

Presentation given by Mr. Bent Lindhardt Andersen, The Danish Agency for Enterprise and Housing at the Budapest Export Control Conference, 15 to 17 September 2003.

Extended Nordic/Baltic cooperation on export controls

1. New initiatives

The Nordic and Baltic countries have agreed to intensify their cooperation in the field of export controls and have so far taken the following initiatives:

- a) A permanent partnership and network between the Nordic and Baltic States has been established in order to ensure high standards in export controls through the exchange of best practices. The network can be used for daily contacts between officials dealing with export controls of dual-use items for exchange of views, knowledge and experience on difficult cases or matters that are being discussed in the EU or in the export control regimes.
- b) In order to address the problem of the practical implementation of the EU regulation, a work-shop was held in May 2003 in Lithuania. The aim of the workshop was to assist the Baltic States in applying the common legislation of the EU in the area of export controls of dual-use items following the accession in 2004.
- c) In order to keep the network going and updated it has been agreed to hold 2 workshops or seminars per year starting with a workshop in Latvia in November 2003 on information activities towards industry and in Norway in March 2004 on best practices in licensing decision-making: the difficult cases.
- d) It has been agreed to meet before meetings in the EU in order to exchange views about the points on the agenda.
- e) Assistance has been given to the Baltic countries concerning the preparation of applications to the international export control regimes. Participation of all new Member States in the export control regimes is vital for an effective and credible EU export control system.

2. Background for the extended cooperation

The overarching priority for the Danish presidency in the second half of 2002 was the enlargement of the EU with countries in Central and Eastern Europe. Among other things, membership requires the candidate countries to establish and enforce effective export control systems and adapt their legislation and administration to the EU's common export control rules.

Therefore, the Danish presidency took up the question of enlargement in the dual-use working party and gave high priority to efforts by the Commission and the Member States to assist the candidate countries in the field of export controls.

The inclusion of the candidate countries in the Single Market by 2004 raises concerns regarding implementation by such countries of export controls. In a worst case scenario new member states could end up as de facto 'open back doors' to an uncontrolled flow of goods from the Single Market to critical end-users, thereby undermining the increased efforts to combat terrorism and ensure international security.

In view of their future accession to the EU, inclusion in the export control regimes of the candidate countries which are not already members of the regimes would seem natural and necessary. However, membership of the regimes is not foreseen without problems. This is partly due to concerns among regime members that the quality of export controls and thereby international security could be threatened by the inclusion of new and inexperienced members.

In 2002 the European Commission and the Danish Presidency conducted surveys in order to identify difficulties in the implementation of the EU dual-use regulation in candidate countries and ways to eliminate them.

The following difficulties in achieving effective export controls in the candidate countries were identified:

- Lack of membership of one or more export control regimes
- Insufficient knowledge about the dual-use regulation
- Lack of alternative measures for exchange of information on export control between Member States and candidate countries
- Insufficient co-ordination between the various national enforcement authorities
- Limited outreach activities to industry by authorities
- Lack of smooth and uniform registration and licensing procedures
- Substantial differences between the levels of implementation of the acquis communautaire in the different candidate countries

While provisions similar to the dual-use regulation are in place in most candidate countries, the practical implementation and enforcement of export control still leaves room for improvements.

3. The Nordic/Baltic project on export controls

Aims of the project

Against this background and taking into consideration assistance initiatives by the EU, Member States and also the USA, Denmark and the other Nordic countries decided to set up a project designed for the Baltic countries aiming at eliminating some of the mentioned difficulties and at strengthening export controls in these countries.

The project is a ‘government-to-government’ collaboration aimed at establishing a partnership of the Nordic countries and the Baltic States with the goal of harmonising export control procedures, and, in a greater perspective, initialising a network between national authorities concerning export control. It is not the purpose to establish a Nordic/Baltic “block” within the EU or in the international export control regimes but the project is to be seen as an extension of the already existing Nordic/Baltic co-operation where the Baltic States have participated in the Nordic meetings on export controls since 2000.

Kick-off in Copenhagen

The project was kicked-off in February 2003 in the form of a seminar where the structure of the respective national export control units were mapped and the status of export controls in general was discussed. Two areas stood out as clear priorities in the provision of technical assistance: a) the practical implementation of the EU regulation, and b) the preparations of applications to the international export control regimes.

Interim meeting

In June 2003 a meeting was held in order to evaluate the activities in the first phase of the project and outline the content of the next phases. It emerged that the Baltic countries had come very far in the application process. Applications for Wassenaar, the Australia Group, MTCR and NSG had been submitted or were being prepared.

4. The way forward

Now, a permanent close partnership and network has been established between the Nordic and Baltic countries extending the existing more informal cooperation on export controls. The longstanding Nordic cooperation has proved to be very useful as a platform for information and knowledge sharing and for the exchange of best practice and it was only natural to incorporate the Baltic countries as coming members of the EU into that cooperation and at the same time intensify it.

It is our intension to use the network whenever appropriate and further develop the cooperation between the countries, for example by using the network to discuss difficult, technical export control matters.

At the same time we intend to proceed by an ad-hoc and needs-based approach with workshops and seminars targeted on concrete issues. This approach has already been used during the first phase of the project, which has resulted in the activities mentioned above, and has provided promising results.

I am encouraged by the development of the project and the results so far and I am confident that the intensified cooperation in the Nordic/Baltic region will prove to be beneficial not only to the coming Member States but also to the “oldies” who still have something to learn about this extremely complicated and difficult business as export controls is.