

583rd Plenary Meeting

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**REPORT
OF THE PERMANENT COUNCIL ON IMPLEMENTATION
OF MINISTERIAL COUNCIL DECISION No. 9/04
ON ENHANCING CONTAINER SECURITY**

I. Background

The global cargo transport system is a critical component of the infrastructure making up the global economy. The main element of this system is the shipping container. Approximately 90 per cent of all cargo moves in containers and around 250 million container shipments occur annually. This number is steadily increasing as global merchandise imports and exports flows rise around the world. The ubiquity of these containers was, and is still, seen as the system's principle strength and reason for success.

At the same time, the cargo transport system remains vulnerable to a number of criminal and security threats. Among these multiple threats, one in particular has consistently been cited as a priority requiring a co-ordinated international response — the possible exploitation of container shipping system vulnerabilities by terrorists. After the 11 September attacks on the United States, governments around the world have become increasingly concerned about this vulnerability.

In particular, the threat of a chemical, biological, radiological or nuclear weapon (CBRN) being delivered via an anonymous shipping container has risen above other terrorist-linked threats to containerized transport and has become a major concern for national authorities and the international community. Terrorists attacks against the maritime sector, and in particular attacks against critical sea port nodes, could disrupt the global container supply system. Even a short disruption in the global container supply chain would likely have an adverse impact on trade patterns, and thus create chaos in the global economy. At the same time, enhanced container security would lead to increased confidence and thus facilitate trade and transport connections between countries.

Recognizing the vulnerabilities of container shipments and the important role that enhancing container security would play in promoting international trade and economic co-operation, the OSCE participating States adopted a decision at the Sofia Ministerial Council Meeting on 4 and 5 December 2004 (MC.DEC/9/04). With this decision they undertook a commitment to act without delay in accordance with their domestic legislation,

and necessary resources available, to enhance container security, based on best practices and on norms and standards to be agreed internationally.

They also tasked the Secretary General to organize an experts' workshop in early 2005 to discuss container security developments, raise awareness, exchange information on best practices and explore possibilities for the OSCE participating States to promote and enhance container security, in co-operation with other relevant international organizations.

Further, they tasked the OSCE Permanent Council to follow up on the results of the experts' workshop with a view to recommend further action, if appropriate, in co-ordination with the International Maritime Organization, the World Customs Organization, the International Air Transport Association and the International Civil Aviation Organization and other relevant international organizations, and to report to the 2005 Ministerial Council.

II. The OSCE Technical Experts Workshop on Container Security

In implementing this decision, the OSCE Action against Terrorism Unit (ATU) organized a two-day Technical Experts Workshop on Container Security, held in Vienna on 7 and 8 February 2005. The workshop was financed through extra-budgetary contributions by the United States of America and Slovenia. In addition, Sweden actively supported the initiative, including through providing an expert to assist ATU in developing the concept and content of the workshop.

The workshop brought together 170 participants, representing 48 OSCE participating States and eight Partners for Co-operation. Significantly, 30 of the participating States and five of the partner States were represented by relevant experts from the capitals — customs, transport and port authorities, as well as industry representatives. In addition 12 international organizations, including IMO, WCO, UNECE, ILO, NATO and UNODC also participated in the workshop.

The workshop not only raised awareness among participating States' authorities about the vulnerability of container shipments to terrorist attacks, but also facilitated information exchange on fast-moving developments related to international efforts to improve container security and plans for future activities. The substantive presentations and the excellent exchanges provided solid basis to consider next steps, especially with regard to a possible OSCE role in global efforts to enhance container security. Many of the key international organizations working in this area welcomed OSCE's involvement and saw a role for it to play in contributing to enhanced container security.

At the workshop a number of other conclusions were reached, which were useful in defining a meaningful OSCE contribution to the ongoing national and international efforts to enhance container security.

The workshop confirmed the vulnerability of containers as potential means to carry out a terrorist attack and the importance to take all necessary measures to address this vulnerability. The workshop showed that a number of countries and international organizations had developed numerous initiatives to improve container security. Initially security could be increased by implementing existing standards, procedures and security arrangements.

Two major concerns were raised. One is the complexity of the supply chain and the large number of actors involved in container shipments. The other is a concern that better international co-ordination is needed to avoid piecemeal approaches that will hinder a coherent effort.

The workshop illustrated that the lack of a proper monitoring system and of certification of security equipment is also a problem. In this regard, steps can be taken to implement new technology as it becomes available. The workshop also demonstrated that increased container security would actually aim at facilitating trade and not hampering it.

In this situation the OSCE could continue to raise awareness and bring actors together. Steps could be taken to encourage the implementation of existing agreements in all OSCE participating States. "Soft assistance" in capacity-building could be considered. Proposals on the OSCE's role as a forum for exchange of information and best practices were made, as well as a suggestion for a follow-up workshop.

The workshop underlined that it is not for the OSCE, as a non-technical organization, to start developing international norms and standards in this field. It stressed that WCO standards could be the main source for strengthening container security. The aim of OSCE efforts should be to complement and reinforce other organizations' efforts.

The workshop also served to acquaint the other international organizations working in this field with the opportunities that the OSCE could provide to promote and facilitate their efforts to strengthen container security. As a result of that understanding a number of international organizations, including WCO, IMO, ILO, OECD, UNECE expressed interest in working with the OSCE in this area, with some proposing to team up with the OSCE in providing technical assistance to the OSCE participating States on enhancing container and port security.

As a result of the in-depth consultations with these organizations, the following ideas for OSCE contribution to enhancing container security emerged:

- As a political-security organization with broad participation, the OSCE can serve as a valuable platform to support and complement international container security efforts;
- The OSCE should not develop new standards, but support standards currently under development by the relevant international organizations. For instance, the OSCE participating States could take measures recommended in the WCO Framework of Standards to Secure and Facilitate Global Trade that the WCO Council adopted in June 2005;
- The OSCE can promote co-ordinated efforts by presenting various international initiatives in a coherent and structured way, assisting national governments by providing a current overview of developments in this area;
- The OSCE can work with the WCO, IMO, ILO and other organizations to support implementation of the relevant standards and measures through the dissemination of lessons learned and best practices. Partnering in providing or facilitating

capacity-building and training support to requesting participating States and following up with implementation should primarily be a matter for the competent organizations;

- The OSCE, through its economic and environmental dimension, can work with business associations to help them understand the benefits of enhanced container security and to reassure them that enhanced container security aims at facilitating rather than hampering trade.

The Informal Group of Friends on Combating Terrorism (IGF) actively took up these issues and devoted considerable effort in further discussing and defining these ideas in order to determine the most appropriate forms for a meaningful OSCE contribution in enhancing container security. The IGF invited a representative of the WCO to brief the participating States on the results of the Organization's work to develop common international standards related to the security and facilitation of the international supply chain. These standards were adopted by the WCO Council on 24 June 2005. As a result of these deliberations the following promising avenues for a constructive OSCE role were defined:

- Political support for recommended international standards related to the security and facilitation of the international supply chain, including through a commitment of all OSCE participating States to implement these standards in their national normative base and practices;
- Promoting international co-operation in enhancing container security in close co-ordination with relevant international organizations;
- Facilitating capacity-building technical assistance and training support in implementing commitments, to be provided by the relevant international organizations to requesting participating States;
- Promoting, in co-operation with relevant international organizations, understanding among national authorities and the business community that enhanced container security aims at facilitating international trade, rather than hampering it.

Based on the above-mentioned considerations, the Permanent Council of the OSCE recommends to the OSCE Ministerial Council to adopt a decision on further measures to enhance container security.