

Charity or Threat? AHP Model for Terrorism Financing Risk Assessment

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Abstract

Non-profit organisations (NPOs) in Indonesia remain highly vulnerable to exploitation for terrorism financing despite the existence of legal and regulatory frameworks. Both registered and unregistered entities are often misused under humanitarian, religious, or educational fronts, exposing significant gaps in oversight. This study develops an Analytic Hierarchy Process (AHP)-based framework to systematically assess the terrorism financing risks of NPOs. Eight key indicators identified from prior qualitative research are categorised into two dimensions (internal and external) and weighted according to their relative significance. Eleven verified case studies of NPOs involved in terrorism financing were analysed using this model. The analysis produces quantifiable risk scores that are visualised in a two-dimensional matrix, classifying NPOs into low, moderate, or high-risk categories. Findings reveal that high-risk NPOs are typically unregistered, utilise personal bank accounts, and maintain direct or ideological links with domestic and transnational terrorist networks. The proposed AHP model provides an objective and operational tool for intelligence and regulatory authorities to prioritise supervision and allocate resources effectively, thereby strengthening Indonesia's risk-based approach to counter-terrorism financing and offering potential adaptability within broader regional frameworks.

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Introduction

Terrorism financing in Indonesia has grown increasingly complex and adaptive, with NPOs emerging as a persistent vulnerability.¹ Despite the enactment of the Anti-Terrorism Financing Law in 2013, recent research and law enforcement operations have revealed how terrorist networks exploit both registered and unregistered NPOs operating under humanitarian,

¹ Laksmi, "Nexus between Charities and Terrorist Financing in Indonesia"; Laksmi, "An Analysis of Government Capabilities in Countering Terrorist Financing in Indonesia."

religious, or educational fronts.² These organisations often function in legal and regulatory grey zones—using personal bank accounts, social media fundraising, and informal donation networks to support radical activities, recruitment, or fund transfers to conflict zones.³ Such evolving tactics highlight the limitations of current monitoring systems and underscore the need for more strategic risk identification tools.⁴

The urgency of this issue is magnified by the scale of Indonesia’s non-profit sector. With over 500,000 registered NPOs and an undetermined number of unregistered entities, distinguishing between legitimate civil society actors and high-risk organisations is a growing challenge.⁵ Current approaches remain largely reactive, fragmented, and insufficient to address the dynamic threat landscape.⁶ Blanket monitoring or one-size-fits-all regulatory frameworks are no longer viable. Instead, a structured, evidence-based approach is needed—one that enables agencies to prioritise oversight and optimise limited intelligence and enforcement resources through risk differentiation.⁷

While terrorism financing through NPOs has been widely discussed in the literature, most existing studies remain conceptual—focusing on regulatory frameworks and theoretical approaches rather than on empirically tested or operational models. Earlier research observed that the securitization of NPOs funding has largely been treated as a political and normative issue, lacking measurable assessment frameworks for evaluating risk at the organisational level.⁸ Similarly, studies analysing counterterrorism legislation before and after 9/11 revealed that legal and policy responses tend to constrain charitable activities without providing concrete analytical tools for risk differentiation.⁹ In the Indonesian context, research on national laws and policies on terrorism financing found that existing mechanisms remain fragmented and compliance-oriented.¹⁰ Previous study identified the misuse of Islamic charities for terrorism financing, outlining several *modus operandi* and countermeasures; however, their work remained descriptive, lacking a quantifiable assessment framework.¹¹ Likewise, another literature emphasised that while the FATF recommendations have strengthened global norms for Non-profit oversight, the operationalisation of these standards into measurable risk-based models remains underdeveloped.¹² Collectively, these studies indicate that much of the current scholarship is still conceptual or regulatory in nature. In contrast, this paper introduces an

² PPATK, “Laporan Hasil Riset Analisis Strategis: Risiko Organisasi Kemasyarakatan (ORMAS) Terhadap Tindak Pidana Pendanaan Terorisme (Periode Data Riset 2013 s.d 2015).”

³ Berrebi and Yonah, “Terrorism and Philanthropy: The Effect of Terror Attacks on the Scope of Giving by Individuals and Households”; Rose, “Terrorism Financing in Foreign Conflict Zones.”

⁴ Lynn Bell, “Terrorist Abuse of Non-Profits and Charities: A Proactive Approach to Preventing Terrorist Financing.”

⁵ Wardhana, “The Analysis of Non-Profit Organisations in Terrorism Financing in Indonesia.”

⁶ Levitt, “Terrorist Abuse of Charity in the Age of the Islamic State and the Syria War”; Romaniuk and Keatinge, “Protecting Charities from Terrorists ... and Counterterrorists: FATF and the Global Effort to Prevent Terrorist Financing through the Non-Profit Sector.”

⁷ FATF, “Best Practices Combating the Abuse of Non-Profit Organisations (Recommendation 8)”; PPATK, “Penilaian Risiko Indonesia Terhadap Tindak Pidana Pendanaan Terorisme dan Pendanaan Proliferasi Senjata Pemusnah Massal”; PPATK, “Penilaian Risiko Indonesia Terhadap Tindak Pidana Pendanaan Terorisme.”

⁸ Watson and Burles, “Regulating NGO funding: Securitizing the political.”

⁹ Bolleyer and Gauja, “Combating terrorism by constraining charities? Charity and counter-terrorism legislation before and after 9/11.”

¹⁰ Afriansyah et al., “Indonesia’s Laws and Policies in Combatting Terrorism Financing.”

¹¹ Yunanto et al., “Misuse of Islamic Charity for Terrorism in Indonesia: Modus, Countermeasures, and Challenges.”

¹² Romaniuk and Keatinge, “Protecting charities from terrorists ... and counterterrorists: FATF and the global effort to prevent terrorist financing through the non-profit sector.”

empirically grounded and quantifiable framework based on the Analytic Hierarchy Process (AHP) to systematically assess terrorism financing risks among NPOs.

Similarly, several joint government and inter-agency reports have successfully identified risk characteristics associated with high-risk NPOs, yet no tangible progress has been made toward improving or institutionalising a standardised assessment model.¹³ A notable advancement came from Wardhana's doctoral thesis, which identified eight critical traits common among high-risk NPOs in Indonesia. However, the thesis remained qualitative in nature, leaving room for bias and subjectivity in its application.¹⁴ Building upon these findings, this paper addresses that gap by proposing a refined and operationally viable framework using the AHP. The model introduces a two-dimensional structure—internal and external indicators—to quantitatively assess NPOs risk profiles. This approach aims to enhance early detection, ensure consistency, and enable regulatory and intelligence agencies to implement targeted, evidence-based monitoring of NPOs involved or potentially involved in terrorism financing.

Literature Review

The foundational thesis identified eight critical characteristics that define high-risk NPOs vulnerable to exploitation in terrorism financing within the Indonesian context.¹⁵ These characteristics were derived from an in-depth analysis of case studies, expert interviews, and regional assessments, and collectively provide a comprehensive profile of how NPOs may be complicit or unwittingly involved in terror finance networks. The eight areas include: (1) *legal status of the NPOs*, distinguishing between registered and unregistered entities; (2) *type of services* offered, with a focus on religious, humanitarian, or educational activities often used as fronts; (3) *type of bank account* used for fundraising—personal or organisational; (4) *promotion method*, particularly the use of social media and online platforms; (5) *fundraising location*, whether local or international; (6) *fund distribution area*, typically directed toward conflict or high-risk zones; (7) *exploitation pattern*, either through direct complicity or indirect abuse by affiliated individuals; and (8) *profile of potential actors*, including staff, donors, and terrorist operatives embedded within NPOs structures. These eight dimensions form the basis of a high-risk assessment model tailored to Indonesia's unique regulatory, social, and religious landscape. Recognising and systematically evaluating these factors is essential for developing targeted mitigation strategies and improving national counter-terrorism financing frameworks.

The AHP has been widely recognised in academic literature as a robust methodology for addressing complex decision-making problems,¹⁶ particularly in counter-terrorism contexts where both qualitative judgments and quantitative data must be integrated. AHP has been applied in various studies to prioritise threats, actors, and organisational vulnerabilities.¹⁷ One such study demonstrated the value of combining AHP with Social Network Analysis (SNA) to identify and rank key terrorist nodes in the 26/11 Mumbai attacks, providing a more structured alternative to traditional centrality measures.¹⁸ The same authors later applied the combined

¹³ AUSTRAC, "Regional Risk Assessment 2017"; AUSTRAC, "2018 Non-Profit Organisations & Terrorism Financing Red Flag Indicators"; AUSTRAC, "Regional Risk Assessment 2016 Southeast Asia & Australia."

¹⁴ Wardhana, "The Analysis of Non-Profit Organisations in Terrorism Financing in Indonesia."

¹⁵ Wardhana, "An Indonesian Perspective on Terror Financing Investigation."

¹⁶ Saaty, *How To Make A Decision: The Analytic Hierarchy Process*.

¹⁷ Febriansyah and Riadi, "Analysis on Predicting Cyberterrorism Using AHP (Analytical Hierarchy Process) Method"; Li et al., "Optimal Resource Allocation for Anti-Terrorism in Protecting Overpass Bridge Based on AHP Risk Assessment Model."

¹⁸ Choudhary and Singh, "Ranking Terrorist Nodes of 26/11 Mumbai Attack Using Analytical Hierarchy Process with Social Network Analysis."

SNA-AHP framework to evaluate and rank terrorist organisations operating in India from 2000 to 2003.¹⁹ Similarly, another study employed a hybrid AHP-TOPSIS model to rank terrorist targets based on expert-defined criteria, illustrating AHP's flexibility in handling diverse threat dimensions.²⁰ Across these studies, AHP has proven effective in assigning relative weights to multiple indicators, reducing subjective bias, and improving transparency in threat evaluation—making it a preferred method for multi-criteria analysis in the counter-terrorism research domain.

Methodology

The AHP for assessing high-risk NPOs involves a systematic sequence of steps. First, a hierarchical structure is developed, starting with the overall goal and followed by relevant criteria and sub-criteria. Second, experts assess the level of significance of these criteria to determine their relative importance. Third, numerical weights are derived through normalisation of significance scores. Fourth, each NPOs case is assessed against the weighted criteria. Finally, the scores are aggregated to produce a prioritised risk ranking of NPOs. Each of these steps will be elaborated further in the following sections.

Hierarchy of Indicators

The development of the AHP-based risk assessment model begins by establishing a clear hierarchical structure, with the overarching goal of assessing and prioritising the risk of NPOs involvement in terrorism financing. Drawing from the foundational thesis, eight key indicators are identified and grouped into two main dimensions: internal and external. The internal dimension covers factors inherent to the organisation's operations, including legal status, type of services, bank account usage, promotion methods, complicit involvement, and internal actors such as staff. The external dimension reflects the organisation's outward exposure, encompassing fundraising and fund distribution locations, cases of external exploitation, and the involvement of donors, beneficiaries, or terrorist operatives. Together, these indicators form the core criteria of the AHP model and can be further refined into sub-criteria to capture more specific risk factors as illustrated in Table 1.

¹⁹ Choudary and Singh, "Ranking Terrorist Organizations Network in India Using Combined Sna-Ahp Approach."

²⁰ Fox, Ormond, and Williams, "Ranking Terrorist Targets Using a Hybrid AHP-TOPSIS Methodology."

Table 1. Hierarchy of Indicators

Dimension	Indicators	Sub-indicators
Internal	Legal Status	Registered
		Unregistered
	Type of Services	Humanitarian
		Religious
		Education
	Bank Account	Organisational
Personal		
Promotion Method	Traditional	
	Modern	
Type of Exploitation	Complicit	
	Potential Actors	Employee / Staff
External	Fundraising	Domestic
		Overseas
	Fund Distribution	Domestic
		Overseas
	Type of Exploitation	Exploited
		Potential Actors
	Beneficiaries	
	Terrorist	

Source: Wardhana (2023)

The justification for separating these dimensions lies in the need to distinguish between factors that can be directly controlled by the organisation (internal), and those that are shaped by broader contextual and relational dynamics (external). This separation not only facilitates more targeted regulatory interventions—such as governance reform versus external due diligence—but also aligns with risk management best practices, which require assessing both endogenous vulnerabilities and exogenous threats. By analysing both dimensions independently, the model ensures a more comprehensive and actionable risk assessment process tailored to the complex realities of terrorism financing in Indonesia.

Level of Significance: A Modified Application of Saaty’s Scale

Understanding the relative importance of each risk indicator is essential for accurately assessing the threat level posed by NPOs potentially involved in terrorism financing. While the foundational thesis identified key indicators—such as legal status and fund distribution patterns—their influence on overall risk varies. The challenge lies in systematically determining which indicators carry greater weight. The traditional AHP uses Saaty’s nine-point scale for pairwise comparisons, offering precision but often resulting in subjectivity and cognitive burden in practical applications. To improve consistency and usability, this study adopts a simplified three-level significance model: less significant, significant, and highly significant, each reflecting an indicator’s influence on the overall risk profile as depicted in Table 2. This streamlined approach maintains analytical integrity while enhancing clarity and applicability in intelligence and regulatory settings.

Table 2. Level of Significance

Level of Significance	Score	Description
Less Significant	1	Minimal influence
Significant	2	Moderate influence
Highly Significant	3	Substantial influence

Weighting Sub-indicators

Assigning quantitative weights to each indicator is a critical step in the AHP framework, as it ensures that each factor is evaluated proportionately based on its relevance to terrorism financing risk. The model separates indicators into two dimensions: internal (six indicators) and external (four indicators), with the total weight in each dimension normalised to sum to 1.00. While equal weighting is possible in theory, practical application reveals that some indicators (such as use of personal bank accounts or unregistered legal status) are more strongly associated with risk than others, like service type. Likewise, overseas fundraising and foreign fund distribution in the external dimension typically signal greater threat than domestic activities. These differences necessitate a differentiated weighting approach, guided by empirical evidence and expert judgment. Establishing each indicator's level of significance early in the process directly informs the weight allocation and prioritisation, forming the analytical foundation for the final risk assessment. The subsequent weighting is calculated using a standard normalisation formula, outlined in the next section.

$$Weight (\mathcal{W}_i) = \frac{Significance_i}{\sum_{t=1}^n Significance_t}$$

Note:

\mathcal{W}_i : Weight assigned to sub-indicator i

$Significance_i$: Significance score of sub-indicators i

$Significance_t$: Total significance (sum) across all sub-indicators t

In this study, the weighting of both internal and external risk indicators is fixed, grounded in the findings of the foundational doctoral thesis, which examined eleven verified cases of high-risk NPOs involved in terrorism financing in Indonesia. These weightings are further interpreted by the author through a contextual reanalysis of case data, ensuring that the model captures both empirical patterns and operational relevance.²¹ Each sub-indicator is assigned a significance level ranging from 1 (less significant) to 3 (highly significant) which is then normalised to derive its relative weight within the AHP framework. For the internal dimension, indicators such as unregistered legal status, use of personal bank accounts, insider involvement, and modern promotional methods are assigned the highest significance (level 3) due to their consistent association with direct complicity and deliberate misuse. In contrast, factors such as registered status, organisational accounts, and educational services are weighted lower, reflecting their comparatively lower operational risk.

Similarly, in the external dimension, significance levels are determined based on observed frequency and severity in case studies. Domestic fundraising and domestic fund distribution are weighted highest (level 3), as they are more common and often rely on informal, unregulated mechanisms, enabling sustained support for radical networks. Overseas fundraising and distribution, while still relevant, are weighted lower due to logistical constraints and greater international scrutiny. The type of exploitation (specifically where an NPO is unknowingly abused) is considered less significant (level 1), as it involves lower intentionality and is often

²¹ While the fixed weighting scheme enhances consistency and analytical rigour within the Indonesian context, it is not intended to serve as a universal template. The assigned weights reflect the author's interpretation of the foundational thesis and are tailored to Indonesia's regulatory, operational, and threat landscape. Further application of this model in other jurisdictions—or in response to shifting terrorism financing trends—would require expert judgement and contextual adaptation. Such flexibility allows the model to remain both methodologically robust and responsive to evolving risks, while maintaining a grounded foundation in empirically informed analysis.

mitigable through compliance measures. Among external actors, terrorist operatives are given the highest weight (level 3) due to their direct link to violent activity, followed by beneficiaries (level 2), and then donors (level 1), whose involvement is typically indirect. Together, these fixed weightings provide a consistent, empirically grounded basis for prioritising risk in NPOs within the Indonesian context as illustrated in Table 3.

Table 3. Fixed Weight

Indicators	Sub-indicators	Level of Significance	Weight
Internal Factors			
NPOs legal statuses	Registered	2	0,077
	Unregistered	3	0,115
NPOs type of services	Humanitarian	3	0,115
	Religious	2	0,077
NPOs Bank Account	Education	1	0,038
	Organizational	1	0,038
NPOs Promotion Method	Personal	3	0,115
	Traditional	2	0,077
Type of exploitation	Modern / Contemporary	3	0,115
	Complicit	3	0,115
Potential Actor	NPOs Employee	3	0,115
		26	1,000
External Factors			
NPOs location for fundraising	Domestic	3	0,188
	Overseas	2	0,125
NPOs location for distribution	Domestic	3	0,188
	Overseas	1	0,063
Type of exploitation	Exploited	1	0,063
Potential Actors	Donors	1	0,063
	Beneficiaries	2	0,125
	Terrorist	3	0,188
		16	1,000

Rating Guidance

To complete the risk assessment process for high-risk Non-profit organisations (NPOs) involved in terrorism financing, each sub-indicator must be systematically evaluated. This critical phase relies on field intelligence, open-source verification, and case-specific investigative findings. To ensure consistency and analytical clarity, this study employs a structured nine-point rating scale, adapted to the characteristics of NPOs-related threat behaviours. The scale is grouped into three distinct categories: (1) Low level (ratings 1–3), which indicates that the sub-indicator is present but does not reveal any significant or immediate terrorism financing risk; (2) Moderate level (ratings 4–5), which suggests a potential or

developing link between the NPOs activity and terrorism financing channels; and (3) High level (ratings 6–9), which reflects a strong, credible, and operationally relevant association with terrorism financing mechanisms as illustrated in Table 4. This classification framework enables analysts to rate each sub-indicator consistently across cases, supports prioritisation in line with risk-based approaches, and enhances the objectivity of the final threat categorisation for each NPOs under review.

Table 4. Rating Guidance²²

Rating Level	Score Range	Description
Low	1 - 3	Activity is present but does not reveal any significant or immediate terrorism financing risk
Moderate	4 - 5	Activity suggests a potential or developing link between the NPOs activity and terrorism financing channels
High	6 - 9	Activity reflects a strong, credible, and operationally relevant association with terrorism financing mechanisms.

Scoring

Following the completion of the previous four stages (hierarchy development, level of significance, weighting sub-indicators, and rating assignment) the next step in this study involves calculating the weighted score for each sub-indicator. This phase aims to produce a composite risk score for each assessed NPOs, which reflects its overall risk level in relation to potential involvement in terrorism financing. The resulting score, denoted as \mathcal{S}_i . \mathcal{S}_i represents the aggregate outcome of both internal and external indicators, each weighted according to its relative significance and rated based on observed or investigated behaviour. This scoring process enables a structured, evidence-based approach to ranking NPOs according to their threat potential. The total score for each NPOs is derived using the following formula:

$$\mathcal{S}_i = \sum_{t=1}^n \mathcal{W}_i \cdot \mathcal{R}_i$$

\mathcal{S}_i : Final composite score for indicator t

\mathcal{W}_i : Weight of sub-indicator i

\mathcal{R}_i : Rating of sub-indicator i

²² The rating guidance applied in this study adopts the highest-level score of 9 for each sub-indicator across all case studies, reflecting a high-risk classification within the AHP model. This approach is justified by the fact that all selected case studies have been empirically proven and legally confirmed to be involved in terrorism financing within the Indonesian context. These organisations were either directly complicit in facilitating terrorist activities or systematically exploited by designated terrorist organisations such as Al-Qaeda and Jamaah Islamiah, as documented in prior investigations and supported by regulatory actions. Given this evidentiary foundation, assigning the maximum risk rating ensures methodological consistency with the severity of each case. However, it is important to note that future analyses involving different or less-confirmed NPOs may yield varying results. The application of the AHP model in those scenarios should be adapted accordingly, using the full range of the rating scale (1 to 9) based on available evidence, to maintain analytical integrity and proportionality.

Risk Matrix

After calculating the total scores for each NPOs based on the weighted sub-indicators, the next phase involves interpreting these results through a structured risk matrix to classify the overall threat level categorized as *low*, *medium*, or *high*. To maintain methodological coherence with the earlier AHP-based assessment, this study adopts a modified 3x3 risk matrix that evaluates the intersection between internal and external risk dimensions. Each axis of the matrix reflects the aggregated risk score derived from either internal or external factors, progressing from low to high. This visual and analytical tool enables decision-makers to clearly identify the threat posture of each NPOs, ensuring that organisations with high-risk profiles in both internal and external dimensions are flagged for immediate attention, while those with minimal indicators of concern are deprioritised. The matrix enhances interpretability, supports operational targeting, and ensures a consistent and defensible classification of NPOs risk in the context of terrorism financing.

Case Studies Analysis

This section presents the application of the AHP-based risk assessment model to eleven case studies previously examined in the foundational doctoral thesis.²³ Each case represents a verified example of a Non-profit organisation involved in terrorism financing within the Indonesian context. The objective of this analysis is twofold: first, to validate the practical applicability of the proposed AHP model, and second, to demonstrate how its structured and quantifiable methodology enhances consistency, transparency, and objectivity in classifying high-risk NPOs. By systematically applying fixed indicator weightings, significance levels, and rating guidance to each case, the model enables a comparative evaluation of NPOs risk profiles across both internal and external dimensions.

Each NPOs is assessed using the eight indicators grouped into the two dimensions, with risk scores assigned based on documented behaviours and characteristics in relation to terrorism financing. The internal dimension captures structural vulnerabilities such as legal status, banking practices, and insider facilitation, while the external dimension reflects broader exposure through fundraising sources, fund distribution channels, and external affiliations. The combined scoring results are summarised in a comparative table as depicted in Table 5, allowing for a clear visualisation of threat levels across all cases. This evidence-driven analysis illustrates the model's utility in differentiating between low, moderate, and high-risk organisations and informs prioritisation strategies for future intelligence and regulatory focus.

²³ The selected case studies are detailed in **Appendix 6** of the thesis, titled "*Non-Profit Organisation Characteristics Findings*" (pp. 223–235). For the purpose of this study, a modification of several indicator interpretations and classifications was applied based on the author's assessment, which involved a re-analysis of the appendix tables in conjunction with the broader contextual narratives presented in the main body of the thesis. This refinement ensures that the AHP model reflects both the empirical evidence and the operational relevance of each case.

Table 5. Case Studies Analysis

Indicators	Sub-indicators	Level of Significance	Weight	AHIF	KOMPAK	HASI	BMU	KSH	MBP	RQST	GASHIBU	ADC	AAF	ACC	
INTERNAL FACTORS															
NPO legal statuses	Registered	2	0.077	9	9	9	0	0	9	0	0	0	0	0	
	Unregistered	3	0.115	0	0	0	9	9	0	9	9	9	9	9	
NPO type of services	Humanitarian	3	0.115	9	9	9	9	9	9	9	9	9	9	9	
	Religious	2	0.077	0	0	9	9	9	9	0	9	9	0	9	
	Education	1	0.038	0	0	0	0	0	0	9	0	9	0	0	
NPO Bank Account	Organisational	1	0.038	9	9	9	0	0	9	0	0	0	0	0	
	Personal	3	0.115	9	0	9	9	9	9	9	9	9	9	9	
NPO Promotion method	Traditional	2	0.077	0	9	9	0	9	0	0	9	9	0	0	
	Modern / Contemporary	3	0.115	0	0	9	9	9	9	9	9	9	9	9	
Type of exploitation	Complicit	3	0.115	9	0	9	9	9	0	9	9	9	9	0	
Potential Actor	NPO Employee	3	0.115	9	9	9	9	9	9	9	9	9	9	9	
TOTAL INTERNAL		26	1.000	5.175	3.798	7.596	6.903	7.596	5.868	6.552	7.596	7.938	6.210	5.868	
EXTERNAL FACTORS															
NPO location for fundraising	Domestic	3	0.188	9	9	9	9	9	9	9	9	9	9	9	
	Overseas	2	0.125	9	9	0	0	0	9	9	0	9	9	9	
NPO location for distribution	Domestic	3	0.188	9	9	9	9	9	9	9	9	9	9	9	
	Overseas	1	0.063	0	0	9	0	0	9	0	0	0	9	0	
Type of exploitation	Exploited	1	0.063	0	9	0	0	0	9	0	0	0	0	9	
Potential Actors	Donors	1	0.063	0	9	0	0	0	0	0	0	9	9	9	
	Beneficiaries	2	0.125	9	9	0	9	9	0	9	9	0	9	0	
	Terrorist	3	0.188	9	9	9	0	0	9	0	0	0	9	0	
TOTAL EXTERNAL		16	1.000	7.326	8.460	5.643	4.509	4.509	7.335	5.634	4.509	5.076	8.460	5.643	

Source: Wardhana (2023)

To enhance the clarity and interpretability of the risk levels associated with NPOs examined in this study, the internal and external factor scores from the eleven case studies are visualised using a risk matrix. This matrix is structured as a 3x3 grid, plotting the interaction between internal risks (horizontal axis) and external risks (vertical axis), with each axis divided into three categories: *low*, *moderate*, and *high*. The risk classification for each case is determined by its positioning within the matrix based on its respective AHP-derived scores. This matrix not only supports comparative analysis across cases but also assists stakeholders—such as regulatory bodies, law enforcement, and financial intelligence units—in identifying which organisations demand urgent oversight, targeted investigations, or preventive interventions. The following visualisation presents the positioning of all eleven case studies within this structured risk matrix as illustrated in Figure 1.

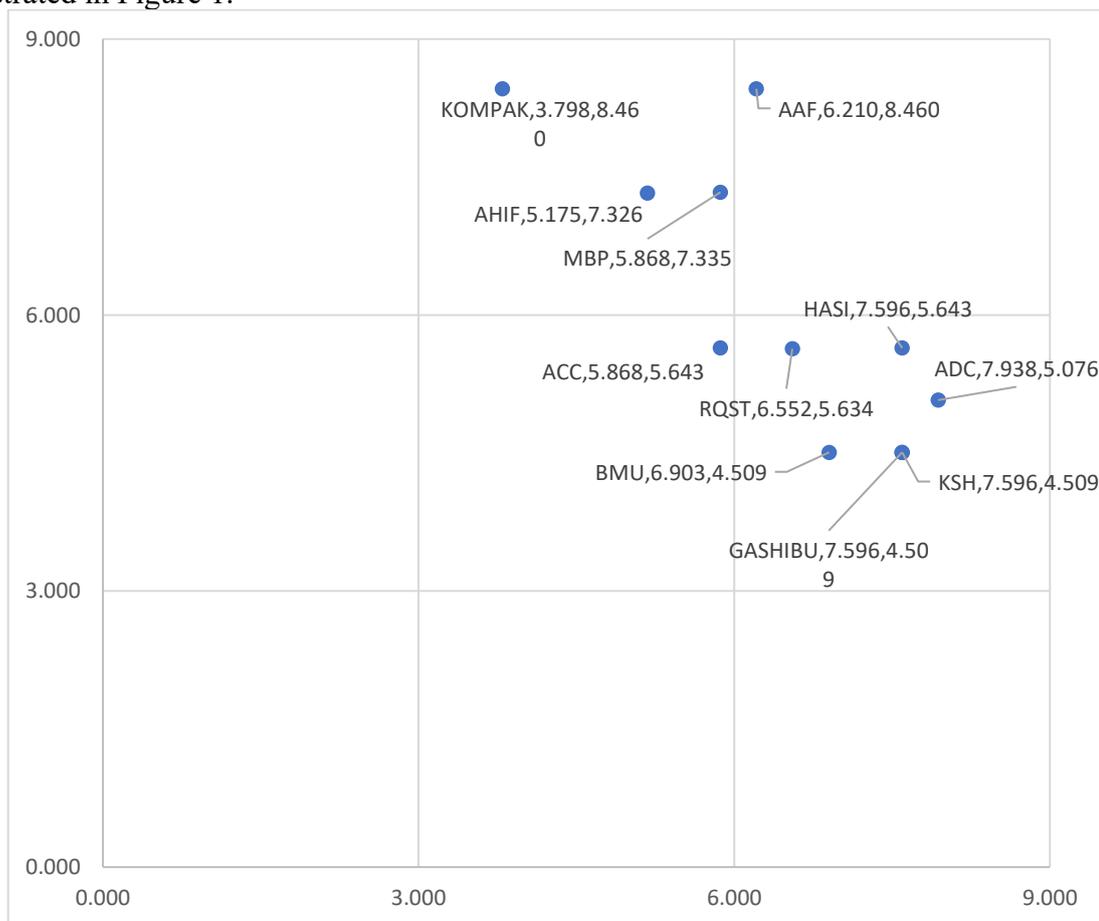


Figure 1. Case Studies Risk Matrix

Based on the updated cluster definitions and risk matrix scores as illustrated in Figure 1, the eleven case studies of NPOs can be categorised into four main risk clusters. Each cluster reflects the combination of internal and external threat levels, derived from the AHP-based scoring framework, and visualised in the matrix. The following analysis provides a structured interpretation of each cluster along with relevant context from each NPO’s case profile:

Cluster 1: High Internal Risk – High External Risk

Cluster 1 of the risk matrix, represented solely by the Abu Ahmed Foundation (AAF), embodies the most severe threat profile among the Non-profit organisations examined in this study. AAF is uniquely characterised by its simultaneously high internal and external risk

scores, reflecting a convergence of internal structural complicity and extensive transnational operational reach. Internally, AAF was an unregistered and deliberately complicit organisation, established and operated by individuals affiliated with terrorist organisations, several of whom were listed on Indonesia's domestic terrorist sanctions list. It exploited personal bank accounts and the banking infrastructure of a separate registered NPOs—Muslimah Bima Peduli (MBP)—to manage its finances, deliberately bypassing regulatory scrutiny.

Externally, AAF maintained direct financial and logistical linkages to international terrorist organisations, including Malhama Tactical and Ashabul Hamro Troops, both associated with Hay'at Tahrir al-Sham (HTS) in Syria. Unlike other NPOs that limited their operations to domestic support for radical actors, AAF facilitated cross-border fund transfers, coordinated with foreign donors, and dispatched representatives to conflict zones to provide material assistance. This reflects a rare level of operational sophistication and ideological commitment, positioning AAF not merely as a financial intermediary but as a functional node within a global jihadist support network.

Its strategic use of hybrid financial structures, partnerships with other NPOs, and active contribution to foreign conflict theatres mark AAF as distinct within the dataset. As such, AAF exemplifies the highest-risk category of terrorism-financing NPOs and underscores the urgent need for integrated domestic and international counter-terrorism financing strategies, particularly targeting unregistered entities with demonstrated foreign affiliations.

Cluster 2: High External Risk – Medium Internal Risk

The second cluster of the risk matrix—comprising Muslimah Bima Peduli (MBP), Al-Haramain Foundation Indonesia (AHIF), and KOMPAK—reveals a distinct typology of NPOs that combine moderate internal risk with high external threat exposure. Despite their differences in structure and operational periods, these organisations exhibit several converging characteristics that suggest a consistent pattern of strategic exploitation of legal frameworks and transnational linkages in the context of terrorism financing.

A key similarity among these NPOs is their *registered legal status*, which enabled them to operate within Indonesia's formal non-profit ecosystem and gain access to public trust, banking services, and regulatory legitimacy. This legal status, however, masked underlying vulnerabilities. While these organisations adhered superficially to compliance standards, they were either knowingly complicit or systematically exploited by terrorist networks. For instance, MBP, though formally registered, was found to collaborate with Abu Ahmed Foundation, transferring funds to high-risk zones such as Syria and Palestine. AHIF, operating as the Indonesian branch of a Saudi-based organisation, served as a conduit for Al-Qaeda financing and supported domestic jihadist activities, including those of KOMPAK. Similarly, KOMPAK, despite being a structured and registered entity, was closely tied to Jamaah Islamiah and functioned as a paramilitary wing under religious cover.

Another notable theme is the misuse of banking channels. All three organisations utilised *organisational bank accounts*, yet evidence shows they also incorporated personal accounts or engaged in opaque financial practices, allowing for illicit fund diversion while maintaining the appearance of legitimacy. These practices complicate the distinction between lawful charitable operations and covert financial flows supporting extremist agendas.

Moreover, the organisations in this cluster maintained *strong transnational financial and ideological linkages*, either through direct foreign donors, overseas fund transfers, or affiliations with global terrorist organisations. This underscores their function as intermediaries between international networks and domestic actors, reinforcing their classification as high-risk NPOs. Additionally, all three were highly effective in mobilising public sentiment, using religious and humanitarian narratives to solicit donations—through either traditional channels or modern

digital platforms—demonstrating their ability to leverage mass fundraising with emotional appeal.

In summary, the case studies within Cluster 2 reveal a category of NPOs that, while structurally moderate in risk due to their formal registration and partially compliant operations, pose significant external threats due to their international financial exposure, ideological alignment, and fundraising success. These organisations operate in a legal grey area where legitimacy is instrumentalised for subversive purposes.

Cluster 3: High Internal Risk – Medium External Risk

Cluster 3 of the risk matrix—comprising Hilal Ahmar Society Indonesia (HASI), RQ Sama Taat (RQST), Azzam Dakwah Center (ADC), Baitul Mal Ummah (BMU), Kediri Shelter House (KSH), and GASHIBU—represents a group of NPOs that exhibit high internal risk with moderate external threat exposure. A deeper analysis of these cases reveals several common themes that define this cluster, particularly in terms of structural vulnerability, ideological alignment, and localised operational roles within Indonesia’s terrorism financing ecosystem.

A defining characteristic of all organisations in this cluster is their *unregistered and informal legal status*, which enabled them to function outside of regulatory oversight. The absence of formal registration not only reduced transparency but also allowed these entities to operate under minimal scrutiny while facilitating high-risk activities. This legal invisibility was often deliberate; for instance, GASHIBU and ADC were intentionally established by Jamaah Anshor Daulah (JAD) to avoid detection, while others like BMU and RQST operated as individual-led initiatives with no institutional infrastructure. This pattern reflects a structural risk whereby terrorist networks exploit the legal blind spots of unregulated entities.

Another recurring theme is *the use of personal bank accounts* in fundraising and fund distribution activities. Due to their non-legal status, these NPOs could not open official organisational accounts and instead relied on individual staff members’ accounts, often rotating among sympathisers or convicted terrorists. This method was not only practical for these groups but ideologically motivated in some cases, as seen in GASHIBU, where organisational banking was rejected for appearing to align with “infidel” systems. Such practices severely compromise financial traceability and significantly elevate the internal risk score of these entities.

Promotion strategies across this cluster also demonstrate a hybrid approach. Most of the organisations utilised *both traditional fundraising methods*—such as direct collection from community members—and modern platforms, particularly social media apps like Facebook, WhatsApp, and Telegram. These tools were employed not only for fundraising but also for recruitment and ideological dissemination, thereby blending operational and propaganda functions.

While their external threat exposure is generally moderate, the organisations in this cluster are linked to *domestic fund distribution* supporting terrorist operatives, families of convicted terrorists, or recruitment and training facilities. For example, KSH and GASHIBU directed funds toward paramilitary training and boarding schools associated with Mujahidin Indonesia Timur (MIT) in Poso, whereas RQST and BMU supported JAD-linked networks in Java and Sumatra. Although most lacked complex international financing links, their localised impact on radicalisation and operational readiness makes them particularly dangerous within Indonesia’s internal threat landscape.

In summary, Cluster 3 is characterised by informal, ideologically driven, and operationally active NPOs that serve as enablers of terrorism financing at the domestic level. Their unregulated status, misuse of personal financial channels, ideological integration with terrorist organisations, and ability to sustain low-visibility operations through both digital and grassroots

means make them critical targets for national-level counter-terrorism financing strategies. Regulatory reform and enhanced surveillance of unregistered and informal charitable entities are therefore essential components in addressing the risks presented by this cluster.

Cluster 4: Medium Internal Risk – Medium External Risk

AAC occupies a mid-level risk profile. While unregistered, it had fewer indicators of direct complicity compared to other cases and was classified as exploited by internal staff. It used individual accounts and modern fundraising methods, receiving funds from migrant workers in Singapore and distributing them to terrorist family members and fugitives in Indonesia, including MIT affiliates. Its dual exposure—internally weak yet externally engaged—places it in the moderate monitoring priority category.

In conclusion, the overall cluster analysis reveals that the majority of organisations fall within the high internal risk category, characterised by consistent patterns such as unregistered status, complicit staff involvement, and the widespread use of personal bank accounts for fundraising and fund distribution. In contrast, external threat levels show greater variation. Some organisations, such as AAF and AHIF, exhibit strong transnational linkages, involving foreign donors and overseas fund distribution, while others—such as KSH and BMU—operate primarily within domestic contexts, with activities concentrated on localised support for convicted terrorists and affiliated networks. These distinctions reflect the diverse operational roles that NPOs may play within terrorism financing ecosystems in Indonesia.

Conclusion and Recommendation

Conclusion

This study has developed and validated a structured and empirically grounded AHP framework for assessing the risk of terrorism financing within NPOs in Indonesia. Drawing on eleven verified case studies, the research applied a dual-dimensional model—evaluating both internal (e.g., legal status, banking practices, organisational structure) and external (e.g., source and destination of funds, association with terrorist actors) indicators—to generate weighted risk scores for each organisation. These scores were visualised through a risk matrix, offering a systematic method for categorising NPOs into low, moderate, or high-risk tiers. The resulting analysis revealed recurring patterns of operational behaviour, structural vulnerabilities, and external affiliations, underscoring the role of certain NPOs as critical enablers of domestic and transnational terrorism financing.

The findings demonstrate that high-risk NPOs in Indonesia tend to operate without legal status, rely on personal bank accounts, and exhibit direct or ideological links to designated terrorist organisations. Several cases, such as Abu Ahmed Foundation (AAF), Muslimah Bima Peduli (MBP), and Al-Haramain Foundation Indonesia (AHIF), revealed strong transnational connections with foreign donors and militant groups in conflict zones such as Syria, highlighting the international dimensions of terrorism financing through charitable fronts. Others, like KOMPAK, Kediri Shelter House (KSH), and GASHIBU, while domestically focused, played key roles in radicalisation, recruitment, and local operational support. The model's integration of both qualitative and quantitative elements, rooted in Indonesia's legal and operational realities, allows for a more precise, risk-based approach to monitoring and intervention.

Recommendation

In light of these findings, this study recommends that intelligence agencies, regulatory bodies, and law enforcement institutions adopt the AHP framework as a core component of Indonesia's national counter-terrorism financing strategy. First, the framework should be

institutionalised as a risk assessment tool by bodies such as the Indonesian Financial Intelligence Unit (PPATK) and other relevant ministries, to prioritise monitoring and licensing reviews of NPOs based on empirical risk factors. The structured hierarchy of indicators enables a transparent and replicable model that supports informed decision-making across regulatory and enforcement agencies.

Second, the risk matrix can serve as a strategic coordination tool for inter-agency collaboration among National Counter Terrorism Agency (BNPT), Counterterrorism Special Detachment 88 (Densus 88), National Cyber and Crypto Agency (BSSN), Ministry of Communication and Digital (KOMDIGI), State Intelligence Agency (BIN), and Indonesian Financial Intelligence Unit (PPATK), facilitating intelligence sharing and operational planning. By mapping NPOs into clustered threat categories, agencies can synchronise enforcement responses, enhance early warning mechanisms, and allocate investigative resources according to the level of threat each organisation poses.

Third, the model's focus on financial behaviour—particularly the use of personal bank accounts and opaque fund transfers—should inform enhanced due diligence procedures for both regulatory and banking institutions. The financial services should integrate AHP-derived indicators into risk-based customer due diligence frameworks, especially when dealing with high-risk sectors such as humanitarian aid, education, and religious fundraising.

Fourth, there is an urgent need to enforce mandatory registration and transparency for all NPOs operating in Indonesia, including informal religious and humanitarian initiatives. *Unregistered entities should be treated as automatically high-risk*, and placed under proactive monitoring. Legal reform may also be necessary to close regulatory gaps and impose sanctions on individuals or entities that operate charitable structures without approval or oversight.

Fifth, AHP risk scores should be recognised as actionable intelligence by law enforcement and counter-terrorism units. These assessments can support the initiation of investigations, the application of financial sanctions, and the pursuit of criminal charges under Indonesia's Law No. 9 of 2013 on Terrorism Financing. Moreover, the analytical outputs of the AHP model can assist policymakers in designing targeted capacity-building programs, public education campaigns, and community-based prevention strategies in regions vulnerable to NPOs exploitation.

Lastly, given the regional and international implications of terrorism financing through NPOs, the AHP model may be adapted for use by Association of Southeast Asian Nations (ASEAN) states, Asia/Pacific Group on Money Laundering (APG), or international bodies such as United Nations Office on Drugs and Crime (UNODC) and Financial Action Task Force (FATF), offering a transferable framework for identifying high-risk charitable organisations within broader regional and global counter-terrorism contexts.

In conclusion, this study provides a scientifically validated, contextually relevant, and operationally useful tool for identifying and prioritising Non-profit organisations at risk of involvement in terrorism financing. The AHP-based framework supports Indonesia's commitment to global counter-terrorism financing standards and offers an evidence-based path forward for protecting the integrity of the non-profit sector while ensuring national and regional security.

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