

Appendix 7C. Transparency in arms transfers

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I. Introduction

Official and publicly accessible data on arms transfers is important for assessing states' arms export and arms procurement policies. However, publishing data on arms sales and acquisitions is a sensitive issue for nearly all states. This appendix analyses recent developments in official international, regional and national reporting mechanisms which aim, in whole or in part, to increase the quality and quantity of publicly available information on international arms transfers. Confidential intergovernmental exchanges of information on arms transfers, such as those that occur within the Organization for Security and Co-operation in Europe, the Organization of American States, the Economic Community of West African States and the Wassenaar Arrangement, are not addressed.¹

II. The United Nations Register of Conventional Arms

The United Nations Register of Conventional Arms (UNROCA) is the key international mechanism of official transparency on arms transfers. Established in 1991, it requests all UN member states to report information about the import of certain categories of conventional weapons.² While UNROCA has made a significant contribution towards greater public transparency in this area, a number of factors limit its utility, including incomplete submissions or non-submissions by certain states, discrepancies between different states' reports and the limited coverage of the reporting categories.

As of 31 December 2008, 90 states had submitted a report to UNROCA on their imports, exports and holdings during 2007, 23 fewer than in 2007.³ A low

¹ See also chapter 12 in this volume. Another source of information on the international arms trade is the customs data of the UN Commodity Trade Statistics Database (Comtrade). The Norwegian Initiative on Small Arms Transfers (NISAT) collects and collates customs data from Comtrade in order to produce an annual register of small arms exports. See <<http://www.prio.no/NISAT/Small-Arms-Trade-Database/>>. Comtrade data is not discussed in this appendix because it is neither intended nor designed to be a tool for increasing the amount of publicly available information on international arms transfers.

² The categories are battle tanks, armoured combat vehicles, large-calibre artillery systems, combat aircraft, attack helicopters, warships, and missiles or missile launchers. States are also invited to submit information on their holdings and procurement from domestic production of major conventional weapons as well as international transfers of small arms and light weapons.

³ Israel submitted a report to UNROCA in Mar. 2009, bringing the total number of states that submitted data on transfers in 2007 to 91. States may continue to make submissions on their imports and exports in 2007 throughout 2009. However, as of 31 Dec. 2007, 112 states had reported on their imports and exports in 2006, compared with 90 reporting on 2007 as of 31 Dec. 2008. This indicates,

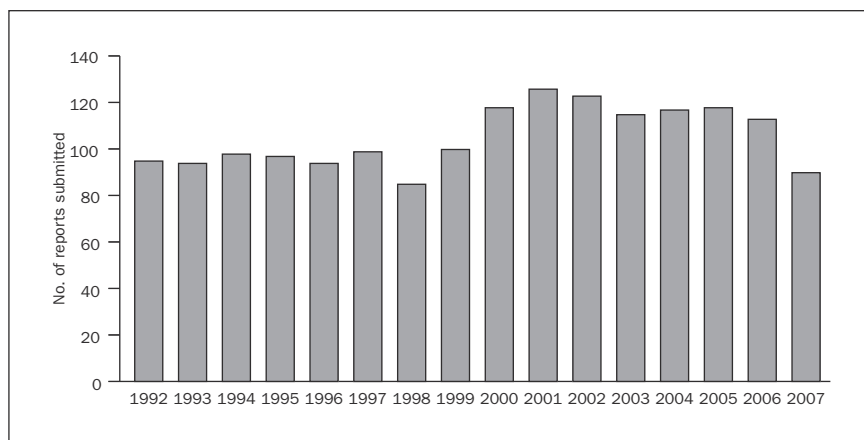


Figure 7C.1. Number of reports submitted to the United Nations Register of Conventional Arms, 1992–2007

Source: UNROCA online database, <http://disarmament.un.org/UN_REGISTER.nsf>.

mark for submissions was reached in 1998, with just 85 states reporting, while 2001 was a high point, with 126 states reporting (see figure 7C.1 and table 7C.1). With the exceptions of Jordan and Lebanon, UNROCA was boycotted by Arab states in 2008.⁴ Their main grievance remains the non-inclusion of information on weapons of mass destruction. The non-participation of major arms purchasers in the Middle East—such as Egypt, Iraq, Saudi Arabia and the United Arab Emirates (UAE)—limits the register’s role as a confidence-building measure for the region.⁵ Following a 10-year hiatus, China submitted information to UNROCA in 2007 and did so again in 2008.

Discrepancies between exporter and importer reports to UNROCA remained an issue in 2008, with several states reporting transfers of arms that were not reported by other states involved in the transfer. This issue was highlighted by the hijacking of the cargo ship *Faina* on 26 September 2008 off the coast of Somalia. The *Faina* contained a cargo of conventional weapons, including T-72 tanks, grenade launchers and ammunition, destined for Kenya.⁶ Kenyan officials indicated that the shipment was part of a larger consignment of weapons that Ukraine began delivering in 2007. However, while Ukraine’s 2008 report to UNROCA stated that it had exported 77 T-72 tanks and 5 BM-21 artillery systems to Kenya during 2007, Kenya’s submission reported nil imports. The discrepancy in UNROCA reporting, combined with other information, fed rumours that the final destination of the 2007 transfers, and the

at a minimum, that there has been a drop in the timeliness of states’ participation in UNROCA. UNROCA online database, <http://disarmament.un.org/UN_REGISTER.nsf>.

⁴ ‘Arab states again boycott UN’s annual arms register’, *Jane’s Defence Weekly*, 29 Oct. 2008, p. 19.

⁵ Egypt submitted information to UNROCA once, in 2002. Iraq, Saudi Arabia and the UAE have never made submissions.

⁶ Holtom, P., ‘Ukrainian exports of small arms and light weapons, 2004–2007’, SIPRI Background Paper, Oct. 2008, <http://books.sipri.org/product_info?c_product_id=369>, p. 6.

goods aboard the *Faina*, was not the Kenyan armed forces, but the government of Southern Sudan.⁷

Groups of governmental experts (GGEs) appointed by the UN Secretary-General review the continuing operation and development of UNROCA every three years.⁸ Consideration has regularly been given to the inclusion of weapons not originally covered by UNROCA's seven categories. Recommendations by the GGEs in 2003 and 2006 led to an invitation for states to submit background information on UN-defined small arms and light weapons (SALW) to be included in the UNROCA submissions. From 2003 to 2005 just 5 states submitted background information on SALWs to UNROCA. However, between 2006 and 2008, 55 states submitted background information on SALW transfers on at least one occasion, and 48 states did so in 2007 (see table 7C.1).⁹ However, a number of major SALW exporters, including China, Russia and the United States, remain either unwilling or unable to report information on SALW transfers to UNROCA.¹⁰ The next GGE review of UNROCA will be held in 2009 and will debate whether to recommend including a separate eighth category on SALW transfers on the UNROCA reporting form.

III. The European Union annual report on arms exports

Under the European Union (EU) Code of Conduct on Arms Exports the EU member states exchange data on the financial value of their export licence approvals and actual exports along with information on their denials of arms export licences. A revised Code of Conduct was adopted as an EU Common Position in December 2008 after three years' delay.¹¹ The data on licences and exports, along with aggregated data on denials, is compiled in the publicly available Annual Report according to Operative Provision 8 of the European Union Code of Conduct on Arms Exports (EU annual report).¹² On 22 November 2008 the EU published its 10th annual report, covering transfers during

⁷ 'Hijacked tanks "for South Sudan"', BBC News, 7 Oct. 2008, <<http://news.bbc.co.uk/2/7656662.stm>>.

⁸ The GGEs produce a report after each review of UNROCA. Reports have been published in 1994, 1997, 2000, 2003 and 2006. They are available at <<http://disarmament.un.org/cab/register.html>>.

⁹ UNROCA online database (note 3).

¹⁰ For more information see Holtom, P., *Transparency in Transfers of Small Arms and Light Weapons: Reports to the United Nations Register of Conventional Arms, 2003–2006*, SIPRI Policy Paper no. 22 (SIPRI: Stockholm, July 2008); and Holtom, P., 'Reporting transfers of small arms and light weapons to the United Nations Register of Conventional Arms, 2007', SIPRI Background Paper, Feb. 2009, <http://books.sipri.org/product_info?c_product_id=373>.

¹¹ Council of the European Union, Council Common Position defining common rules governing the control of exports of military technology and equipment, *Official Journal of the European Union*, L335, 8 Dec. 2008, p. 16. See also chapter 12, section III, in this volume.

¹² Council of the European Union, EU Code of Conduct on Arms Exports, 8675/2/98 Rev. 2, Brussels, 5 June 1998. On the impact of the code over its first 10 years see Bromley, M., *The Impact on Domestic Policy of the EU Code of Conduct on Arms Exports: The Czech Republic, the Netherlands and Spain*, SIPRI Policy Paper no. 21 (SIPRI: Stockholm, Apr. 2008).

2007.¹³ The level of detail on export licences and actual exports in the EU annual report has increased substantially since publication of the first report in 1999, when states were asked to submit the total value of export licences granted and actual exports. Since the sixth annual report, published in 2004, states have been asked to submit data on the financial value of both arms export licences and actual arms exports, broken down by both destination and EU Common Military List category.¹⁴ Other recent developments in the EU annual report include the addition of tables showing the number of consultations carried out per destination country and the number of consultations initiated and received per EU member state.¹⁵

For the eighth EU annual report, published in 2006, 16 of the 25 states that were asked to submit data did so for all requested categories. This figure fell to 14 for the ninth annual report, published in 2007. In the 10th annual report, published in 2008, the number rose to 16, although this included the first submissions of Bulgaria and Romania, which joined the EU in January 2007. More of the states that have joined the EU since 2004 have made full submissions to the EU annual report than the states that were already members in 2004. For the 10th annual report, 6 of the 15 states that were members of the EU before 2004 made full submissions to the EU annual report, compared with 10 of the 12 that became EU members after 2004. In many cases the pre-2004 member states continue to have problems with the submission of disaggregated data on actual exports because they lack effective mechanisms at the national level for gathering this information.

IV. National reports on arms exports

Since the early 1990s an increasing number of governments have begun issuing national reports on arms exports.¹⁶ As of January 2009, 31 states had published at least one national report on arms exports since 1990, and 28 have done so since 2006 (see table 7C.1). These reports vary enormously in terms of detail. Some states produce reports that include descriptions of all equipment licensed for export, instances where an export licence was denied and all exported equipment. Other states publish only financial data on either export licences granted or actual exports per destination with little information on the type of equipment involved.

¹³ Council of the European Union, Tenth Annual Report according to Operative Provision 8 of the European Code of Conduct on Arms Exports', *Official Journal of the European Union*, C300, 22 Nov. 2008.

¹⁴ The Common Military List, first adopted on 13 June 2000, categorizes the equipment covered by the EU Code of Conduct. The most recent version is Council of the European Union, Common Military List of the European Union (adopted by the Council on 23 February 2009), *Official Journal of the European Union*, C65, 19 Mar. 2009.

¹⁵ Consultations occur when a member state is considering granting an export licence for a transaction which is 'essentially similar' to one that has been blocked by another EU member in the past 3 years. In such cases, the member state that is considering the licence is obliged to consult with the member state that blocked the earlier deal and obtain information about its reasons for doing so.

¹⁶ A list of the published reports is at <http://www.sipri.org/contents/armstrad/atlinks_gov.html>.

In recent years, Europe has seen the most significant advances in both the number and detail of national reports on arms exports. A key factor driving this process has been the adoption of the EU Code of Conduct and its accompanying reporting mechanisms, which have strengthened the norm of publishing detailed information in this area and helped make states more aware of transparency levels in other member states.¹⁷ The revised EU Code obliges EU member states to publish a national report on their arms exports.¹⁸ The EU encourages states in its immediate neighbourhood to publish national reports on arms exports, an effort which has had particular success in the Western Balkans, where several states aspire to EU membership. Since 2005 national reports have been published for the first time by Bosnia and Herzegovina (February 2005), the Former Yugoslav Republic of Macedonia (June 2006), Montenegro (July 2007) and Serbia (November 2007). In many cases, these reports contain a level of detail that equals or surpasses that contained in the reports of EU member states, particularly with regard to descriptions of the goods licensed or exported, the type of end-user and export licence denials.

Although national reports have increased in size and detail, the demand for ever more timely and comprehensive information shows no sign of abating. One of the results of this push has been an increase in the amount of information on export licence denials. While this information does not increase the amount of information on international arms transfers, it offers insights into government decision making, particularly how states are interpreting the criteria of their national arms export policies. Certain states, including Estonia, France and Spain, provide aggregated data on the number of export licences denied and the reasons for the denials. Other states, including the Czech Republic, Denmark, Norway and the UK, list the destinations for which export licences have been denied. Other states, including Bosnia and Herzegovina, Germany, the Netherlands and Romania, are more transparent, providing information on each export licence denial issued, including the type of equipment involved, the destination and the reason for the denial. Certain states, publish more detailed information on certain licence denials. For example, in its 2008 national report the UK included five case studies detailing recent decision making with regard to certain destinations. One case study on Sri Lanka gave details of a number of export licences for 'lethal weapons for operational use by the police and the navy, and some electric safety detonating fuses' that were denied by the British authorities.¹⁹

¹⁷ See Bromley (note 12).

¹⁸ Council of the European Union (note 11).

¹⁹ British Department for Business, Enterprise and Regulatory Reform, Foreign and Commonwealth Office, Ministry of Defence, and Department for International Development, *United Kingdom Strategic Export Controls: Annual Report 2007*, Cm 7451 (Stationery Office: London, 2008), p. 15.

Table 7C.1. States participating in reporting mechanisms to increase the quality of publicly available information on international arms transfers, 2006–2008^a

An x denotes that the state reported at least once in the period 2006–2008.

State	UNROCA		National report		EU annual report	
	Exports or imports	Background information on SALW	Exports	Licence denials ^b	Exports	Complete data set ^c
Albania	x (nil)	x				
Andorra	x (nil)					
Antigua and Barbuda	x (nil)	x				
Argentina	x	x (nil)				
Armenia	x (nil)	x				
Australia	x	x				
Austria	x		x		x	x
Azerbaijan	x					
Bahamas	x (nil)					
Bangladesh	x	x				
Belarus	x		x			
Belgium	x		x ^d		x	
Belize	x (nil)					
Bhutan	x (nil)					
Bolivia	x (nil)					
Bosnia and Herzegovina	x	x	x	x		
Brazil	x					
Brunei	x (nil)	x				
Bulgaria	x		x		x	x
Burkina Faso	x					
Burundi	x (nil)					
Canada	x	x	x			
Chile	x	x				
China	x					
Colombia	x	x				
Comoros	x (nil)					
Cook Islands	x (nil)					
Costa Rica	x (nil)					
Croatia	x	x				
Cuba	x (nil)					
Cyprus	x	x			x	x
Czech Republic	x	x	x	x	x	x
Denmark	x	x	x	x	x	
Djibouti	x (nil)					
Ecuador	x (nil)					
El Salvador	x (nil)	x (nil)				
Estonia	x		x		x	x
Fiji	x (nil)	x (nil)				
Finland	x		x		x	x
France	x	x	x		x	
Gabon	x (nil)					
Gambia	x (nil)					
Georgia	x	x				
Germany	x	x	x	x	x	
Ghana	x (nil)	x (nil)				
Greece	x	x			x	x

State	UNROCA		National report		EU annual report	
	Exports or imports	Background information on SALW	Exports	Licence denials ^b	Exports	Complete data set ^c
Grenada	x (nil)					
Guatemala	x (nil)					
Guyana	x (nil)					
Haiti	x (nil)	x				
Hungary	x	x			x	x
Iceland	x (nil)					
India	x					
Indonesia	x	x				
Ireland	x				x	x
Israel	x					
Italy	x	x	x		x	
Jamaica	x (nil)	x				
Japan	x (nil) ^e					
Jordan	x					
South Korea	x	x				
Kazakhstan	x					
Kenya	x (nil)					
Kiribati	x (nil)					
Kuwait	x (nil)					
Kyrgyzstan	x (nil)					
Latvia	x	x			x	x
Lebanon	x (nil)					
Lesotho	x (nil)					
Liechtenstein	x (nil)	x				
Lithuania	x	x			x	x
Luxembourg	x (nil)	x			x (nil)	x (nil)
Malaysia	x (nil)					
Maldives	x (nil)					
FYROM	x (nil)		x			
Mali	x (nil)	x (nil)				
Malta	x (nil)	x (nil)			x	x
Marshall Islands	x (nil)					
Mauritius	x (nil)					
Mexico	x	x				
Micronesia	x (nil)					
Moldova	x (nil)	x (nil)				
Monaco	x (nil)					
Mongolia	x (nil)					
Montenegro	x	x	x			
Mozambique	x (nil)					
Namibia	x (nil)					
Nauru	x (nil)					
Netherlands	x	x	x	x	x	x
New Zealand	x	x				
Nicaragua	x (nil)					
Niger	x (nil)					
Niue	x (nil)					
Norway	x	x	x	x		
Pakistan	x					
Palau	x (nil)					
Panama	x (nil) ^f					
Paraguay	x (nil)					

State	UNROCA		National report		EU annual report	
	Exports or imports	Background information on SALW	Exports	Licence denials ^b	Exports	Complete data set ^c
Philippines	x	x (nil)				
Poland	x	x			x	
Portugal	x	x	x		x	x
Romania	x	x	x	x	x	x
Russia	x					
Saint Kitts and Nevis	x (nil)					
Saint Lucia	x (nil)	x (nil)				
Saint Vincent and the Grenadines	x (nil)					
Samoa	x (nil)					
San Marino	x (nil)					
Senegal	x	x				
Serbia	x (nil)		x	x		
Seychelles	x (nil)					
Sierra Leone	x (nil)					
Singapore	x					
Slovakia	x	x	x		x	x
Slovenia	x	x	x		x	x
Solomon Islands	x (nil)					
South Africa	x					
Spain	x		x		x	
Suriname	x (nil)					
Swaziland	x (nil)	x (nil)				
Sweden	x	x	x		x	
Switzerland	x		x			
Tajikistan	x (nil)					
Tanzania	x (nil)					
Togo	x (nil)	x (nil)				
Tonga	x (nil)					
Trinidad and Tobago	x (nil)	x				
Turkey	x	x				
Turkmenistan	x (nil)					
Tuvalu	x (nil)					
Ukraine	x	x	x			
UK	x	x	x	x	x	
USA	x		x			
Vanuatu	x (nil)					
Viet Nam	x (nil)					
Zambia	x (nil)					
Total	136	55	28	9	27	18

EU = European Union; EU annual report = European Union Annual Report according to Operative Provision 8 of the European Union Code of Conduct on Arms Exports; FYROM = Former Yugoslav Republic of Macedonia; SALW = small arms and light weapons; UNROCA = United Nations Register of Conventional Arms.

^a An expanded version of this table, including additional category headings, is available at <<http://www.sipri.org/contents/armstrad/atpubs.html>>.

^b Countries that identify the states to which they have denied export licences are marked as providing information about export licence denials.

^c A 'complete data set' is taken to be data on the financial value of both arms export licences and actual exports, broken down by both destination and EU Common Military List category.

^d Since early 2003 the three regional governments of Belgium (Brussels, Flanders and Wallonia) have been responsible for reporting on export licences and exports.

^e Japan submitted background information to UNROCA on the procurement of some SALW units in 2006 and 2007.

^f Panama submitted background information to UNROCA on seizures of illicit SALW for 2006.

Sources: UNROCA: UNROCA online database, <http://disarmament.un.org/UN_REGISTER.nsf>; *National report:* SIPRI Arms Transfers Programme website, <http://www.sipri.org/contents/armstrad/atlinks_gov.html>; *EU annual report:* Council of the European Union, 'Security-related export controls II—military equipment', 29 Apr. 2008, <http://consilium.europa.eu/cms3_fo/showPage.asp?id=1484&lang=EN>.