Message from the Chair of the UN Security Council’s Committee overseeing the implementation of resolution 1540
Ambassador Román Oyarzun Marchesi for the Conference on “Private Sector Engagement in Strategic Trade Controls”
19 November 2015
Wiesbaden, Germany

Your Excellency, Bernhard Schlagheck,

Distinguished participants,

I am pleased that the 1540 Committee is able to participate in the Fourth “Wiesbaden” conference – this year on the theme of “Private Sector Engagement in Strategic Trade Controls: Recommendations for Effective Approaches on United Nations Security Council resolution 1540 (2004) Implementation – a Contribution to the UNSCR 1540 Comprehensive Review 2016.”

On behalf of the 1540 Committee, I would like to thank the Government of Germany for the invitation to participate in this important event. My appreciation also goes to the Governments of the United States and Republic of Korea and the European Union for their financial support to make this gathering possible. I also offer thanks to the United Nations Office for Disarmament Affairs (UNODA), for their support in organising this event.

The German Government’s initiative through the “Wiesbaden Process” over the past four years to facilitate a dialogue with industry on their implementation of resolution 1540 is very much appreciated by the Committee. Building on the successful outcome of the three previous events, I am confident that this year’s conference will also be a success.

Resolution 1540 “encourages States to develop appropriate ways to work with and inform industry” regarding their legal obligations to implement the resolution (OP 8). The Wiesbaden Conference, which brings together representatives of governments, the 1540 Committee and representatives from diverse sectors of industry for direct engagement, provides an ideal platform for such a dialogue. The Committee has long recognised the importance of the engagement of industry by governments in the effort to advance the implementation of the legal obligations under the resolution. For instance, among other obligations, States must adopt legislation to prohibit any non-State actor to manufacture,
transport or develop nuclear, chemical or biological weapons and their means of delivery (OP 2). States must also establish controls to prevent the proliferation of those weapons and their means of delivery and related materials (OP 3). It is in the field of controls where we find more specific references to the activities of industry, as the resolution requires that States establish measures regarding, among other aspects, production; use; storage; transport; border, export or transhipment controls; or financing of those items.

This range of obligations might appear a tall order for compliance by governments but in the context of what we are trying to prevent they are necessary. In many cases they are not additional obligations, particularly in the areas of physical security and accounting. They are prudent business practices to assure safety and prevent financial and material losses.

The resolution complements and reinforces other instruments for strategic trade controls and the Committee recognises through its own direct engagement with industry the importance of the facilitation of safe and secure trading. The control of related materials is vital to reduce the risks of a catastrophic event resulting from the proliferation of weapons of mass destruction to non-State actors and their possible use by terrorists.

As we can see, compliance with export control regulations, as well as implementation of effective security arrangements for nuclear, chemical and biological facilities and related materials, are areas where industry’s role is critical.

In this regard, it is clear from our engagement with various sectors of industry that many business leaders recognise that they have a vital role to play in terms of corporate responsibility to the public, let alone the necessity to minimise the substantial risks that the proliferation of weapons of mass destruction poses to their own businesses.

In this endeavour, the “Wiesbaden” conferences have been a very important component,—perhaps the centre-piece of our work in this regard, together with the outreach activities of the Committee, in which it has engaged with a wide range of business sectors regionally and globally, notably having direct interactions with manufacturing and trading enterprises.

For example, in the past two years, in seminars and “strategic trade days” organised in China and the Republic of Korea in collaboration with the governments involved, the Committee
has interacted directly with representatives of more than 150 companies from the Asia-Pacific region alone. The Committee has also reached out to the financial sector through the various regional financial task forces and regional organisations such as the Union of Arab Banks. One of our key partners in all these efforts is the World Customs Organisation, with which we have strengthened our relationship in recent years.

Over the past eleven years, significant progress has been made in the implementation of resolution 1540. Member States have made substantial efforts towards fulfilling their obligations. This is shown by the fact that 176 out of 193 Member States have submitted national reports to the 1540 Committee on the measures they have taken to implement the resolution.

Despite past achievements, advancing the implementation of resolution is a long-term task that requires continuous efforts at the national, regional and international levels. I would like therefore to highlight an important element of the Committee’s current work in monitoring implementation of resolution 1540, namely the Comprehensive Review to which this conference is designed to contribute.

The Comprehensive Review is both retrospective and forward-looking and draws on analysis of the implementation of resolution 1540 (2004) since its last review in 2009. The goal is to identify means to improve implementation of the resolution by Member States by identifying and recommending specific, practical and appropriate measures to this end. The Committee is particularly interested in drawing on your experience in recent and novel developments in production and trading methods that have a bearing on effective implementation of the resolution – an example is the increasing use of intangible technology transfers. The Review will also analyse the operation of the Committee in the conduct of its tasks and recommend any changes considered necessary.

The Committee is seeking opportunities to gain the views of Member States and civil society, including industry, in the course of the process. As with most aspects of resolution 1540, its implementation, as can be seen in this conference today, is very much a collaborative effort and this characteristic is an important feature of the Comprehensive Review.

As I have already said, industry is a key partner in preventing the proliferation of weapons of mass destruction, as it operates at the forefront of national implementation of resolution 1540.
While governments have the fundamental responsibility to implement the obligations under resolution 1540 by establishing national laws and measures, industry is a key actor in implementing the measures.

In this connection, I would like to mention that one of the key tasks that the Security Council requested of the Committee in the follow-on Security Council resolution 1977 (2011) was to identify and compile effective practices recommended by Member States in the areas covered by resolution 1540, encouraging the Committee to “draw also on relevant expertise, including from civil society and the private sector, with, as appropriate, their States’ consent.” (OP 12). In this regard, we are fortunate to have so many representatives from different sectors of industry. Also present are representatives that deal directly with companies’ internal compliance measures and their export control responsibilities.

Throughout discussions today and tomorrow, we will be able to benefit much from sharing of experience and best practices in implementing the laws and regulations of your respective countries.

The Committee would also be glad to hear your views on what industry expects from governments and the 1540 Committee in facilitating implementation of the resolution. Your views and experience at the front line can contribute importantly to the Comprehensive Review of the status of implementation of the resolution, which the Committee needs to complete for the Security Council before December 2016.

In closing, I would like to reiterate the importance of cooperation of all relevant stakeholders, not only States, the 1540 Committee and the relevant international, regional and sub-regional organizations, but also civil society, including industry.

I am convinced that the outcome of this conference will contribute to further strengthening the role of industry in preventing WMD proliferation. I look forward to your active participation and lively discussions in the sessions of this meeting.

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