

## 24th ASIAN EXPORT CONTROL SEMINAR

Tokyo  
21-23 February 2017

### *“The Wassenaar Arrangement: Recent Developments”*

Ambassador Philip Griffiths  
Head of Secretariat, Wassenaar Arrangement on Export Controls for  
Conventional Arms and Dual-Use Goods and Technologies

#### Introduction

Thanks to the Centre for Information on Security Trade Control (CISTEC), the Ministry of Economy, Trade and Industry (METI) and the Ministry of Foreign Affairs (MOFA) for inviting me back for the 24th Asian Export Control Seminar. I congratulate CISTEC and the Government of Japan on this long-standing and highly regarded international event.

I would like to give a brief overview of the Wassenaar Arrangement (WA) and its work, highlighting some recent outcomes as well as challenges.

States participating in the WA make a political commitment to cooperate in promoting transparency and responsibility in transfers of conventional arms and sensitive dual-use goods and technologies in order to prevent destabilizing accumulations. They undertake, through their national policies, to ensure that transfers of these items do not contribute to the development or enhancement of military capabilities which undermine regional and international security and stability, and are not diverted to support such capabilities. They also work to prevent the acquisition of these items by terrorists.

The WA operates by consensus and is open on a global and non-discriminatory basis to prospective members who meet the agreed criteria and whose admission is approved by the WA Plenary.

## Background

Established in 1996, the WA was the first global multilateral arrangement to address the risks to regional and international security and stability related to the spread of conventional arms and related items. From 33 founding members, it has since expanded to 41 countries from across the continents, among them major producers and exporters of these items. Several other countries have applied to join, while an increasing number of countries are among the WA's regular outreach partners, including many in the Asian region. Some countries have opted to apply the WA Control Lists without seeking to become a member. They may have done this directly, or by means of voluntarily following the consolidated European Union (EU) Control Lists, which are based on the work of the WA and the other export control regimes.

The WA complements, without seeking to duplicate, other export control regimes represented in this session that are dealing with weapons of mass destruction and their means of delivery. While the specific focus of each regime differs, the underlying principle is similar. Multilateral cooperation in promoting effective export controls, based on vigilance and restraint, contributes to security at all levels by helping to prevent sensitive items from falling into the wrong hands, including those of terrorists.

There is also an economic dimension. As highlighted by speakers earlier today, effective export controls can be seen as facilitating trade, building confidence and enhancing a country's access to sensitive imports, as well as foreign direct investment. WA members go to considerable lengths to ensure that their work does not impede *bona fide* civil transactions.

As is well known, conventional arms are the weapons that are currently used with the most devastating consequences around the world, especially small arms and light weapons (SALW), which are the weapons of choice of

terrorists. Increasing recognition of the need to regulate world trade in these arms has been reflected in broad-based international support for the Arms Trade Treaty (ATT).

Interest in the WA and its work continues to grow in this context. The WA's outputs may be seen as a useful reference or resource for countries which are building or strengthening their export control systems.

### WA Commitments

On joining, WA members make two main commitments:

- To apply fully effective export controls at the national level on items included in the WA Control Lists; and
- To share with their WA partners both general and specific information to support achievement of the Arrangement's purposes.

### Structure

A quick word about structure. Chairing of the WA Plenary and the main subsidiary bodies rotates alphabetically. This year's Plenary Chair is France following Finland last year. In 2017, Slovenia is chairing the General Working Group which addresses policy and procedural matters; Luxembourg is chairing the Experts Group which has responsibility for the WA Control Lists; and the UK is providing the Chair of the Licensing and Enforcement Officers Meeting.

### Control Lists

A key part of the WA's work is reaching collective agreement on the items that should require an export licence at the national level. The WA Control Lists comprise:

- The Munitions List, with close to 300 entries in 22 categories, covering all types of conventional arms, as well as ammunition, production equipment and specially designed components and accessories; and
- The Dual-Use List, with over 1000 items in 9 categories. Of these, 170 items are defined as “sensitive” and 80 items as “very sensitive”, requiring a more vigilant approach.

The WA Lists, especially the Dual-Use List, are more extensive than those of the other export control regimes and for most countries account for by far the majority of export licence applications.

A "catch all" principle, agreed in 2003, provides for the control of dual-use items which are not included in the lists when they are intended for destinations that are subject to UN or other binding arms embargoes, and are for military end-use, including for the manufacture or repair of military equipment.

To remain relevant, export control lists need to be constantly updated. WA members invest considerable resources in this work. The Group of WA Participating State technical experts meets for on average six weeks a year to consider possible additions to, modifications of, or deletions from existing controls in order to stay in step with technological developments, changes in the international security situation and market trends. WA members may involve industry experts in the highly technical work of updating the Lists. It is vital to set the specifications precisely to focus licensing decisions on items of concern while allowing other items to be traded freely.

In terms of recent Control List changes, in 2013 new export controls were agreed relating to, for example, "cyber-tools" and Internet network

surveillance systems or equipment which, under certain conditions, may be detrimental to international and regional security and stability. In 2014, new controls were agreed in areas such as spacecraft equipment, while controls were substantially revised relating to machine tools and were further refined on Unmanned Aerial Vehicles (UAVs) taking into account substantial technological progress in that area. In 2015, several new controls were adopted, including on an additional explosive material, while some existing controls were further clarified, for example regarding biological agent protection and detection equipment, electronic devices for military helmets and equipment that performs analogue-to-digital conversion. Other controls were relaxed, such as for specific types of machine tools and computers, technologies used in consumer industries (e.g. for car production, domestic medical devices), optical mirrors for solar power stations, battery cells, underwater still cameras and equipment incorporating information security. Such changes recognized the increasing integration of once sensitive functionalities in mainstream consumer products.

Last year, in 2016, new export controls were adopted in a number of areas, including a hydrogen-free high-power explosive, materials used in reactive armour and specific electronic components (non-volatile memories/MRAMs) able to withstand extreme environment conditions.

Also in 2016, existing controls were further clarified regarding biological and radioactive agents, information security and the concept and use of "technology". Some controls were relaxed, such as for lasers used in industry, as well as for digital computers and voice-coding equipment. In such cases, performance thresholds were updated taking into account the rapidly evolving performance of civil market products.

This year, based on national proposals, WA experts can be expected to continue core work in addressing new technologies of concern, including further refining understandings in relation to cybertools, electronic forensics equipment, 3-D printing, thermal batteries, terrestrial equipment for satellites, and keeping sensitive item specifications up-to-date and relevant.

I give these examples to indicate the scope of the WA Dual-Use List, the precise and highly technical work involved in setting and maintaining item specifications, and the relevance of the WA as a multilateral forum for addressing security risks related to emerging sensitive technologies.

#### Information Exchange

As noted earlier, sharing information is integral to the WA's work. The WA provides a forum for members to bring to the attention of their partners any matters that they consider relevant to achieving the Arrangement's purposes.

A *general information exchange* provides for a kind of collective risk assessment bringing together insights from different parts of the world. The aim is to develop common understandings of the risks and concerns associated with the transfer of controlled items, including the risk of destabilising accumulations and the risk of diversion, and to assess the scope for coordinating national export control policies to counter these risks.

The *specific information exchange* involves regular national reporting of certain transfers of conventional arms and dual-use goods and technologies, as well as of all denials of dual-use exports, to non-member states. WA arms transfer notifications are submitted more frequently (i.e. twice per year) and include more information than is required under the UN reporting system and that of the Arms Trade Treaty (ATT).

WA-information-sharing is facilitated through the WA's dedicated secure electronic network (WAIS), to which all Participating States have 24-hour access.

As can be seen, the WA's work is characterised by a balance between collective agreement on key principles and the preservation of national discretion in implementing them. WA members come together to share information under the Arrangement's auspices, and to agree on lists of controlled items and other common parameters, but all decisions, whether to grant an export licence for a particular item to a particular country, or to deny an application, are taken by the individual member state. If it wishes, any member may follow up, in the WA forum or bilaterally, by seeking further discussion as to the rationale behind a particular national decision. In this way, the WA provides for an element of "peer review".

### Standard-Setting Work

The third focus of the Wassenaar Arrangement, as I see it, lies in its standard-setting work. Over the years the Arrangement has built up a comprehensive library of some 25 Best Practices Guidelines, elements and procedures for effective export control implementation.

Among recently adopted Best Practice Guidelines are, for example, those relating to re-export controls for conventional weapons systems, internal compliance programmes (ICPs) for industry and academia/research sector, controls on intangible technology transfers, end-user/end-use controls for military list equipment, and, in 2015, transit or trans-shipment.

In 2016, updates were approved of earlier Best Practice Guidelines on Brokering and on Effective Enforcement, while a procedure was agreed for

the regular review and, where appropriate, updating of all existing guidance documents.

Related to this norm-setting work is the valuable sharing of national implementation experiences at the "practitioner" level. Licensing and enforcement officers from WA members meet every year and network informally to share practical insights, including case studies, as well as lessons learned for effective implementation.

### Arms Trade Treaty (ATT)

A word about the Arms Trade Treaty.

Given the alignment of their goals, I am often asked about the current and future relationship between the ATT and the WA. I believe that the two can be seen as complementary and mutually-reinforcing. It seems logical that the collective experience of the WA, including its Munitions List, and the expertise acquired in the application of its guidelines and best practices, may be useful to other countries seeking to fulfil the objectives of the ATT. This could save a lot of time and work. Many WA members are active in their national capacities in providing export control advice and assistance to other countries.

For the foreseeable future, I think that WA Participating States can be expected to wish to continue using the Arrangement to further develop international export control standards and enhance their implementation, thereby seeking to lead by example for the broader ATT community.

### Other WA Work in 2016

In 2016, WA Participating States continued to discuss ways of enhancing their information-sharing, paying particular attention to proliferation risks

related to SALW, as well as means to strengthen export control implementation, including in the fight against terrorism.

More broadly, they reaffirmed the priority of outreach activities to non-member countries to encourage voluntary adherence to the WA's standards. They adopted new internal guidelines to steer future outreach activities, including collective briefings and bilateral dialogue (visits/meetings) with interested non-Participating States. On the technical side, they agreed to continue informal contacts with the Nuclear Suppliers Group (NSG) and the Missile Technology Control Regime (MTCR) on specific control list issues to avoid duplication; and, with regard to the ATT, they mandated the WA Secretariat to continue to monitor opportunities for the WA to contribute to international cooperation.

WA Participating States also conducted a fifth comprehensive self-assessment of the Arrangement's overall functioning in 2016 with a view to further improving its effectiveness and efficiency.

In addition, they marked the twentieth anniversary of the WA's establishment. A number of special Twentieth Anniversary activities were undertaken, including a formal commemoration in Vienna on 6 December, a two-day technically focused Practical Workshop for an expanded number of outreach partners which was held in Vienna last June, as well as the issuing of additional outreach materials, such as a stand-alone WA Munitions List and a thematic Compendium of Best Practice Documents, to promote broader use of the WA's work.

In terms of the recently repackaged WA outreach tools, I have distributed a general information leaflet, and I have copies with me of the latest WA

Control Lists and the Compendium of Best Practice Documents for interested delegations.

Looking ahead, while warfare and instability associated with conventional military threats have not gone away, new threat scenarios have emerged since the WA was established. Other risks have grown in importance resulting from rapid technological advances, many driven by the civilian sector.

In order to remain relevant, the WA needs to continue to be able to respond rapidly and coherently to the evolving international threat landscape, including cyber warfare and terrorism.

### Conclusion

In closing, current security challenges related to destabilizing accumulations of conventional arms, regional conflicts and the proliferation and diversion of increasingly sophisticated strategic goods and technologies to non-state actors, including terrorists, continue to reinforce the importance of multilateral cooperation such as that being undertaken in the WA.

The WA Participating States continue to work hard to ensure that the Arrangement remains well-placed to contribute to global efforts to address these challenges, without impeding legitimate trade.

Let me recall that the WA public website contains all the key WA documents, including the Control Lists and the Best Practices Guidelines. I encourage you to visit it.

I would be happy to provide further information or answer any specific questions, and I look forward to further conversations on the margins of this Seminar. Thank you.