

Conference Summary Report

The Turtle Bay Security Roundtable 21st Century Proliferation: The Role of Illicit Networks

Featuring Douglas Frantz, National Security Editor, *The Washington Post*

An event hosted by the Permanent Missions of Japan, Poland, and Turkey to the United Nations

In cooperation with Stimson

Date: June 10, 2013

Location: Japan Society, 333 East 47th Street, New York, NY

On Monday, June 10th, the Permanent Missions of Japan, Turkey, and Poland to the United Nations hosted the Turtle Bay Security Roundtable: Twenty-First Century Proliferation: The Role of Illicit Networks. The seminar was held in cooperation with Stimson, a civil society think tank focused on global security. During the fifth installment of the Turtle Bay seminar series, participants discussed how the illicit transfer of goods, technology and money has been accelerated by globalization and how the prevalence of these illicit networks affects non-proliferation efforts. Attendees questioned, in particular, what impact the recently-signed Arms Trade Treaty would have on these illicit trades and arms proliferation. Another highlight of the seminar was a vibrant debate on the intricate mechanisms used by arms proliferators and how States could counteract this growing sophistication. More than a hundred participants representing around 50 UN Missions as well as prominent nonproliferation experts, academics, and members of civil society engaged in an interactive and in-depth discussion on this complicated yet timely subject. Below is a brief summary of the conference.



OPENING REMARKS

Ambassador Tsuneo Nishida of Japan opened the seminar by stating that it was particularly timely, given the situation in North Korea and Syria. The proliferation of both weapons of mass destruction and conventional arms in these countries has grave implications for international peace and security. He encouraged

participants to reflect on possible actions to ensure that the Arms Trade Treaty (ATT) is universally and fully implemented.

Ambassador Halit Çevik of Turkey followed, noting that the fight against illicit networks was akin to a cat and mouse game — as the international community develops stronger counter-measures, networks find ways to circumvent them. He stated that cooperation, assistance and timely and accurate intelligence-sharing among States, as well as end-user verifications are essential. He also highlighted the need for civil society and the private sector to be actively involved in order to establish a robust regime. He argued that the ATT, which seeks to establish such a regime, can play a key role in this regard.

Mr. Paweł Herczyński, Charge d'Affaires of Poland, concluded the opening remarks, observing that implementation of Security Council Resolution 1540 remains a key tool in the fight against proliferation. Raising awareness about illicit networks should be

a major priority for the UN. He agreed that the role of civil society was critical and invaluable in helping counter proliferation networks.

PROLIFERATION NETWORKS: INTERSECTION OF ILLICIT TRANSFER OF GOODS, TECHNOLOGY, AND MONEY

Brian Finlay of Stimson moderated the first debate, which sought to identify the inter-linkages between crime, terrorism, and the proliferation of weapons of mass destruction. Panelists included David Asher of the Center for New American Security, WPS Sidhu from the Center on International Cooperation of New York University, and Patricia Taft of the Fund for Peace. Mr. Finlay articulated how the art of trafficking has evolved dramatically over the past decade, and encouraged panelists to surmise on how the international community could accordingly adjust its policy



and response toolkit.

Mr. Sidhu discussed some of the unintended impacts sanctions can have, such as providing lucrative incentives for people to join the illicit market due to the limited supply of goods and the increase in purchasing costs. Mr. Sidhu also suggested some areas of cooperation, including strengthening the Non-Proliferation Treaty as a norm. Similarly, he noted that Security Council Resolution 1540 needs to be deepened and expanded to include increased intelligence-gathering and information-sharing. States should, to meet these ends, create and be provided with assistance to develop national action programs. Finally, greater engagement with relevant industries to establish best practices and safety/security regulations would also be welcome.

Mr. Asher emphasized the need for the UN and others to shift their focus from non-proliferation to counter-proliferation, as the former is static and often comes

too late to make a real impact. Mr. Asher pointed to a number of instances where regular business networks and transactions have been exploited by terrorist groups to facilitate their money laundering and smuggling activities. The international community, he urged, should create a broad counter-proliferation framework that Member States can draw upon to form comprehensive coalitions against these alarming threats.

Ms. Taft warned that criminal and terrorist networks today are disturbingly adaptable and fluid. There has also been a documented increase in collaboration between the two. She pointed out that States' lack of capacity not only inhibits the suppression of such illegal activities but also affords opportunities for some States to overlook them. Ms. Taft proposed that the international community undertake greater engagement with civil society, the private sector, and the media in order to tackle the economic and social circumstances that lead to terrorist and criminal behavior. High-level initiatives should be brought down to the local level, she suggested.

During the interactive portion of the panel, some participants raised the possibility of the UN imposing thematic sanctions instead of targeted sanctions. Some mentioned the need for greater cooperation between the different UN sanctions committees, while others stressed the effectiveness of regional approaches to non-proliferation. A few participants agreed that UNSCR 1540 should be reinforced. The panel agreed that more needed to be done to embed non-proliferation efforts into regional and local organizations, though they cautioned that some regions do not have strong or effective organizations. The international community must ruminate on ways to empower low-capacity States and regions to deal with proliferation networks.

THE IMPACT AND CHALLENGES OF THE ARMS TRADE TREATY: HOW THE ATT CAN CURB THE ILLICIT TRADE AND PROLIFERATION OF ARMS

The second session, chaired by Rachel Stohl of Stimson, examined the effect the new Arms Trade Treaty would have on international efforts to control and regulate the conventional arms trade. The panel consisted of Ambassador Jim McLay, Permanent Representative of New Zealand to the UN, David Bosco of American University, and Allison Pytlak of Control Arms. Ms. Stohl started the panel by affirming on the need to “socialize” the ATT, focus on the opportunities its

adoption provides, and consider the issues involved in implementation.

Ambassador McLay stated that once the ATT's ratification is achieved, the international community must focus on developing the roles and institutions needed to govern the Treaty and agree on how to navigate portions of the Treaty left "disappointingly vague." The most daunting challenge, he stated, would be in strengthening national mechanisms and capacities. Early and rigorous needs assessments and prioritization of tasks at the national and regional levels is required. The international community must also think about how the ATT fits into the broader non-proliferation landscape to avoid duplication and ensure mutual reinforcement.

Ms. Pytlak explained that she foresaw a large role for civil society in monitoring implementation of the Treaty. However, the effectiveness of civil society's efforts will be determined by the quality and quantity of information that States produce under the reporting and transparency aspects of the ATT. She agreed with Ambassador McLay that it was important to bear in mind how the ATT will complement other non-proliferation instruments. While the ATT fills in some critical gaps, some areas include language that is weaker or more imprecise than the language in existing international and regional instruments governing different aspects of the arms trade (i.e. firearms protocol, etc.)

Mr. Bosco advised the audience to keep in mind the daunting hurdles that remain in order to make the ATT effective. He urged UN circles to study past examples of treaty implementation to avoid falling into the same pitfalls and learn best practices. The Treaty's effectiveness, he noted, will be largely dependent on the willingness of major States to champion its cause. An important factor will also be the degree to which UN bodies can maintain the focus on ATT implementation. Mr. Bosco also suggested that States should bring the ATT out of "pigeon holes" and connect it with other international mechanisms and engage international organizations like the World Bank, the IMF, and the African Development Bank that could be encouraged to include the ATT as a condition for development assistance.

The interactive part of the panel featured participants pushing for a strategic approach to include non-signatory States to the Treaty's benefits and advantages. Some asserted that regional and sub-regional actors should be encouraged to take ownership of the process, while others stressed that assistance to



States for implementation must be designed for each country's unique situation.

KEYNOTE ADDRESS DOUGLAS FRANTZ

Douglas Frantz, National Security Editor for *The Washington Post*, delivered the keynote address, which focused on his latest book *Fallout: the True Story of the CIA's Secret War on Nuclear Trafficking*. The international community, he stated, could not afford to ignore a single threat, as any one threat could prove catastrophic for mankind. He noted, for instance, that one container successfully shipped into a port with a nuclear explosive would paralyze the global transportation network instantly. Mr. Frantz noted that nuclear proliferation networks were intricately linked to several other threats, such as the arms trade, cartels, and drug trafficking. Therefore, strong export controls aimed to stopping the transfer of nuclear technology are equally important to stopping the drug trade, trafficking, terrorism, and so forth. The risks posed by such challenges will only be reduced by a sustained commitment from the international community to stop all of these trades.

One of the lessons he had extracted from writing *Fallout*, he explained, was that deterrence truly matters. The cost of doing such illegal business must be prohibitive, and people who traffic in these calamitous weapons must be punished—neither of which has not always been the case in the past. The international community cannot pass up the next chance to send a message of strong deterrence to a future generation of proliferators. Every State has obligations under the Nuclear Non-Proliferation Treaty and major nuclear powers must forge forward and cooperate on disar-

mament. Mr. Frantz proposed that States provide more resources to the International Atomic Energy Agency in order for the organization to strengthen its intelligence-collecting abilities for better tracking down these nuclear proliferation networks. He stressed that the political will of States in setting the priority high for non-proliferation efforts is critical.



Following the address, Carl Robichaud of the Carnegie Corporation in New York chaired an enthusiastic discussion among attendees. One of them questioned how the world could ensure that future nuclear proliferators are not granted impunity and wondered what improvements had been made since the last network was discovered. Mr. Frantz suggested strengthening existing laws and creating new ones, and said that while there was greater recognition of the danger of these networks, more still needs to be done.

CLOSING REMARKS

At the end of the event, Ambassador Çevik and Ambassador Nishida delivered the closing remarks.

Ambassador Çevik noted that the seminar had demonstrated that illicit networks operate in a complex manner and setting. Law enforcement measures and sanctions would not be sufficient by themselves to countering this threat; a multidimensional approach that takes into account development and capacity-building is needed. Furthermore, he observed that in order to effectively combat illicit networks, strengthening of inter-state networks would be required.

Ambassador Nishida then stated that no one international action would stir a “revolution” in counter-proliferation, but that gains could be made through steady and consistent efforts by the international community. Political will would be decisive in determining the success of the Arms Trade Treaty and other non-proliferation efforts. All tools must be utilized in order for such actions to have the greatest impact. Ambassador Nishida ended the conference by repeating his hope that participants would strive to further the cooperative spirit of the day in their future non-proliferation activities.

In conclusion, attendees witnessed a forthright and thoughtful exchange of views on the serious danger illicit networks can inflict on conflicts, non-proliferation efforts, and international peace and security. Cooperation among relevant actors and a concerted, determined response by the international community will be the only way to stop these networks from growing in power, resources, and number. Participants appreciated the opportunity to partake in a conference that encourages such a frank trading of ideas and suggestions. Moreover, discussions among different kinds of experts on subjects ranging from the conventional arms trade, nuclear non-proliferation, sanctions, and counter-terrorism allowed for innovative and progressive ideas to emerge. The participants expressed their clear preference for the continuation of this type of meeting platform to discuss how best to tackle current challenges on non-proliferation issues.