

Check against delivery

**PRESENTATION TO THE 10TH INTERNATIONAL EXPORT
CONTROL CONFERENCE**

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CONVENTIONAL ARMS AND DUAL-USE GOODS AND TECHNOLOGIES

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First of all let me thank the Turkish and U.S. Governments for inviting me to give you an update as regards the work of the Wassenaar Arrangement. I have had the pleasure of participating in the International Export Control Conference on a number of occasions before and I have found them very useful, not only because they have given us an opportunity to inform colleagues from different parts of the world of what we are doing in the WA, but also because each time I have learned a lot. I think it is fair to say that the challenges associated with implementing national controls on sensitive exports are becoming more and more daunting. Advancing technology, changing security concerns, intensifying commercial pressures, and evolving national priorities make export controls a continuing challenge. This conference provides an opportunity to discuss these challenges but also to share experiences and learn from each other about how to cope with them.

I will give you an update of recent developments in the WA, but since there might be a number of you who are not so familiar with the Arrangement, I will start by giving you a brief overview of what the WA is and how it works.

As you know, there are five export control fora. The Wassenaar Arrangement is one of these, but the four others deal with weapons of mass destruction (WMD) or their means of delivery.

The Wassenaar Arrangement is the only export control forum which deals with conventional weapons and related dual-use goods and technologies.

The name of the Arrangement comes from a suburb of The Hague, where agreement was reached in 1995 to establish a new type of multilateral co-operation to counter threats to regional or international security and stability.

The Arrangement has 40 Participating States and a Secretariat in Vienna, Austria, where all meetings are held. The decision-making body is the Plenary, which takes all decisions by consensus and normally meets every December. The chair of the Plenary rotates among the membership. For 2009 the chair is Canada and next year it will be Switzerland.

The purpose of the Wassenaar Arrangement is to contribute to regional and international security and stability by promoting transparency and greater responsibility in transfers of conventional arms and dual-use goods and technologies, thus preventing destabilizing accumulations. In 2001, the Participating States amended the purposes of the Arrangement to affirm explicitly the importance of export controls in the fight against terrorism.

WA Participating States have made two basic commitments. The first commitment is to impose effective national export controls on conventional weapons and dual-use goods.

The second commitment is to report to other Participating States about one's own transfers and denials of certain items. Through this transparency the Arrangement contributes toward promoting responsibility in transactions involving these items.

The Arrangement does not prohibit transfers of particular items nor does it proscribe particular destinations. All decisions to grant or deny an export license remain within the competence of national authorities. Yet, because Participating States must notify their partners about certain types of transfers, these decisions are open to scrutiny. Should they wish, other Participating States may follow up a notification with further discussion as to the rationale behind it.

Another fundamental element of the Wassenaar approach to export controls is agreement among Participating States on which products should be subject to national controls. These items are included in the two WA control lists: the Munitions List and the List of Dual-Use Goods and Technology.

The control lists are incorporated by Participating States into their national legislation. For countries in the European Union, I think it is of particular importance to note that the Wassenaar Arrangement Dual-Use List is included in the EU Dual-Use Regulation, which is binding on EU members. Every year this Regulation is amended to reflect agreed-upon changes in the Arrangement's Dual-Use list. The Arrangement's Munitions List is included in the EU Common Military List to which the EU Code of Conduct on Arms Exports applies. As with the Dual-Use Regulation, changes in the Arrangement's Munitions List are reflected in the EU Common Military List.

You can say that keeping the WA control lists up-to-date is the first pillar of the WA's activities. The second pillar is the information exchange among the Participating States. Apart from the Specific Information Exchange, i.e. the notifications of certain transfers and denials, we also have a General Information Exchange about risks associated with transfers of arms and dual-use goods. The Arrangement's "Regional Views" exercise under the "General Information Exchange" process is aimed at sharing the expertise and special perspective that some Participating States have in

certain parts of the world. The goal is to alert other Participating States to circumstances of concern that should inform their export control decisions.

A third pillar of the WA activities is to formulate export control standards, usually in the form of “Best Practices Guidelines,” which are intended as guides for the national legislation, procedures and practices of Participating States. Among these guidelines let me just mention:

- Elements for Objective Analysis;
- Intangible Transfers of Technology (ITT);
- Small Arms and Light Weapons (SALW);
- Man-Portable Air Defense Systems (MANPADS);
- Arms Brokering;
- Air Transport of SALW; and
- Risk management principles for end-use controls.

I would now like to turn to recent developments in the WA and provide you with an update on the results of the last Plenary meeting in December 2008 in Vienna.

The Plenary noted that, in 2008, the efforts of the Arrangement had focused on the implementation of the 2007 Assessment conclusions. Our Assessment is a wide-ranging review of the Arrangement’s overall function and its contribution to regional and international security and stability. Assessments are carried out every four years.

As I said earlier, an important function of the WA is the sharing of information among Participating States. The 2008 Plenary took note of the value of the information-sharing that Participating States have pursued on regional issues of concern.

In order to address current and future challenges to regional and international security, the 2008 Plenary agreed that during 2009 the Arrangement would focus on the issue of destabilising accumulations of conventional arms. In addition, it was decided that this subject will be an agenda item for future meetings. (Let me explain that the

purpose of the WA as expressed in the Wassenaar Arrangement's "Initial Elements" (which were adopted in 1996) is a commitment by Participating States to pursue "greater responsibility in transfers of conventional arms and dual-use goods and technologies, thus preventing destabilising accumulations.")

When I referred earlier to the Best Practice documents adopted by the WA, I mentioned the Elements on Export Control of MANPADS. In view of the concerns about the acquisition of man-portable air defence systems (MANPADS) by unauthorised users, the 2008 Plenary stressed the importance of effective implementation of the WA Elements, the need to continue to monitor the situation closely, and to continue discussion in order to strengthen export controls on MANPADS. The Plenary also encouraged Participating States to continue to promote the Wassenaar Elements on Export controls of MANPADS to non-Participating States.

The Arrangement continues to keep pace with advances in technology, market trends and international security developments, such as the threat of terrorist acquisition of military and dual-use goods and technologies. This is done by the annual review of the WA Control Lists. The 2008 Plenary agreed to a significant number of amendments to the control lists, including some in technically complex and challenging areas such as on low-light level and infrared sensors. Particular attention was given to items of potential interest to terrorists such as charges and devices containing certain explosives.

It is the WA Experts Group that is responsible for the annual review of the control lists. During the 2008 List Review, the EG considered 260 papers relating to 77 different topics. Agreement was reached on over 80 percent of the topics discussed.

Export controls were strengthened in a number of areas. With regard to the Dual-Use List and the broad area of items of potential interest to terrorists, for example, we agreed to control charges and devices containing certain explosives in Category 1 of this List.

This slide illustrates a type of shaped charge device that is covered by these changes. It is difficult to detect, is easily camouflaged, and can be triggered using infra-red technology, remote control or a command wire.

In Category 8 of the Dual-Use List, delegations agreed to control civilian mini-submarines marketed to the tourism industry and to wealthy individuals. These submersibles can be used to perform military tasks, such as the insertion of Special Forces, and they could also be used for terrorism purposes.

It is important to note that new technology reduces the number of crew required to operate a submersible. The Seattle-class submarine shown on the slide can be operated by only three crew members while the more conventional North Korean submarine shown requires a crew of 19.

In the Munitions List, which is the Arrangement's other principal Control List, agreement was reached to control certain surface vessels not specially designed for military use, but having fixed or integrated into the vessel equipment of military relevance such as automatic weapons having a calibre of 12.7 mm or greater, weapons specified in ML 4 (missiles), or active weapons countermeasure systems.

At the same time, some controls were relaxed in order to keep the Control Lists relevant with technological and commercial developments. In that regard, I would like to mention new control thresholds in Category 4 relating to software and technology controls for computers.

Finally, Participating States also dedicated a great deal of time to the clarification of the existing control text with a view to making it more 'user friendly' for exporters and national licensing authorities.

Before concluding, let me mention that the WA continues to have an outreach dialogue with non-Participating States, industry and international organizations aimed at promoting and sharing the WA best practices related to export controls and raising awareness of the WA and its work. During 2008 outreach activities have included bilateral outreach meetings with China, Israel and Belarus and interaction with industry.

The Public Statement issued by the Plenary after its December meeting as well as a Summary of Changes made to the WA Control Lists have been posted on the WA website at www.wassenaar.org. There you will also find the full WA Control Lists and all other public documents, such as our “best practices guidelines.”

Thank you for your attention. I would be pleased to answer any questions that you might have.