INP and AFP and is responsible for policy formulation and foreign donor coordination.

### **Foreign Donor Contributions**

The year was also significant in relation to the involvement of foreign donors to the JCLEC project. Australia maintains its commitment of AUD\$36.8 million over five years through the AFP. As at 31 December 2006, the AFP as the centre's principal sponsor has expended AUD\$14.1 million on the refurbishment and construction of buildings, IT infrastructure, international off shore training delivery in Semarang and operational running costs.

The Government of the Netherlands has been a significant contributor to the JCLEC project through the funding of an international standard accommodation building, together with nine free-standing villas. The expenditure of €5.99 million has provided JCLEC with a significant capacity to provide secure short-term accommodation for 124 students (twin-share) and for 12 instructors in free-standing and duplex villas.

The Netherlands Government also pledged in May 2005 to donate a further €5 million for the development and delivery of training programmes. The first part of this funding will commence in 2007 under a bilateral agreement between the Netherlands and Indonesian police. The funding will provide training in Aviation and Airport Security to 120 INP officers. This training will take place in both Indonesia using JCLEC facilities, and the Netherlands using Schipol Airport and police training facilities.

The European Commission contributed €207,000 under their Rapid Reaction Mechanism (RRM) for counter terrorism program development and delivery, and to undertake a study tour of law enforcement training facilities in Europe. Under the RRM project JCLEC expended €88,404.85 within the six (6) month time frame.

The European Commission under a €12.6 million financing proposal titled 'strengthening the rule of law and security in Indonesia' has pledged €5 million over three years to capacity building through JCLEC. This three year project will be offered under a tender process for consideration by European member states in September 2007. Subject to the tender process the European Commission will announce the successful bidder in February 2008 and the project is expected to commence in March 2008.

Part of the USD \$0.5 million 2004 three year contribution by the Government of Denmark was used by JCLEC to purchase information technology infrastructure and to fund a counter terrorism and an Islamic Law and Politics

in South East Asia course. The one million SEK (approx. USD \$125,000) contribution by the Government of Sweden was used to fund five counter terrorism courses for the Indonesian National Police.

The Government of Italy funded the deployment of its law enforcement officers to deliver training courses focussing on anti-money laundering and coastal surveillance for law enforcement. The Government of Spain contributed €102,000 in December 2006 and will concentrate that funding on the provision of training programs at the Centre.

The British Government continued their support to the centre during 2006 with counter terrorism experts being funded to attend and instruct on courses and in 2007 will consider extending the attachment of the UK police trainer. The Government of Germany contributed USD \$120,000 for the establishment of library resources and agreed to post a full-time trainer to the Centre for 12 months commencing in January 2007.

The involvement of foreign donors with the JCLEC provides an opportunity for greater law enforcement cooperation and capacity building in Indonesia and the region. The inclusion of foreign and regional partners further enhances the Centre's ability to promote the exchange of information and expertise, enhance international law enforcement education standards and provide multi-jurisdictional experience.

#### **Cooperation with AFP, Regional Law Enforcement Academies and Institutes**

The AFP international training teams based in Canberra continued their strong support for the offshore delivery of high quality training programs to JCLEC throughout the year. The professionalism of the AFP training officers sourced from offices across Australia and attending the centre has been of the highest standard. The JCLEC management would like to sincerely thank all those AFP officers for their dedication, commitment and support to international capacity building for Indonesia and the region.

The Indonesian National Police have supported the centre during 2006 with the provision of a large number of key note speakers, facilitators, senior police officers and forensic experts who have assisted with the delivery and evaluation of a range of JCLEC courses.

In support of the INP and AFP's efforts at JCLEC a number of cooperative arrangements have been made with other law enforcement academies, institutes and tertiary institutions. JCLEC, through these arrangements, hopes to provide relevant training for regional law enforcement officers.

JCLEC sought collaboration, through the AFP, with the Australian Institute of Police Management (AIPM), the Leadership Academy of the Bramshill Police Staff College and Charles Sturt University (CSU). As a result of this initiative, the JCLEC will host the Regional Executive Leadership Programme (RELP) for senior police managers from Indonesia, Australia and the ASEAN region in 2007. The programme will be accredited by Charles Sturt University and focus on police leadership issues dealing with terrorism and trans-national crime investigations.

The AFP funded JCLEC to deliver the Islam, Law and Politics in South East Asia (ILPSEA) programme in Thailand. The course was delivered in partnership with the International Law Enforcement Academy (ILEA), Bangkok to 20 Thai police and four AFP members. The ILPSEA training programme at JCLEC is sponsored by the Danish Government and has been run very successfully three times.

Strong liaison was undertaken with the KPK (Indonesian Corruption Eradication Commission). JCLEC working together with the AFP and other foreign agency delivery partners provided and assisted with the training of 215 KPK officers during 2006.

In summary, the training centre enjoyed a very busy year with 1020 participants attending 46 courses, seminars and workshops. The AFP and JCLEC trainers continue to strive to design, develop and deliver high quality law enforcement training programmes. The year's activities again strongly supported by the AFP's international training teams supported by specialist INP and international trainers have laid a strong foundation for subsequent training programmes to further build the capacity of Indonesian and regional law enforcement agencies.

## **Jakarta Centre for Law Enforcement Cooperation Foundation (JCLECF)**

The JCLEC Foundation was approved by the Indonesian Ministry of Justice on 23 March 2005. The Foundation's goal is for Indonesian and international police to work together to develop the long-term sustainability of JCLEC as a Regional Training Centre. The structure of the Foundation is comprised of three (3) layers of management represented by Boards, each with responsibility for different aspects of the Foundation.

The Foundation's superior Board is the Board of Patrons (BoP). The BoP comprises five senior officers from the INP and AFP, representing the bilateral Indonesian and Australian cooperation in the establishment of the JCLEC. The BoP is currently chaired by the Commissioner of the AFP, Commissioner Mick J. Keelty. The chairmanship of this Board rotates on an annual basis with Police General Sutanto due to take up the role on 1 July 2007.

The Board of Management (BoM) is charged with the responsibility for the day to day operation and running of the Centre. The Board is comprised of two INP and two AFP officers who meet quarterly report to the Patrons.

The third layer of management is the Board of Supervisors (BoS). This Board, charged with providing a supervisory capacity of the actions of the BoM, comprises representatives from the Indonesian Ministry of Foreign Affairs (DEPLU), and from the embassies of Australia, France and the Netherlands. There were two resignations by Supervisors during 2006 from DEPLU and France. The Netherlands did not attend any Supervisors meetings in 2006 and their position on the board remains vacant.

The JCLEC Foundation BoM met in both Jakarta and Semarang on five occasions during the year. The BoS met concurrently with the JCLEC BoM on three occasions. The JCLEC Patrons did not convene a meeting during the reporting period but the Board considered several issues out of session during the year.

## **The Centre's Key Achievements in 2006**

### **Completion of Accommodation Building Construction**

The Netherlands Government funded the construction of an accommodation building as well as a number of free-standing villas. The €5.99 million contribution made by the Government of the Netherlands has given the JCLEC a substantial capacity to securely accommodate participants, instructors and visiting lecturers within the grounds of the centre. The accommodation is currently in use and has received extensive positive feedback on the international standard facilities.

The accommodation building has been designed in a standard hotel-style over four floors, together with nine (9) villas, which are both free-standing and duplex. The JCLEC has a significant capacity to provide secure short-term accommodation for 124 participants (twin-share) and longer term accommodation for 12 instructors in free-standing and duplex villas. Each room is air-conditioned and equipped with television, computer and access to high speed internet connection. The Government of Denmark contributed USD\$230,000 for the information technology, computers and TV monitors installed in the accommodation facilities.

A range of other facilities have also been constructed, including a swimming pool, gymnasium, recreation areas and dining rooms. The Australian Federal Police funded the purchase of the gymnasium equipment.

State-of-the-art security counter measures have also been installed by the Australian Federal Police in and around the training centre.

The Centre has its own power plant (generator) capable of sustaining the Centre's electricity needs for an extended period, a water production facility (including a large storage facility and pumping station) and a sewerage treatment plant. These facilities ensure that both instructors and participants are well cared for during hours of instruction and after-hours.



**Nusantara Accommodation Building**



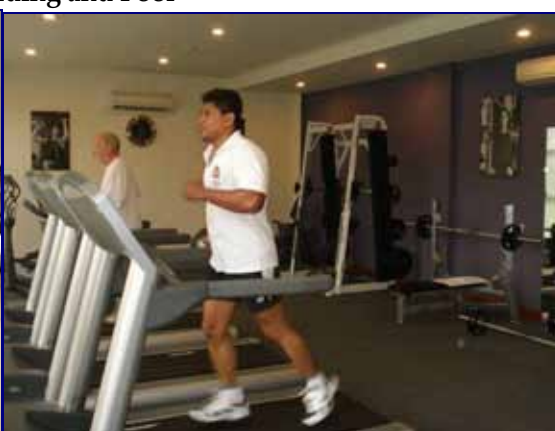
**Reception Foyer**



**Rear of Nusantara Building and Pool**



**Tulip Restaurant**



**Fitness Centre**



**Instructors Villa Style Accommodation**



### **Official Opening of JCLEC Secretariat Jakarta**

The JCLEC Secretariat was formally opened by Commissioner Mick Keelty and Police General Sutanto on 28 February 2006. The JCLEC Secretariat is co-located with the AFP's Trans-National Crime Centre (TNCC) on level 12 of the INP's Trans-National Crime Coordination Building in INP's Headquarters in Jakarta. The Secretariat is staffed by members of the INP and AFP and is responsible for policy formulation and foreign donor coordination for JCLEC.

### **Graduation of 1000<sup>th</sup> Student at JCLEC**

The 1000<sup>th</sup> student, Hong Kong Police Inspector Rachel Lam graduated from the Major Investigations Management Program on 7 April 2006. The JCLEC concentrated its training in 2006 on Indonesian law enforcement officers as well as offering opportunities to officers from ASEAN countries. JCLEC law enforcement training programmes remain in high demand from regional law enforcement agencies.



### **Secondment of Foreign Law Enforcement Personnel**

The identification and recruitment of key international training personnel played a significant role throughout the year. The JCLEC management team successfully undertook discussions and negotiations with foreign affairs and police representatives of the German and Canadian governments. The two governments have each agreed to fund and attach experienced police trainers to JCLEC in 2007. These trainers will support the AFP's Indonesia based and international fly in / fly out trainers and be responsible for the development and delivery of training packages. The AFP and international trainers will be partnered with INP trainers and will be responsible for coaching and mentoring them to deliver programmes in the Indonesian language.

The establishment of a small cadre of Australian, Indonesian and international trainers based at JCLEC will allow the centre to develop and deliver specialist training programmes on demand, dealing with investigations management,

criminal intelligence, financial investigations, anti corruption, leadership and management and forensics curricula.

The British Government continues to support the centre through the attachment of their full time intelligence trainer who commenced in August 2005. This officer has been responsible for developing and delivering a number of key counter terrorism initiatives, supported by serving and recently-retired London Metropolitan police officers with counter terrorism experience.

The Netherlands Government will sign a bilateral agreement with the INP in 2007 to provide Aviation Security training to 120 INP officers. The Netherlands police will utilise the facilities of JCLEC to assist with the delivery of the domestic component of this training during 2007. The Netherlands police will identify 60 INP officers under this agreement for further international training in the Netherlands.

## **Flagship Programs**

### **International Management of Serious Crime**

The International Management of Serious Crime (IMOSC) program developed and delivered by the AFP is designed to provide senior law enforcement officers with skills to more effectively lead and manage serious criminal investigations. The IMOSC programme brings together senior law enforcement practitioners who are responsible and accountable for leading and managing serious crime investigations. The programme reflects a multi-jurisdictional and multi-agency approach to serious crime investigations with participants drawn from international law enforcement. The programme challenges and examines conventional attitudes to the practical application of lateral and critical thinking, negotiation, communication and team building theory.

**IMOSC students undertaking the outdoor exercise in Central Java**





## Post Blast Incident Management Program

The AFP's Post Blast Incident Management programme has been developed by Mr David Royds, AFP Coordinator Forensic Counter Terrorism. The programme is delivered by a specialist team AFP, including scientists of international standing fulfilling the role of 'visiting fellow', is designed to provide senior police with contemporary skills and knowledge to manage a significant terrorism-related criminal investigation that requires a multi-disciplined forensic response. The PBIM program brings together senior AFP and international forensic practitioners to develop skills in problem solving techniques, and to gain underpinning knowledge in explosives, chemical, biological and radiological substances, and their identification by trace residue analyses.



## **Flagship Training Programmes to Commence in 2007**

### **Regional Executive Leadership Programme**

The Regional Executive Leadership Programme (RELP) sponsored by the Australian and United Kingdom Governments and Charles Sturt University, is being hosted by the Indonesian National Police through JCLEC. The programme was developed through a collaborative approach between the:

- Indonesian National Police
- Australian Federal Police,
- Australian Institute of Police Management (AIPM),
- Leadership Academy of Bramshill Police Staff College; and
- Charles Sturt University (CSU).

The programme is designed to develop the personal, organisational and regional leadership skills of the attending officers with a focus on the challenges of counter terrorism, trans-national crime, intelligence and critical decision making. The leadership program is designed to develop an alumni of senior police officers in the ASEAN – Australia region who will work together to address regional law enforcement issues and challenges into the future.

### **Leadership in Criminal Intelligence**

The Leadership in Criminal Intelligence Programme (LCIP) developed by the AFP and the AIPM is designed to focus on management challenges confronting law enforcement professionals with security and criminal intelligence responsibilities. The programme, to be delivered in two parts, is designed for senior analysts, intelligence team leaders and the managers of intelligence business units. The programme focuses upon the specific management challenges facing criminal and security intelligence within contemporary law enforcement environments, with a particular emphasis on counter terrorism. LCIP graduates are awarded a Graduate Diploma of Applied Management by the AIPM. The Regional Executive Leadership and Leadership in Criminal Intelligence Programmes involve a combination of distance education and residential course work and are academically accredited through Charles Sturt University.

The candidature of all four flagship programmes comprises participants from Indonesia, Australia and ASEAN countries.

### **Study Tour Funded by the European Commission**

Members of the JCLEC senior executive travelled to Europe in April / May 2006 to conduct discussions with foreign ministries, law enforcement agencies and training institutions regarding law enforcement capacity building in Indonesia. Funding for the travel was provided by the European Commission pursuant to the Rapid Reaction Mechanism (RRM) contract number 05-0015.00.

The JCLEC delegation visited a range of European Member States, as well as the European Commission, to brief national police agencies, security services and ministries of foreign affairs about training activities currently being undertaken at the Centre. The delegation also discussed proposed capacity building measures and donor contributions from the European Commission and its Member States.

The delegation made a number of significant outcomes during the visit. In addition to increasing the profile of the Centre with EU Member States, the delegation was able to successfully lobby several EU Member States to deploy their respective law enforcement agency personnel to the JCLEC on short-term deployments. This was a significant outcome as the major obstacle facing the JCLEC relates to a deficiency of suitably qualified law enforcement or intelligence community instructors being attached to the centre.

Following the delegation's briefing to the European Commission, the JCLEC received a substantial in-principle offer of financial assistance to facilitate a significant law enforcement capacity building project in Indonesia. The European Commission undertook to commit approximately €5 million to facilitate the design and development of a major Investigation course for Indonesian National Police including provincial Criminal Investigation Departments (CID). The funding for this project will be conducted over three years and is expected to commence in March 2008. The European Commission will commence a tendering process amongst European Union Member States in September 2007 and is likely to seek the input and involvement of several EU Member States. The Delegation also secured actual and in-principle short term deployments of European Member States law enforcement trainers.



**Meeting with AFP LO's in London**



**Meeting with German Officials and  
H.E. Ian Kemish Australian  
Ambassador to Germany**



## Official Visits

During 2006 the centre was regularly visited by foreign Ambassadors, senior Foreign Affairs and Police officials. Feedback from the visiting dignitaries and officials on the centres development and international capacity building training programmes has been very positive.

	
<p>22 March Deputy Commissioner Goh Liang Kwang and officers attending the Singapore Police Strategic Leadership and Command Course</p>	<p>1 May H.E.Charles Humfrey, British Ambassador to Indonesia</p>
	
<p>14 June Visit by delegation of public sector executives from Australia and New Zealand involved with Leading Australia's future in the Asia Pacific</p>	<p>30 August Mr Ulrich Sorensen, Deputy Head of Mission, Denmark</p>
	
<p>5 September Drs. Muhammad Jusuf Kalla, Vice President of Indonesia</p>	<p>9 December Commissioner Howard Broad and Deputy Commissioner Jon White, New Zealand Police</p>

## Foreign Donor Contributions

The JCLEC, while remaining a bilateral project between the Governments of Indonesia and Australia, is substantially supported by other foreign donor countries. In turn, this support has resulted in significant capacity building of the INP and other agencies in the Indonesian criminal justice communities.

Contributions from donor countries and other entities such as the European Commission, has taken many forms, including financial contributions, the short and long term deployment of instructors, contributions to infrastructure at the Centre, and support in the administration and delivery of programmes.

The Centre is accessible to ASEAN countries and to the wider international community. Donor aid to the facility has greatly augmented the capacity of foreign governments and law enforcement personnel to deliver on complex security objectives in Indonesia and South East Asia. Donor aid has ensured the Centre's long-term viability which promotes the values of learning and understanding through shared experience, to combat domestic and international terrorism and trans-national crimes. The significance of 2006 at JCLEC was highlighted by the involvement of foreign donors to the project.

### Australia

The Australian Government continues its contribution of AUD \$36.8 million over five years through the involvement of the Australian Federal Police. AUD \$14.1 million has been expended on the refurbishment and construction of buildings and other supporting infrastructure at the Centre, as well as funding the AFP's international training delivery and operational costs of the Centre.

The Australian Federal Police, Australia's national police agency, has delivered the majority of training programmes at JCLEC in the reporting period. The AFP has been supported with the delivery of specialist training programs by trainers from AUSTRAC and the Australian Security Intelligence Organisation (ASIO).

### Outcomes

- Completion of JCLEC training facilities other than accommodation buildings;
- Provision of the majority of police trainers and training programmes through the Australian Federal Police;
- Provision of specialist training support to some AFP courses from Austrac and ASIO members;
- Financial support to the Netherlands funded accommodation project; and
- Continued provision of JCLEC's operating budget.

## **Netherlands**

The Government of the Netherlands has funded the construction of accommodation at the JCLEC facility. The four floor hotel-style accommodation building, along with free-standing villas built with €5.99 million from the Netherlands, has provided JCLEC with a significant capacity to provide secure short-term accommodation for 124 participants (twin-share) and for 12 instructors in free-standing and duplex villas. The Netherlands Government pledged in 2005 to donate €5 million for the development and delivery of training programmes through JCLEC. The Netherlands will commence expenditure of this funding under a bilateral agreement with the INP in 2007 to deliver training associated with Aviation and Airport Security for 120 INP officers.

### Outcomes

- Funding for secure accommodation for participants and instructors at JCLEC;
- Instructors villa accommodation completed by 28 February 2006;
- Participant's accommodation building completed for occupation by 18 December 2006 with a defect rectification period of 3 – 6 months (June 2007); and
- Will enter into a bilateral agreement with INP to train 120 officers in Aviation and Airport Security commencing in June 2007.

## **European Commission**

The European Commission contributed €207,000 under the Rapid Reaction Mechanism (RRM) for program development and a European Police Academy study tour. Under the RRM the funds had to be expended within 6 months. The RRM was signed in December 2005, funds were provided in January 2006 with the program to be completed by May 2006. Under the RRM funding JCLEC expended €88,404.85 within the allocated six (6) month time frame and achieved the following:

### Outcomes

- Development and delivery of the CT Investigations Programme from 1 – 19 May 2006 to 25 participants;
- A study tour of European Police Colleges and briefing to European Commission Delegates from member states in Brussels on the progress of JCLEC ;
- The German government committed to attach a full time trainer to the centre in 2007; and
- European Commission commitment of €5M in funding for capacity building training for INP over three years commencing in March 2008 – 2011.



Note: The €5 million EC project has been in negotiation and development with JCLEC management, AFP and foreign law enforcement agency representatives in Indonesia since February 2005. The Commission will tender the project to its Member States in September 2007 and the successful Member State/s will be required to work closely with the JCLEC Management Team in order to deliver the outcomes from 2008 - 2011.



**EU Commission funded Counter Terrorism  
Investigations Management Program**

## **Denmark**

The Government of Denmark continued its support to the centre in 2006 from their original contribution in 2004 of USD \$500,000 over three years. They again supported the centre with the funding of the important Islamic Law and Politics in South East Asia programme. In addition in support of the Netherlands funded accommodation project they funded the purchase and installation of IT infrastructure and computers to be used for study in the participant's rooms.

## Outcomes

Funded the following:

- Advanced Analysis of Terrorist Organisations and Operations 27 Feb – 3 March 2006 for 32 participants;
- Islamic Law and Politics in South East Asia programme on 28 August – 1 September 2006 for 29 participants; and
- Purchase of IT infrastructure and computers for the participants and instructors to complete research and study in their rooms.



## Sweden

The Government of Sweden in support of counter terrorism capacity building for Indonesia contributed 1 million Swedish Kroner (USD \$125,000) for the delivery of five AFP delivered training programmes in 2006.

## Outcomes

Funded the following capacity building courses:

- Intelligence Officers Development Programme 27 February - 10 March 2006 for 22 participants;
- Introduction to Post Blast Programme, 29 May - 2 June 2006 for 15 participants;
- Disaster Victim Identification, 17 - 28 July 2006 for 20 participants;
- Crime Scene Investigation Course, 17 - 28 July 2006 for 20 participants;
- Crime Scene Investigation Course, 11 - 22 September 2007 for 20 participants;
- Deployed two officers to lecture on the European Commission funded Counter terrorism Investigations course May 2006;
- Supported JCLEC through the EU Commission funded CT investigations training programme with the assistance of two CT intelligence officers; &
- The total cost of Swedish funded courses in 2006 was USD \$123,328.



## **Germany**

The Government of Germany in support of counter terrorism capacity building for Indonesia contributed €100,000 for the establishment of library resource infrastructure and has agreed to post a full-time trainer to the Centre for 12 months commencing in January 2007.

### Outcomes

- Donation of 101 counter terrorism and trans-national crime books for JCLEC Library;
- Funded four licences for JCLEC to access Janes Intelligence Database;
- Funded ten research computers;
- Commitment to place a full time police trainer at the centre from January 2007;
- Commitment to run a small number of capacity building training programmes at the centre in 2007;
- Supported calls by law enforcement officers for the European Commission to fund capacity building programs being developed and delivered through JCLEC.

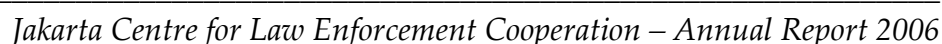
## **United Kingdom**

The British Government posted a full-time trainer to the Centre for an initial two years. In 2007 the British Foreign and Commonwealth Office will review this position and consider extending support to the centre by funding this position until March 2009. The intelligence trainer attached to the centre has been an integral part of the centre's training development team and is considered a highly valued asset by the JCLEC management team.

### Outcomes

- Placement of a full time intelligence trainer to the Centre;
- Integral part of the JCLEC training development team and qualified intelligence trainer;
- Developed and assisted in the delivery of the Counter Terrorism Foundation course for Detachment 88 members;
- Assisted with the University accreditation of the CT Investigations and Regional Executive Leadership Programme;
- Assisted in the development of the Centres Training and Evaluation policies;
- Through the trainers involvement with the centre they have attracted five UK sponsored courses and seven UK police trainers and subject matter experts to assist with the delivery of these courses;
- Instructed across three training streams being investigations, intelligence and communications.

- 
- JCLEC – Jakarta Centre for Law Enforcement Cooperation  
“ELIGATION COURSE”  
Semarang Indonesia, 16-20 January 2008**
- Back (from left):**  
 1st Brigadier Poltro - 1st Kert. 8 Darat - Haidir Said - Arming Suprianto - Wilmy Soet - Jansen - Kurniadi - Yudhanegara Soet
- Front (from left):**  
 Darsak Ward - Sisono Haid - Adjo Purnomo Purnomo - MD Purnomo - Jaster Ouse - Dikbang Rusdi - Lukman Fidiel Riant





## Outcomes

- The Government of Spain contributed €100,000 for the development and delivery of counter terrorism training programs.
- Supported calls by law enforcement officers for the European Commission to fund capacity building programmes being developed and delivered through JCLEC.

## **France**

The French Embassy, Jakarta through the efforts and support of Mr Marc Pasotti, the French police liaison officer, assisted the centre with the development and delivery of a trans-national crime training workshop. Mr Pasotti and the French Government assisted with the funding and development of a workshop to deal with Child Sex Exploitation. International experts from France, USA and the AFP were used to develop the course which was hosted with the support of JCLEC. The Child Sex Exploitation workshop aimed at strengthening international cooperation to reduce paedophile offences occurring in Indonesia and the region. France has been a strong supporter of JCLEC through its representation at the European Commission in Jakarta.

## Outcomes

- Sponsored the Child Sex Exploitation Workshop for the INP and Attorney General's Department 28 – 30 November 2006 attended by 42 participants; and
- Supported calls by law enforcement officers for the European Commission to fund capacity building programs being developed and delivered through JCLEC.



**French Government / USA/ JCLEC funded Child Sex Exploitation Workshop**

## Canada

The Government of Canada in support of counter terrorism capacity building in Indonesia has been a strong supporter of JCLEC. During the year they conducted a Chemical, Biological, Radiological and Nuclear awareness seminar. This programme will be complemented in 2007 with a practical exercise to demonstrate the use of CBRN equipment at an incident site. The Canadian government through the Royal Canadian Mounted Police will place a trainer at the centre in July 2007. This placement will be for a period of 21 months till March 2009.

## Outcomes

- Funded CBRN awareness seminar;
- Supported JCLEC with visiting forensic fellow for Post Blast Investigations Management Program;
- Will fund CBRN practical exercise and equipment demonstration in 2007; and
- Will attach an RCMP trainer to the centre from July 2007 – March 2009



## JCLEC's Expanded Curriculum

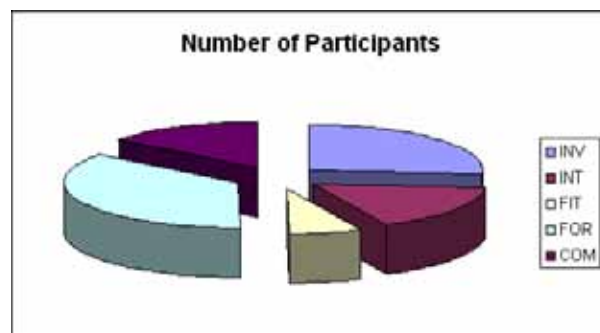
JCLEC maintains a number of core training disciplines. These include the following:

- Investigations and Management of Serious Crime;
- Criminal intelligence;
- Forensics;
- Financial Investigations; and
- Communications.

During 2006, the Centre trained a total of 1020 students from Indonesia, Australia and across the South East Asia region. Those students were trained in the following disciplines:

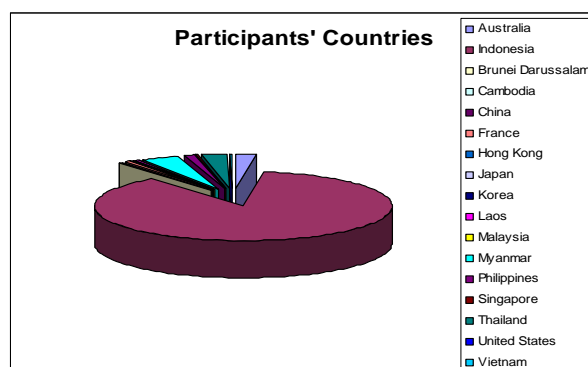
### Breakdown of Participants by Streams

<b>Investigations:</b>	269	(26.4%)
<b>Intelligence:</b>	171	(16.8%)
<b>Financial Investigations:</b>	66	(6.5%)
<b>Forensics:</b>	364	(35.7%)
<b>Communications:</b>	150	(14.6%)
<b>Total Participants</b>	<b>1020</b>	<b>(100%)</b>



### Breakdown of Participants Countries attending in 2006

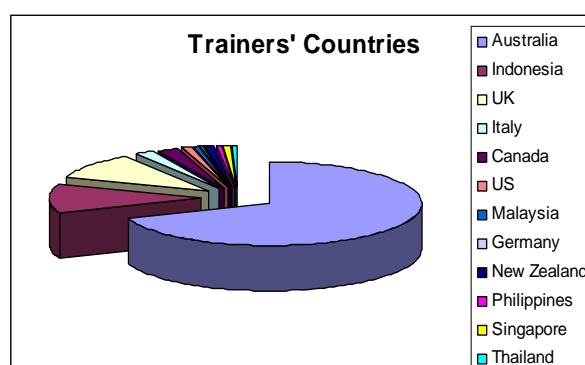
Australia	23	2.26%
Indonesia	888	87.05%
Brunei Darussalam	2	0.19%
Cambodia	2	0.19%
China	4	0.39%
France	4	0.39%
Hong Kong	2	0.19%
Japan	1	0.12%
Korea	3	0.29%
Laos	2	0.19%
Malaysia	1	0.12%
Myanmar	42	4.11%
Philippines	12	1.17%
Singapore	2	0.19%
Thailand	29	2.84%
United States	1	0.12%
Vietnam	2	0.19%
<b>Total</b>	<b>1020</b>	<b>(100%)</b>



Training of JCLEC students was conducted predominantly by AFP trainers and they were assisted by INP and international trainers from a variety of law enforcement agencies.

### Breakdown of Trainers by Countries

<b>Australia:</b>	142	(69.3%)
<b>Indonesia:</b>	23	(11.2%)
<b>United Kingdom:</b>	21	(10.2%)
<b>Italy:</b>	4	(1.8%)
<b>Canada:</b>	5	(2.2%)
<b>United States:</b>	2	(1%)
<b>Malaysia</b>	1	(0.48%)
<b>Germany:</b>	1	(0.48%)
<b>New Zealand:</b>	2	(1%)
<b>Philippines:</b>	1	(0.48%)
<b>Singapore:</b>	2	(1%)
<b>Thailand:</b>	2	(1%)
<b>Total:</b>	<b>205</b>	<b>(100%)</b>



The Centre provides an international education and training facility for law enforcement and criminal justice personnel in Indonesia and its regional ASEAN partners. The training streams cover the management of complex multi-jurisdictional investigations into trans-national crimes, with a focus on combating terrorism. Assistance has been sought from the international law enforcement community in designing, developing and delivering the Centre's specialised education and training programmes.

Australia, Indonesia and the British law enforcement agencies have trainers attached to the Centre. Germany and Canada are scheduled to take up training positions in 2007. The attachment of these instructors will enable the JCLEC to expand both the number of its programmes, as well as to broaden the scope of training provided at the Centre.

New disciplines such as Aviation and Airport Security (Netherlands sponsored) and Close Personal Protection training programmes are scheduled to be conducted in 2007. Chemical, Biological and Nuclear training programmes, provided by the Royal Canadian Mounted Police (RCMP), were also undertaken in the reporting period and will continue in 2007. The Centre will continue to draw upon a wide range of available regional and international resources and experience to strengthen regional cooperation through the sharing of knowledge and skills in combating terrorism and other trans-national crimes.



## **New Policy Initiatives Proposed for Development**

### **Young Lions Programme**

The 'Young Lions' programme will aim to provide professional training opportunities through an annual exchange programme to outstanding junior officers in the INP and AFP. The programme will focus on advance issues associated with trans-national crime investigation. The program seeks to capitalise on JCLEC's doctrinal and physical proximity to AkPol (INP Police Academy) and foster closer relations. The programme is planned to be conducted initially over three years, with INP continuing the maintenance of the program beyond the initial period.

This programme involves a two weeks exchange and trans-national crime awareness curriculum for the twenty most outstanding cadets of the senior Indonesian Police Academy graduating class and an equivalent number from recent graduates of the Australian Federal Police College in Canberra. The two groups will join together to visit the Australian Federal Police in Australia and the JCLEC in Semarang Indonesia to undertake seminars on trans-national crimes and the importance of intelligence sharing. The annual cost to fund this project is AUD \$120,000.

### **Hydra Simulation Training**

The Hydra Simulation training suite is a real-time simulation for crisis management in law enforcement developed in the United Kingdom and being used to train senior investigating officers. Hydra is a software based simulation for syndicates of law enforcement participants (four or six) to evaluate their decision making processes when placed under simulated crisis conditions. The syndicates are all given the same initial pieces of information and the simulation evolves depending on the requests and decisions made and recorded by the participants. The simulation is recorded so that it can be reviewed and critiqued during and at the conclusion of the exercise. A Hydra Simulation suite would cost between AUD \$240,000 and AUD \$400,000 to establish.

### **Human Rights Training**

JCLEC proposes a series of workshops involving relevant Indonesian, Australian and foreign stakeholders to discuss and coordinate human rights training in Indonesia. Several Indonesian government agencies have expressed interest in the design, development and delivery of human rights training for Indonesian law enforcement and justice community agencies. The AFP has recently engaged key Indonesian justice community agencies in relation to the development of a human rights training package. JCLEC will commence in 2007, using the United Nations Office of Drugs and Crime (UNODC) computer

based training (CBT) modules to assist with the delivery of a large range of trans-national crime courses which are human rights compliant. Consideration will be given to the establishment of satellite JCLEC / INP campuses in strategic areas of Indonesia for the delivery of CBT courses.

### **Academic Accreditation for JCLEC Programmes**

JCLEC has sought and received academic accreditation for its Counter-Terrorism programme from Charles Sturt University. The granting of academic accreditation from a recognised tertiary institution provides credibility for JCLEC training. JCLEC will seek further accreditation with Indonesian tertiary providers for other programmes during 2007.

JCLEC's new RELP (see previous) programme, by virtue of its co-development with the AFP, AIPM and Charles Sturt University, is accredited and provides graduates of the programme with credits towards a Master's degree at the University.

### **Establishment of a Research Directorate**

JCLEC will endeavor to establish a world-class research directorate in 2007 staffed with a small multi-national team of police and academic researchers. The research directorate, reporting to the BoM, will be responsible for publishing papers on counter terrorism and trans-national crime related issues and will make a significant contribution to this field of research.

Police, academics and university graduates from Indonesia, Australia and internationally will be encouraged to participate and contribute towards the completion of academic bodies of work being undertaken within the directorate. The directorate's base will be in Jakarta to allow researchers access and liaison with government officials, non-government organisations, universities and research entities.

## Centre's Projected Impacts and Outcomes

During the initial phase of the JCLEC project (2005 – 2009), it is expected the Centre will build law enforcement capacity in Indonesia and ultimately contribute to the disruption of trans-national crime both in Indonesia and the Asia Pacific region. The JCLEC Executive continued in 2006 to assess the Centre's outcomes and will formally report its findings in the final report to the Indonesian and Australian governments in 2009.

The immediate impact of the Centre will be to have strengthened national and regional law enforcement expertise and cooperation. This is likely to be demonstrated by:

- new skills acquired by middle-level and senior law enforcement officials in relation to the prevention of trans-national crime, including the improved management of serious crime, forensic investigations, criminal intelligence and analysis, financial investigations, communications and law enforcement research;
- new skills acquired by a range of forensic and law enforcement specialists in relation to the discovery of evidence to prosecute offenders involved in trans-national crimes including terrorism, and
- increased cooperation among law enforcement agencies within the region to promote trans-national crime prevention and management.

To measure the Centre's impact a wide variety of information sources will be formally evaluated during 2007 - 2009. These sources will include information about perceived current skills and skill gaps in law enforcement agencies (compared with baseline data from training needs analyses), and feedback from law enforcement agencies in relation to increased knowledge and skill levels and operational efficiencies.

# The Future of JCLEC

## Areas for Foreign Government Donor Assistance

The Centre continues to welcome support from foreign government donors to assist in the development and delivery of law enforcement and criminal justice training programs focused on capacity building for Indonesian agencies. The training streams focus on improving Indonesia's law enforcement and criminal justice capacity together with improving communication and information sharing related to trans-national crimes including terrorism.

Foreign policing expertise in the following areas is required:

- assistance through the provision of law enforcement experts to develop and deliver training programmes;
- assistance through the provision of specialist law enforcement training personnel to develop and deliver training programs;
- identifying and funding specific training programmes including the translation of such programmes into identified country languages;
- expressing an interest through the Centre's Secretariat to fund the allocation of their own personnel and expertise to the Centre to assist with the development or presentation of one or more of the education training streams;
- offering assistance to fund the Centre's training programmes; and
- to identify and undertake training and research development programmes linked to countering trans-national crimes including terrorism.

## Expressions of Interest for Contributions to JCLEC

The Centre's Secretariat welcomes:

- expressions of interest in current or emerging terrorism or trans-national crime programmes that agencies may wish to deliver to Indonesian law enforcement and criminal justice agencies through the Centre; including cyber terrorism, maritime terrorism, critical incident management, etc;
- specific funding for regional law enforcement and criminal justice conferences/workshops to be conducted at the Centre;
- non-specific funding to enable the Centre to develop and deliver a range of on and off campus programs and research activities throughout Indonesia dealing with various trans-national crime types including terrorism; and
- funding to support JCLEC with the delivery of human rights-compliant training across Indonesia through the development and establishment of satellite training rooms with the INP in identified areas such as Medan, Makassar, Bali, East and West Java using UNODC computer based training packages.

Expressions of interest from foreign government donors should be provided in writing or emailed to the Secretariat at [admin@jclec.com](mailto:admin@jclec.com). The Secretariat will advise the JCLEC Board of Management of such expressions which will be considered at its quarterly meetings or extraordinary meetings if required. The Board of Management may seek further information or a presentation regarding the expressions of interest by foreign donors. All donors will be advised in writing of the decision of the Board of Management in response to their expressions of interest.

## **Financial Accountability**

The Indonesian Registered Public Accounting Company of Osman, Ramli, Satrio and Rekan who are Members of Deloitte Touche Tohmatsu were contracted by JCLEC to conduct the 2006 independent audit of the Foundation's accounts.

The use of an independent public accountancy firm to conduct the annual audit complies with Indonesian legislation and provides transparent accountability.

The 2006 Financial Audit Report was completed and officially signed off on 8 August 2007.

The Independent Auditors Report is attached as Annexure B.

## **Annexure A**

### **Courses, Seminars and Workshops Conducted in 2006**

#### **Investigations Management Stream**

- Elicitation/Interview Course - three courses
- International Management of Serious Crime
- Major Investigations Management Workshop
- Advanced Analyst Terrorist Organization & Operation Course
- Counter Terrorism Investigation Management Programme – two courses
- Electronic Surveillance
- Evidence Search and Seizure – Three courses ( Jointly funded with AusAID)
- International Management of Serious Crime
- Chemical, Biological, Radiological and Nuclear Programme (funded by Canadian Government)

#### **Intelligence Stream**

- Intelligence Principles and Practices Program – two courses
- Intelligence Officers Development Program – four courses (one funded by Swedish Government)
- Coastal Patrol Course (Funded by Italian Government)
- Field Course ( Funded by British Embassy)
- Intelligence Analysis Course
- Crime Management Investigation System ( CMIS ) Workshop – (conducted Jointly with TNCC)

#### **Forensics Stream**

- Fingerprint & Document Examination Workshop
- Crime Scene Investigation Course – two courses (Funded by Swedish Government)

- Introduction to Post Blast Forensic Investigation – four courses (one funded by Swedish Government)
- Post Blast Incident Management
- Firearm Identification Course
- Electronic Vehicle Tracking Course
- Disaster Victim Identification (Funded by Swedish Government)
- Introduction to Forensic Documentation
- Forensic Firearm Ballistic Identification Course – two courses

### **Financial Crime Investigations Stream**

- Financial Investigation Programme – two courses
- Anti-money Laundering
- Counter Terrorism Finance Seminar

### **Communications Stream**

- Islamic Law and Politics Course – two courses (one conducted at ILEA, Bangkok for Royal Thai Police)
- Training for Trainers – two courses
- Child Sex Exploitation Workshop (Funded by French Government)



## **Annexure B**

### **Financial Audit**

See the Independent Auditors Report on the Jakarta Centre for Law Enforcement Cooperation 2006 conducted by the Registered Public Accounting Company of Osman, Ramli, Satrio and Rekan who are Members of Deloitte Touche Tohmatsu.

**JAKARTA CENTRE FOR LAW ENFORCEMENT  
COOPERATION FOUNDATION**

FINANCIAL STATEMENTS – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006

AND INDEPENDENT AUDITORS' REPORT

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
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Statement of Revenues and Expenditures and Fund Balance – Cash Basis	4
Notes to the Financial Statements – Cash Basis	5

## Independent Auditors' Report

No. 150307 JCLEC RW SA

The Patrons and The Board of Directors

### **JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION**

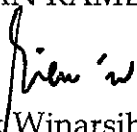
We have audited the accompanying statement of asset and liability arising from cash transactions of Jakarta Centre for Law Enforcement Cooperation Foundation (the Foundation) on funds received from Netherland Government, European Commission, Danish Government, Swedish Government and German Government as of December 31, 2006, and the related cash basis statement of revenues and expenditures and fund balance for the year then ended. These financial statements are the responsibility of the management of Foundation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards established by the Indonesian Institute of Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion

As discussed in Note 2a, the financial statements was prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in Indonesia. Generally accepted accounting principles in Indonesia require full accrual approach to the recognition of revenue and expense, and fixed asset acquisitions and construction costs are required to be capitalized and depreciated over their estimated life.

In our opinion, such financial statements present fairly, in all material respects, the cash basis statements of asset and liability of Jakarta Centre for Law Enforcement Cooperation Foundation (the Foundation) on funds received from Netherland Government, European Commission, Danish Government, Swedish Government and German Government as of December 31, 2006, and the related cash basis statement of revenues and expenditures and fund balance for the year then ended, on the basis of accounting described in Note 2.

OSMAN RAMLI SATRIO & REKAN

  
Riniek Winarsih, SE, AK, BAP  
License No. 00.1.0734

March 15, 2007

*The accompanying financial statements prepared under a comprehensive basis of accounting other than generally accepted accounting principles in Indonesia are not intended to present the financial statements in accordance with a comprehensive basis of accounting other than accounting principles and practices generally accepted in countries and jurisdictions other than those in Indonesia. The standards, procedures and practices to audit such financial statements are those of other comprehensive basis of accounting accepted and applied in Indonesia.*

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
 STATEMENT OF ASSET AND LIABILITY - CASH BASIS  
 AS OF DECEMBER 31, 2006

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	<u>Note</u>	<u>2006</u> Rp	<u>Translation</u> <u>into AU\$</u> AU\$
ASSET			
Cash in bank	4	<u>3,168,537,941</u>	<u>444,172</u>
LIABILITY			
Unused grant	2d	<u>3,168,537,941</u>	<u>444,172</u>

See accompanying notes to financial statements  
 which are an integral part of the financial statements.

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
STATEMENT OF REVENUES AND EXPENDITURES AND FUND BALANCE - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006

	Note	2006 Rp	Translation into AU\$ AU\$
REVENUE			
Grants received	2b,5	37,253,127,159	5,394,055
OTHER REVENUES			
Interest income		133,084,483	19,270
EXPENDITURES			
Fixed asset acquisitions and construction costs	2c,6	(57,066,867,318)	(8,262,980)
Discretionary expenses	7	(3,840,641,725)	(556,104)
Fixed office expenses	8	(41,790,267)	(6,051)
Total		(60,949,299,310)	(8,825,135)
FOREIGN EXCHANGE LOSS		(1,045,558,423)	(166,007)
EXCESS OF EXPENDITURES OVER REVENUES		(24,608,646,091)	(3,577,817)
FUND BALANCE AT BEGINNING OF YEAR		27,777,184,032	3,854,261
EFFECT OF CHANGES OF FOREIGN EXCHANGE RATE ON FUND BALANCE AT THE BEGINNING OF THE YEAR		-	167,728
FUND BALANCE AT BEGINNING OF YEAR AFTER TRANSLATION		27,777,184,032	4,021,989
FUND BALANCE AT END OF YEAR		3,168,537,941	444,172

See accompanying notes to financial statements  
which are an integral part of the financial statements.

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006

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1. GENERAL

Jakarta Centre for Law Enforcement Cooperation Foundation (the Foundation) was established on February 28, 2005 as stated in notarial deed No. 111 of Misahardi Wilamarta, S.H., notary in Jakarta. The deed of establishment was approved by the Minister of Justice of Republic of Indonesia in his decision letter No. C-375.HT.01.02.TH 2005 dated March 23, 2005 and was published in the State Gazette of Republic of Indonesia No. 202 dated March 23, 2005.

The Foundation is located within the Indonesia National Police Academy (AKPOL) in Semarang, Indonesia. Its head office is on the Jalan Trunojoyo No. 3, South Jakarta.

In accordance with article 3 of the Foundation's article of association, the scope of its activities is mainly to improve operational expertise of the law enforcing personnel in Indonesia and other countries in handling terrorism and other international crimes and to share information and experiences in such activity.

The Foundation's management at December 31, 2006 consisted of the following :

President Patron	: Michael Keelty
Patrons	: Sutanto Tjuk Sugiarso Emanuel Winarto Frank Prendergast
Chairman	: Adjie Rustam Ramdja
General Secretary	: Lester Cross
Secretary	: Boy Salamuddin
General Treasurer	: Jason Pourpours

The changes of the foundation's management have been reported to the Minister of Justice and Human Rights with Foundation's letter dated February 8, 2007



JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 – Continued

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2. BASIS OF ACCOUNTING AND FINANCIAL STATEMENTS

- a. The Foundation prepares its financial statements in the cash basis. Under this basis, revenues are recognized when collected rather than when earned, and expenses are recognized when paid rather than when incurred. Consequently, accounts receivable due from and accounts payable due to other party and accruals are not included in the cash basis financial statements.
- b. The financial statements incorporate the Foundation's activities funded only by funds received from Netherland Government, European Commission, Danish Government, Swedish Government and German Government.
- c. Fixed Assets and Construction Costs

The Foundation uses the policy as stated in the Project Management and Superintendency Contract between the Foundation and Geoff Forrester Asia & Associates Pty. Ltd. (GFA), which states that construction costs and purchase of fixed assets are charged to expense in the period of acquisition rather than capitalizing and depreciating them over their estimated useful lives. Fixed assets held are recorded in an asset register maintained by the Foundation.

- d. Recognition of Grants Received

The Foundation records grants in the period designated by grantor. Grants that have been received but have not yet been used for the implementation of programs are stated in the accompanying cash basis statements of asset and liability as "Unused Grant."

3. FOREIGN CURRENCY TRANSACTION AND TRANSLATION OF  
INDONESIAN RUPIAH DENOMINATED ACCOUNTS

The Foundation maintains its books of accounts in Indonesian Rupiah. Transactions denominated in currencies other than Indonesian Rupiah are recorded at the rates of exchange prevailing at the time the transactions are made. At year end, cash in bank denominated in foreign currencies are adjusted to reflect rates of exchange prevailing at that date.

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 – Continued

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The resulting gains or losses are credited or charged to current operations

The translation of Indonesian Rupiah into Australian Dollar (AU\$) is made solely for the convenience of the readers. The asset and liability accounts denominated in Indonesian Rupiah and foreign currencies other than Australian Dollar were translated into Australian Dollar using the standard rates at the reporting date. Revenues and expenses were translated using average rate for the year.

4. CASH IN BANK

	2006	Translation into AU\$ (Note 3)
	Rp	AU\$
ANZ Panin Bank		
US\$ 341,164	3,077,294,409	431,381
Euro 6,108	72,435,107	10,154
Rupiah	18,808,425	2,637
Total	<u>3,168,537,941</u>	<u>444,172</u>

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 – Continued

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5. GRANTS RECEIVED

This account represents grants received from donors in 2006.

	2006	Translation into AU\$ (Note 3)
	Rp	AU\$
Netherland Government		
Euro 2,700,000	31,268,369,500	4,527,494
European Commission		
Euro 165,600	1,898,397,000	274,878
Danish Government		
US\$ 193,063	1,757,837,887	254,526
Swedish Government		
US\$ 125,529	1,233,949,972	178,669
German Government		
US\$ 119,040	1,094,572,800	158,488
Total	<u>37,253,127,159</u>	<u>5,394,055</u>

6. FIXED ASSET ACQUISITIONS AND CONSTRUCTION COSTS

This account consists of accumulated expenditures for purchase of fixed assets and construction costs for training facilities in 2006.

Training facilities represent accumulated costs for the construction of an accommodation block for trainees and trainer, acquisition of equipment and purchase of furniture and fixtures. These costs were funded by the grant from the Netherland Government (Note 5).

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 – Continued

In 2006, commitment fund from the Netherland Government for the construction of these facilities were increased by Euro 716,500 from Euro 5,282,000 in 2005, totaling to Euro 5,998,500. Funds received from such commitments in 2006 amounted to Euro 2,700,000. Amounts already disbursed from these funds received amounted to Euro 4,987,692 (equivalent AU\$ 8,262,980) in 2006, with details as follows:

	2006	Translation into AU\$ (Note 3)
	Rp	AU\$
Payments to suppliers and consultants	54,090,890,206	7,832,074
Professional fees	2,486,438,002	360,023
Salaries and wages	489,539,110	70,883
Total	<u>57,066,867,318</u>	<u>8,262,980</u>

These facilities were completed as of December 31, 2006.

7. DISCRETIONARY EXPENSES

	2006	Translation into AU\$ (Note 3)
	Rp	AU\$
Training	1,993,755,240	288,685
Travel	724,080,724	104,843
Property items	203,162,313	29,417
Other operational costs	919,643,448	133,159
Total	<u>3,840,641,725</u>	<u>556,104</u>

Discretionary expenses were funded by the grant received from the European Commission, Danish Government, Swedish Government and German Government with details as follows:

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 – Continued

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European Commission

	2006	Translation into AU\$ (Note 3)
	Rp	AU\$
Travel expenses	724,080,724	104,843
Returned fund (Euro 76,626)	908,647,254	131,567
Counter Terrorism Investigation Management Course	297,488,422	43,075
Others expenses	10,996,194	1,592
Total	<u>1,941,212,594</u>	<u>281,077</u>

The foundation returned the fund received from European Commission amounted to Euro 76,626 on December 19, 2006.

Danish Government

	2006	Translation into AU\$ (Note 3)
	Rp	AU\$
Advance Analysis of Terrorist Organization and Operation Course	333,513,409	48,291
Islamic Law and Politics Course	<u>236,462,159</u>	<u>34,238</u>
Total	<u>569,975,568</u>	<u>82,529</u>

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 – Continued

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Swedish Government

	2006	Translation into AU\$ (Note 3)
	Rp	AU\$
Crime Scene Investigation Course	438,908,681	63,552
Intelligence Officers Development Program	315,988,142	45,753
Disaster Victim Identification	263,900,087	38,211
Introduction to Post Blast Program	107,494,340	15,565
Total	<u>1,126,291,250</u>	<u>163,081</u>

German Government

The grant received from German Government was used for library contribution of Rp 203,162,313 (equivalent to AU\$ 29,417).

8. FIXED OFFICE EXPENSES

The fixed office expenses represent bank charges from ANZ Panin Bank.

9. TRANSLATION RATES

The conversion rates used to translate the asset and liability accounts denominated in foreign currencies were as follows:

	2006
	Rp
1 Euro	11,858.22
1 U.S. Dollar (US\$)	9,020.00

JAKARTA CENTRE FOR LAW ENFORCEMENT COOPERATION FOUNDATION  
NOTES TO THE FINANCIAL STATEMENT – CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 – Continued

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Revenues and expenses were translated to Australian Dollar (AU\$) using average rate with 1 Australian Dollar (AU\$) equivalent to Rp 6,906.33, which is calculated based on the average exchange rate published by Bank Indonesia for the year of 2006.

10. APPROVAL TO ISSUE THE FINANCIAL STATEMENTS

The financial statements on pages 3 to 12 were approved by the Executive Program Director and authorized for issue on March 15, 2007.

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