PAX Statement under General Obligations
Forbidding finance
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Check against delivery

Thank you for the floor.

As many of you know, PAX coordinates the only global study on nuclear weapon producers and the banks, insurance companies, and pension funds that provide them with operating capital. The annual Don’t Bank on the Bomb report also provides updated information on the contracts between nuclear weapon possessing countries and the companies that are making the key components needed for nuclear weapon lethality.

In the years that PAX has engaged in this project, just as the debate on nuclear weapons has focused again on the humanitarian consequences, we’ve seen a tremendous increase in the number of financial institutions that have adopted policies forbidding financial relationships with the nuclear weapon industry. Even though the Treaty isn’t in place yet, financial institutions already don’t want to be associated with weapons that are designed to violate international humanitarian law with any use.

Earlier this week, the Office of the High Commissioner for Human Rights published interpretive advice on the banking sector’s responsibilities for managing the human rights impacts of its finance. This new interpretive advice reaffirms the roles that banks can play in when it comes to promoting and protecting human rights, and is yet another demonstration of how important it is to provide clear and concise guidance to the financial sector to uphold the objects and purposes of international agreements.

There is a growing understanding that financing is a form of prohibited assistance. Including an explicit prohibition on financing in the nuclear weapons ban treaty will help make this understanding universal, and thereby build on existing international law. A significant number of states indicated during the first week of negotiations for the nuclear weapons ban treaty that they want financing included as one of the core prohibitions of the new treaty.

PAX submitted another working paper arguing that it is important that such an explicit prohibition be included, as it will strengthen the impact of the treaty and of international law in general.

The provision included in the treaty could be simple, in line with the way ‘assistance’ has been included in other treaties. Implementation should be left up to states parties, who would be best equipped to implement it in a way suited to their national contexts. It will also be useful to share best practices on all aspects of treaty implementation, including the financial prohibition at meetings of states parties.
All financing provided to nuclear weapon producing companies assists them in the production of key components of weapons that are designed to violate international humanitarian law. In keeping with the spirit of the nuclear ban treaty, financing is a logical term to include.