

Information Note¹

Event: Wiesbaden III: Governance and Compliance Management Conference on Resolution 1540 (2004)

Organizer: Government of Germany in cooperation with the UN Office for Disarmament Affairs (UNODA) and the European Commission's Programme "Outreach in Export Controls of Dual-Use Items" (implemented by the Federal Office for Economic Affairs and Export Control, BAFA)

Date and venue: 20-21 November 2014, Frankfurt am Main, Germany

Participants: States: Germany, Malaysia, United States of America

International and Regional Organizations: 1540 Committee and expert, UNODA, UN Panel of Experts: Security Council Committee established pursuant to resolution 1737 (2006), Organisation for the Prohibition of Chemical Weapons (OPCW), World Customs Organization (WCO), INTERPOL, European Commission, CARICOM

Industry: AREVA, International Federation of Freight Forwarders Associations (FIATA), Ericsson AB Sweden, International Federation of Biosafety Associations (IFBA), Biosafety Association of Central Asia and Caucasus (BACAC), Compliance and Capacity International (LLC), Rolls-Royce plc, Asia-Pacific Biosafety Association, General Electric, Royal Philips, CISTEC, Commerzbank AG, German Aerospace Industry (BDLI), World Nuclear Association, Korea Strategic Trade Institute, Nuclear Power Plant Exporters' Principles of Conduct, Pacific Northwest National Laboratory, Verband der Chemischen Industrie, Compliance Academy, International Centre for Chemical Safety and Security, Indian Chemical Council, Julius Kriegl Consultancy CC, Leibniz Institut DSMZ, Infineon Technologies AG, Lufthansa Cargo AG, Merck KGaA, African Biological Safety Association

Non-Governmental Organizations and Academia: SIPRI, Wisconsin Project on Nuclear Arms Control, University of Georgia (USA), Center for Interdisciplinary Compliance Research at the European University, The Institute for Defence Studies and Analysis (New Delhi), Stimson Center, Monterey Institute of International Studies (Center for Non-Proliferation Studies), Kings College (London)

¹ For information - not an official report. The views expressed here do not necessarily represent those of the 1540 Committee or of the organizers or participants in the event.

1. **Objectives for the participation of 1540 Committee Expert**

Engage with industry representatives and identify industry best practices on governance and compliance management. In accordance with the 13th Programme of Work, identify ways to inform industry on its obligations and to promote dialogue and cooperation with them, as well as with academia and civil society.

2. **Background**

The role of the private sector or industry for the effective implementation of resolution 1540 (2004) has been referred to in operative paragraph 8 of resolution 1540 (2004) and operative paragraph 12 of resolution 1977 (2011), which respectively, call upon all States to develop appropriate ways to work with and inform industry and the public regarding their obligations under the laws relating to the resolution. With regard to the identification of effective implementation practices for a compilation or a possible technical reference guide, the resolution encourages the 1540 Committee, at its discretion, to draw also on relevant expertise of the private sector, with, as appropriate, their State's consent.

In order to facilitate the dialogue between the 1540 Committee and industry and to identify effective practices in industry, the Government of Germany in cooperation with UNODA, hosted industry conferences in 2012 and 2013 in Wiesbaden, Germany. These conferences brought together participants from international, regional and sub-regional industry associations representing different industries with 1540 relevance.

With a view to continuing the "Wiesbaden process", the German Government decided to organise a third "Wiesbaden Conference" in 2014. While the 2012 Conference aimed at strengthening partnership between government and industry in general, and the 2013 Conference focused on detailed aspects of 1540 implementation in the area of bio-security, the 2014 Conference focused on governance and compliance management.

Apart from government representatives, the invitees included representatives of related industry associations, companies and other organizations.

3. **Highlights and discussions**

The agenda of the conference included welcoming remarks by the German Federal Foreign Office, the Chair of the 1540 Committee, UNODA, EU and the US State Department. Four sessions were held on corporate governance and internal compliance management; obtaining information on proliferation risks; rules and best practice guidelines on compliance management, and; industry expectations on what authorities need to deliver. In these sessions various representatives from industry made presentations. The UNODA 1540 film was also shown to the participants, which received positive comments as an outreach tool that could be used by companies.

On proliferation risk issues, those highlighted included the limitations of a list based risk assessment, as companies change names after being listed as a proliferation risk, and the challenge smaller companies face as they lack resources to undertake risk analysis.

Some effective practices were exchanged during the conference, including the Nuclear Power Plant Exporter's' Principles of Conduct, the pending ISO19600 guidelines for compliance management systems and those internal compliance programmes of industry in Africa and Asia.

In the discussion, which included identifying the way forward, the following issues of importance were identified:

- Harmonization of export controls is a long term task.
- Need for standardization and export control legislation that is proportionate and appropriate.
- To build trust, enhance information sharing and dialogue between industry and regulators.
- No additional HS type system (Harmonized Commodity Description and Coding System) of product classification is needed, but the existing system needs to be supplemented with an appropriate dual-use item list.
- Focus on engaging a limited number of countries or industry sectors at one time on a regional basis, and involving in such a process various local companies and make use of industry associations.
- Utilize national seminars.
- Convey messages through effective use of international organizations.
- Create a network of industry compliance officers.

4. **Additional Comments**

For further information, please contact the 1540 Committee experts by e-mail at 1540experts@un.org.