

Appendix 4B. The reporting of military expenditure data, 2001–10

NOEL KELLY

I. Introduction

The public availability of information on military expenditure has increased in recent years. In many countries this increase in transparency has been partly associated with an increase in democratic governance and civilian control of the military. Another factor has been the growth of the Internet; a growing number of governments make budgetary information, including military budgets, available online. However, national systems of reporting vary considerably in the level of coverage, the definitions of military spending and the level of disaggregation.

This appendix focuses on the two international systems for reporting military expenditure data that seek to create a common reporting standard: the United Nations Standardized Instrument for Reporting Military Expenditures and the annual requests that SIPRI makes to governments to report military expenditure data. The systems of reporting are described in section II, and the trends in reporting for the period 2001–10 are presented in section III.

In addition to these global systems, a number of systems exist at a regional level: the Organization for Security and Co-operation in Europe (OSCE) requires its participating states to annually report their military budgets and expenditure in the previous year. This information is not made publicly available. The North Atlantic Treaty Organization (NATO) annually reports the military expenditure of its member states according to a common definition.¹

II. The reporting systems

The United Nations reporting system

Each year the UN Secretary-General invites all member states (currently 192) through a *note verbale* to report their military expenditure for the most recent financial year. The basis for this request is a UN General Assembly resolution adopted in 1980.² Successive biennial General Assembly resolutions have called for the continued reporting of military expenditure by member states.³

The justification for this request has evolved over the years. The initial purpose was to use the reporting system as a step towards gradual reductions in

¹ North Atlantic Treaty Organization (NATO), 'Financial and economic data relating to NATO defence', Press Release (2011)027, 10 Mar. 2011, <http://www.nato.int/cps/en/natolive/topics_49198.htm>.

² UN General Assembly Resolution 35/142 B, 12 Dec. 1980.

³ The most recent such resolution is UN General Assembly Resolution 64/22, 2 Dec. 2009.

military budgets.⁴ The justification stated in the latest resolution is that the General Assembly is convinced ‘that transparency in military matters is an essential element for building a climate of trust and confidence between States and that a better flow of objective information on military matters can help to relieve international tension and is therefore an important contribution to conflict prevention.’⁵

UN member states are requested to report by 30 April annually their military expenditure for the most recent financial year for which data is available. Preferably and to the extent possible, they are asked to use the reporting instrument developed for this purpose—the UN Standardized Instrument for Reporting Military Expenditures—but they can use any other format for reporting military expenditure developed by other international or regional organizations.⁶ If appropriate, a state can submit a nil report—a report with no data; these are usually submitted by countries that do not maintain regular armed forces.

The Standardized Instrument is in the form of a matrix with fields for the reporting of disaggregated data by function (e.g. personnel, operations and maintenance, procurement, construction, and research and development, each broken down into subcategories) and by military service (e.g. air force, army and navy) and to give aggregated totals.⁷ In the belief that some countries found this matrix too complicated and in order to encourage reporting by more countries, in 2002 the UN introduced an alternative, simplified reporting form that requests only aggregate data by service on personnel, operations and procurement.

The UN Office for Disarmament Affairs (UNODA) manages the system. The reported data is included in an annual report to the General Assembly.⁸ In addition, the UNODA periodically publishes documents analysing the reporting trends to the UN.⁹ A Group of Governmental Experts (GGE) began a review of the operation of the Standardized Instrument and its further development in 2010 (see below).

⁴ See Omitoogun, W. and Sköns, E., ‘Military expenditure data: a 40-year overview’, *SIPRI Yearbook 2006*, pp. 276–77, 286, 291.

⁵ UN General Assembly Resolution 64/22 (note 3).

⁶ UN General Assembly Resolution 64/22 (note 3), para. 1.

⁷ The Standardized Instrument is reproduced in United Nations, Department for Disarmament Affairs, *Transparency in Armaments: United Nations Standardized Instrument for Reporting Military Expenditures—Guidelines* (United Nations: New York, [n.d.]), pp. 7–8.

⁸ The most recent report is United Nations, General Assembly, ‘Objective information on military matters, including transparency of military expenditures’, Report of the Secretary-General, A/65/118, 12 July 2010; and addenda A/65/118/Add.1, 15 Sep. 2010; A/65/118/Corr.1, 30 Sep. 2010; and A/65/118/Add.2, 8 Dec. 2010.

⁹ The most recent example is United Nations, Office for Disarmament Affairs, *United Nations Standardized Instrument for Reporting Military Expenditures: Pattern of Global and Regional Participation by States 1996–2007* (United Nations: New York, [n.d.]).

The SIPRI reporting system

SIPRI has sent requests for data on military expenditure to governments via various national government offices and embassies on an annual basis since 1993. Such requests are sent to most of the 173 countries that are included in the SIPRI Military Expenditure Database.¹⁰ The SIPRI questionnaire is a simplified version of the UN instrument, with fields for data on spending on military and civilian personnel, operations and maintenance, procurement, military construction, military research and development, paramilitary forces, and military aid provided and received. Data is requested for the five most recent years in order to ensure consistency over time. The reported data is one source of information used in preparing SIPRI's tables of military expenditure.¹¹

III. Trends in reporting, 2001–10

There has been a decrease in reporting in recent years (see table 4B.1). The number of countries reporting to either the UN or SIPRI dropped from 85 in 2006 to 67 in 2010, reflecting a drop in the response rate to both SIPRI and the UN.

Since the introduction of the UN's standardized instrument, over 124 member states have submitted a report at least once.¹² The number of reports to the UN peaked in 2002 at 70; the total of 51 reports in 2009 was the lowest (excluding the 6 countries that submitted nil reports) in the period 2001–10. Over the period 2001–10 the rate of response to the UN (including nil reports) was 38 per cent, but this had fallen to 30–31 per cent in 2009 and 2010. The response rate to SIPRI over the period 2001–10 was 36 per cent, but this had fallen to 30 per cent by 2010.

The region with the highest overall reporting rate in 2010 was Europe, while the Middle East and Africa had the lowest rates (see table 4B.2).

Given that participation is voluntary and the low levels of reporting are now declining, it seems that annual reporting to these mechanisms is not a high priority for governments. While the political sensitivity of military expenditure is a primary reason in some cases, this cannot be the case for the majority of those that do not report as many of them have made their military budgets available to international financial institutions or online to the general public. Reasons for not reporting may include uncertainty about the utility of reporting, the irrelevance of some or most of the categories in the Standardized

¹⁰ SIPRI Military Expenditure Database, <<http://www.sipri.org/databases/milex/>>. In 2010 SIPRI did not send requests to Bahamas, Barbados, Costa Rica, Haiti, Panama, Somalia or Tonga. In addition, the SIPRI Military Expenditure Database contains historical data on 4 states that no longer exist: Czechoslovakia, the German Democratic Republic (East Germany), the Yemen Arab Republic (North Yemen) and the People's Democratic Republic of Yemen (South Yemen).

¹¹ See appendix 4A.

¹² United Nations, Office for Disarmament Affairs (UNODA), and SIPRI, *Promoting Further Openness and Transparency in Military Matters: An Assessment of the United Nations Standardized Instrument for Reporting Military Expenditures*, UNODA Occasional Papers no. 20 (United Nations: New York, Nov. 2010), p. 2.

Table 4B.1. Number of countries reporting their military expenditure to the United Nations and SIPRI, 2001–10

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<i>UN reporting system^a</i>										
Number of UN member states	189	191	191	191	191	192	192	192	192	192
Number of reports to the UN ^b	56	70	64	68	62	69	66	68	51	53
Standardized reports	56	70	54	54	55	54	48	53	42	41
Simplified reports ^c	..	..	10	14	7	15	18	15	9	12
Nil reports ^d	5	11	11	10	12	11	12	8	6	7
UN response rate (%) ^e	32	42	39	41	39	42	41	40	30	31
<i>SIPRI reporting system</i>										
States in the SIPRI Military Expenditure Database ^f	164	167	167	167	167	168	168	168	169	166
Number of SIPRI requests	158	158	158	159	167	165	165	165	167	162
Number of reports to SIPRI	63	61	64	62	67	60	55	53	58	50
SIPRI response rate (%)	40	39	41	39	40	36	33	32	35	31
Total number of reports to the UN or SIPRI^g	..	..	..	..	..	85	78	78	68	67

^a The UN data for 2010 includes late submissions up to 8 Dec. 2010, but some countries may report after this date.

^b These figures exclude nil reports.

^c Countries reporting to the UN with both standardized and simplified reports are listed as standardized reports to avoid double counting.

^d A nil report is a questionnaire returned to the UN with no data entered, usually submitted by a country that does not maintain regular armed forces. The total includes those from states not in the SIPRI database.

^e These figures include nil reports.

^f The SIPRI Military Expenditure Database excludes many small states with populations under 1 million. In addition, the totals exclude former states on which the database contains historical data.

^g Totals may be smaller than the sums of reports to the UN and SIPRI because the same country may report to both organizations. Totals before 2006 are not available because of changes in the way responses to the UN and SIPRI are counted.

Sources: United Nations, 'Objective information on military matters, including transparency of military expenditures', Reports of the Secretary-General, various dates, 2001–10, <http://www.un.org/disarmament/convarms/Milex/html/Milex_SGReports.shtml>; and submitted filled-in SIPRI questionnaires.

Instrument, and low governmental capacity to respond.¹³ In general, most countries that have never reported to the Standardized Instrument tend to make only basic information on military spending available elsewhere (such as a single total figure).¹⁴ Equally, the fact that many countries have responded at least once suggests that they have the capacity and the willingness to report but lack political commitment to respond consistently.

The GGE that has been appointed to review the operation of the Standardized Instrument started its work in November 2010 by commissioning a joint report by SIPRI and the UNODA.¹⁵ The GGE forms part of the first review of the Standardized Instrument since its inception and initial assessment in the early 1980s. It is expected that by June 2011 the GGE will produce recommendations on how to develop the Standardized Instrument to encourage wider and more consistent participation in this confidence-building measure.

¹³ United Nations and SIPRI (note 12), p. 1.

¹⁴ United Nations and SIPRI (note 12), p. 22.

¹⁵ United Nations and SIPRI (note 12).

Table 4B.2. Reporting of military expenditure data to the United Nations and SIPRI, by region, 2010

Figures are numbers of countries. Nil reports to the UN and reports by countries not included in the SIPRI Military Expenditure Database are not included. No state that is not included in the SIPRI Military Expenditure Database sent a substantive report to the UN.

Region/ subregion ^a	Reporting to the UN		Reporting to SIPRI		Total, SIPRI and UN ^b	Response rate (%)
	Requests	Countries reporting data	Total	Countries reporting data		
<i>Africa</i>	50		2	49	5	12
North Africa	4	-	0	4	1	25
Sub-Saharan Africa	46	Burkina Faso, Mauritius ^c	2	45 ^d	4	11
					South Africa	
<i>Americas</i>	26		7	23	5	35
Central America and the Caribbean	13	El Salvador ^e , Mexico ^e	2	10 ^f	2	23
North America	2	Canada, USA	2	2	1	100
South America	11	Argentina, Brazil, Colombia ^e	3	11	2	36
					USA	
<i>Asia and Oceania</i>	31		12	32	5	44
Central and South Asia	11	Bangladesh ^e , Kazakhstan, Kyrgyzstan, Nepal ^e	4	11	0	36
East Asia ⁱ	5	China ^e , Japan, South Korea ^e	3	6	3	67
Oceania	4	Australia, New Zealand	2	4	1	50
					Australia	
South East Asia	11	Cambodia ^e , Indonesia ^e , Thailand ^e	3	11	1	37
					Philippines	
<i>Europe</i>	44		30	44	34	82
Central and Western Europe	37	Austria, Bulgaria, Croatia ^e , Czech Republic, Estonia, Finland, France, Germany, Hungary ^e , Ireland, Latvia, Macedonia (FYR) ^e , Malta, Netherlands, Norway, Poland,	25	37	29	84
					Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Latvia,	

Eastern Europe	7	Portugal, Romania, Serbia ^e , Slovakia ^e , Slovenia ^e , Spain ^e , Sweden, Switzerland, UK	5	7	Macedonia (FYR), Malta, Montenegro, Norway, Poland, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, UK	5	5	71
Middle East	14	Armenia ^c , Belarus, Moldova ^c , Russia, Ukraine	2	14	Armenia, Belarus, Moldova, Russia, Ukraine	1	2	14
Total	165^h	53ⁱ	162	50	67	40		

^a Countries are grouped in the geographical regions and subregions used in the SIPRI Military Expenditure Database. See appendix 4A.

^b Totals may be smaller than the sums of reports to the UN and SIPRI because the same country may report to both organizations.

^c These 12 countries reported their data using a simplified UN form.

^d There are 46 sub-Saharan African countries in the SIPRI Military Expenditure Database, but SIPRI is unable to send requests to Somalia because of a lack of contact details.

^e These 10 countries used both the simplified and standardized forms when reporting to the UN. These countries are counted as standardized form responses in this table.

^f SIPRI does not send a request to Costa Rica, Panama and Haiti, as these countries have no regular armed forces.

^g SIPRI sent a request to Taiwan, which is not a member of the UN.

^h In addition, the UN sent requests to 27 states not in the SIPRI Military Expenditure Database.

ⁱ In addition, 7 UN member states—Andorra, Iceland, Liechtenstein, Monaco, Nauru, Samoa and Tunisia—submitted nil reports to the UN.

Sources: United Nations, General Assembly, 'Objective information on military matters, including transparency of military expenditures', Report of the Secretary-General, A/65/118, 12 July 2010; and addenda A/65/118/Add.1, 15 Sep. 2010; A/65/118/Corr.1, 30 Sep. 2010; and A/65/118/Add.2, 8 Dec. 2010; and submitted SIPRI questionnaires.