

Concept Note for the Wiesbaden Conference 2017

Industry engagement in strategic trade controls: Recommendations for effective approaches to implementing United Nations Security Council Resolution 1540 (2004)

- Due diligence / supply chain / internal compliance -

23-24 November 2017, Wiesbaden, Germany

Background

UN Security Council resolution 1540 (2004) establishes legally binding obligations on all States to adopt and enforce appropriate and effective measures to prevent the proliferation of nuclear, chemical, and biological weapons as well as their delivery systems to non-State actors. It requires that States close any loopholes that non-State actors, such as terrorists, could use to obtain weapons of mass destruction (WMD).

For over a decade, resolution 1540 has served as a driving force in global efforts to prevent the proliferation of WMD to non-State actors. It has done so by, among other things, requiring States to implement effective export and border controls worldwide. In this context, its most recent follow-up resolution 2325 (2016) noted the need for more attention to be paid to establishing national export and transshipment measures.

Industry is a crucial partner to governments in preventing WMD proliferation to non-State actors. Preventing terrorists and other non-State actors from acquiring WMD becomes impossible if the laws and regulations put in place are not followed. No regulation can function effectively if it does not take into account the realities of its implementation by industry.

To the Government of Germany, an effective partnership between government and industry is therefore key to successfully continuing efforts to put resolution 1540 into practice. This is why in 2012, Germany launched the Wiesbaden Process, focusing on industry engagement in the context of resolution 1540. So far, four global conferences have been held in the namesake Wiesbaden area of Germany, and two regional conferences in the Republic of Korea and Mexico.

While the initial 2012 global conference set the scene to strengthen the partnership between government and industry for resolution 1540 implementation in general, the 2013 global conference focused on biological security. The 2014 global conference turned towards non-proliferation-related compliance management, while the 2015 global conference contributed to the 2016 Comprehensive Review of resolution 1540 by focusing on the lessons learned in the previous Wiesbaden Conferences.

The 2015 Wiesbaden Conference concluded by acknowledging specifically the importance of regionalising the Wiesbaden Process in order to successfully implement resolution 1540 globally. In September 2016, the Republic of Korea hosted a first regional Wiesbaden conference for the Asia-Pacific region in Seoul. In June 2017, Mexico followed with a second conference for Pacific Alliance States and Brazil, held in Mexico City. The purpose of the regional conferences was to promote an engagement with local industry, in a forum where the characteristics of the regions could better be taken into account. This stemmed from an acknowledgement that distinct regions and industry sectors face distinct challenges.

Focus of the Fifth Wiesbaden Conference 2017

With participants from various sectors of industry, government agencies, intergovernmental organisations and academia, the conference is set to address three key topics that have in past conferences emerged as being central for better engaging industry in implementing resolution 1540. First, participants will discuss the responsibilities and interdependencies of exporters, freight forwarders and recipients in global supply chains. A second segment will focus on due diligence, including companies' responsibility to know their customers and detect red flags. Internal compliance programmes for small and medium-sized companies, including the challenges of establishing them, will feature as the third topic under discussion.

Furthermore, export control authorities from around the world will present updates on international trends and new developments in the area of strategic trade controls. Industry representatives are invited to both share their experiences and perspectives regarding an effective implementation of resolution 1540, and to discuss challenges and areas for further improvement. Contributions will be incorporated in recommendations for the UN Security Council and UN Member States on facilitating the implementation of obligations under resolution 1540. Additionally, reports on the outcomes of the regional conferences will be presented to the conference. A further session will discuss ways forward on institutionalising the Wiesbaden Process.

As in all previous conferences, this year's event in the Wiesbaden Process series will serve as a forum where industry and export control authority representatives are encouraged to exchange views and work on future solutions that serve both business and security interests. Such mutually beneficial dialogue will strengthen a partnership that is pivotal for the success of our global efforts to prevent WMD proliferation.

Topics to be addressed at the Fifth Wiesbaden Conference include

- lessons learned from regional conferences and a discussion of the regionalisation process
- industry perspectives on effective regulation for global supply chains
- compliance culture throughout the supply chain
- due diligence duties
- mutual support networks between small and medium-sized enterprises on export control
- internal compliance programmes for small and medium-sized enterprises
- establishing a framework for a continued and long-term dialogue between industry and governments