

Summary Report

Conference of International, Regional and Sub-regional Industry Associations on UN Security Council Resolution 1540 (2004)

23-25 April 2012, Wiesbaden, Germany

SUMMARY

1. The German Federal Government and the United Nations Office for Disarmament Affairs (UNODA) organized a Conference on industry outreach in order to promote the implementation of UN Security Council Resolution 1540 (2004). The Conference took place at Wiesbaden (area Frankfurt am Main) / Germany from 23 to 25 April 2012. Over 20 representatives of international, regional and sub-regional industry associations, more than ten participants from international organisations and additional speakers from relevant industry companies contributed to the successful outcome of this Conference. The 1540 Committee was represented by its German Coordinator of the Working Group on Implementation and Monitoring and its Pakistani representative. In addition, two of the remaining three Committee Experts actively contributed to the Conference. The Chair of and all members of the 1540 Committee had been invited.

2. Words of gratitude go to all participants of this Conference for their valuable contributions before, during and after the Conference. Their active engagement and constructive interventions made this Conference a success.

3. Consistent with the objectives of Security Council resolutions 1540 (2004) and 1977 (2011), that extended the mandate of the 1540 Committee until 2021, the Conference was designed to enhance ways to work with industries on promoting progress in achieving the objectives of these resolutions and to draw on relevant expertise from various industry associations and sectors. Resolution 1977 (2011) specifically encourages the 1540 Committee to draw on relevant expertise, including from civil society and the private sector.

4. With the Conference at Wiesbaden a first step has been done in this direction. The Conference was the first one of its kind. It touched the whole spectrum of 1540-related issues relevant to industry. The principle of a “two-way communication channel” was emphasized. Industry is in need of support by the 1540 Committee and depends on information from States. At the same time, many industry associations as well as companies have profound knowledge of ongoing 1540-related activities that they might wish to share with and that might prove to be useful to the respective governments and the Committee. There is need for more outreach to industry, in particular to small- and middle-sized enterprises. The more awareness is raised among industry and business representatives, the more accessible and open for cooperation will these communities become. Participating industry associations expressed their readiness and willingness to maintain communications, to disseminate relevant practices and to promote guidelines.

5. The Conference launched the “Wiesbaden process”. Many if not all participants have expressed their desire for follow-up steps. After this first step in this crucial partnership additional meetings and seminars are considered to be useful. A next round of events might rather follow a sector-specific or regional / sub-regional approach. At a later stage, it will be important to compare notes from a cross-sector perspective and involving all regions. This could best be achieved in a Wiesbaden-like broad conference.

IN DETAIL

6. In operative paragraph 8(d) of resolution 1540 (2004) the Security Council called upon all States to develop appropriate ways to cooperate with and inform industry and the public. In operative paragraph 12 of resolution 1977 (2011) the Security Council encourages the 1540 Committee to draw on relevant expertise, including the private sector, when the Committee identifies effective practices, templates and guidance with a view to develop a compilation and when the Committee prepares a technical reference guide about resolution 1540 (2004). Likewise, the current Programme of Work of the 1540 Committee encourages to consider and seize opportunities for direct interaction with relevant industries and industry groups.

7. From the beginning the Conference had been confronted with a number of serious challenges. Never before had the Committee engaged industry representatives in such a direct way. Never before had a national export control agency such a prominent role. And never before was a 1540-related Conference attended by such a diverse audience that included representatives of industry associations, company executive officers, diplomats, export controllers, think tankers, civil society.

8. When the Conference opened about 80 persons followed UNODA's and the Federal Government's invitation. They represent business companies from more than a hundred countries. Through the industry associations, interaction with several thousand companies has become a reality. The industry representatives come from diverse sectors such as nuclear, chemical, biological and aerospace, but also from facilitators like banks, transports, port authorities, etc.

9. The Conference offered a three-day platform to representatives of relevant industry associations. They were enabled to familiarize with the work of the 1540 Committee and with the status of implementation of resolution 1540 (2004). Participants characterised the Conference as a useful and important element to bolster implementation of resolution 1540 (2004). The Conference provided for an innovative framework to an open and constructive exchange of views and experiences in this regard.

10. Given the broad range of industries represented, the Conference was in a position to draw comparisons between these different sectors. It was clearly beneficial to all participants that they have gathered a better understanding of specific roles, opportunities and limitations that define the individual manufacturing industries and service providers. They all have their specifics. These require tailor-made approaches.

11. Another important element touches upon the size of companies. Major enterprises – some of them provided the Conference with impressive presentations on their internal compliance systems – enjoy the benefit of full-fledged export control departments and day-to-day contacts with governmental export control agencies.

Small- and middle-sized enterprises though are confronted with a completely different situation. To a significantly larger extent, they rely on relevant industry associations and support from outside including the 1540 Committee.

12. The Conference received a number of remarkably detailed and substantial briefings. Among many important elements one deserves particular attention. It was highlighted that besides government export controls another dimension has a role to play: corporate social responsibility (CSR) covers the duty to care not only for employees who would lose their jobs in case of a serious breach of a non-proliferation obligation but also – as one industry representative put it – for “the future of my own children”. One may even argue that 1540-related activities need to become an integral part of CSR. The security culture must improve – incentives would be helpful, but finally there is a strong convergence of interests among governments and industries.

13. In two break-out sessions participants particularly enjoyed the interactive character of the discussions. These sessions provided for a perfect forum to share very specific practices on implementation of non-proliferation policies with the 1540 Committee and among industry associations themselves:

- recognition of resolution 1540 as an important non-proliferation tool that addressed States; nevertheless, the majority of the industry representatives acknowledged the relevance of 1540 for themselves;
- implementation remains a challenge, in particular as there are only limited means to enforce obligations deriving from resolution 1540;
- information-sharing on 1540-related activities between governments and industries remain of utmost importance;
- desire to launch an initiative with the 1540 Committee, possibly in liaison with a specific export control regime;
- many effective practices exist, no need to reinvent the wheel, rather mapping / promulgating of existing ones.

14. In these discussions a number of challenges were referred to. Some of them require action by the 1540 Committee:

- what role for the 1540 Committee when taking stock of experience-sharing mechanisms in place;
- more public relations work by 1540 Committee (“faces”);
- “missing link” between 1540 obligations (directed at States) and industry companies (abiding by national laws and regulations);
- private sector ready to be part of non-proliferation efforts with regard to non-state actors, but is in need of support and guidance;
- involvement of dual-use industries of utmost importance;
- risk-based approach requires more efficient information-sharing;
- the role of the private sector in the implementation of resolution 1540 requires further elaboration and is yet to be defined.

15. In the course of the three-day discussions, in particular during the break-out sessions, a number of possible next steps were mentioned:

- definition of the role for industry associations in collecting and disseminating effective practices;
- industry not reduced to a taker but rather considered a partner;
- more awareness-raising by Committee;
- experience-sharing with regard to internal compliance programmes;
- strengthening of internal compliance officers within their companies;
- fostering of voluntary monitoring systems within companies;
- make best use of existing initiatives such as the EU CBRN Centres of Excellence;
- develop network of networks model (website);
- support match-making role of Committee (assistance);
- bridge this gap (“the missing link”) between 1540 obligations and industry by intensifying outreach efforts to regulators for example.

16. The interaction with industry proved to be useful for the 1540 Committee. It is now in a better position to identify effective practices for capacity building activities. The development of a compilation of effective practices will be facilitated by this process. The Conference identified a strong interest for additional activities (“gaps”).

17. The Conference underlined that the interaction of industry representatives should not be limited to the 1540 Committee. International organisations have a role to play. Their contributions to the Wiesbaden Conference demonstrated that they often have the expertise that is of interest to the private sector. Likewise, the Conference gained additional insights and perspectives by presentations made by civil society.

18. Participants advocated accessible communication networks in order to facilitate the exchange of information. It was agreed that best use of existing communication channels should be made. Some proposed 1540 Committee contributions to their associations' newsletters. UNODA informed about its intention to continue to maintain the Conference password-protected website. This is one practical tool for participants to post and exchange information relevant to resolution 1540 (2004) and make it available to all participants. This website will also facilitate follow-up to this Conference. A third element to support communication is the establishment of points of information within individual industries and industry associations.

19. Against the background that participants gave an overwhelmingly positive feedback during the Conference, Germany announced its readiness to actively contribute to a substantial follow-up process in order to facilitate the implementation of resolution 1540 (2004). More specifically, the Federal Foreign Office would be willing to co-host further conferences and focused workshops on a regular basis. Germany counts on the engagement of partners in this regard.

CONCLUSION

20. In conclusion, the Conference was innovative, useful and forward-looking:

- innovative because never before a 1540-related conference brought together such a variety of different actors, in particular from the private sector,
- useful because the Conference fulfilled requirements as spelt out in Security Council resolutions, met the expectations of participants and closed a gap in terms of industry outreach,
- forward-looking because the Conference will have a follow-up to deepen interaction between the 1540 Committee and industry; the Wiesbaden process will be continued.