

### III. Transparency in arms transfers

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Official and publicly accessible data on arms transfers is important for assessing states' arms export, arms procurement and defence policies. However, publishing data on arms sales and acquisitions is a sensitive issue for nearly all states. This section analyses recent developments in official international, regional and national reporting mechanisms that aim, in whole or in part, to increase the quality and quantity of publicly available information on arms transfers.<sup>1</sup>

#### The United Nations Register of Conventional Arms

Established in 1992, the United Nations Register of Conventional Arms (UNROCA) remains the key international mechanism for official transparency on arms exports and imports.<sup>2</sup> Each year all UN member states are requested to report, on a voluntary basis, information to the UNROCA on their exports and imports of certain types of weapon in the previous year.<sup>3</sup>

The recent level of reporting has been below the level expected. In the 1990s the level of reporting was fairly stable at between 85 and 99 reports annually. It increased to its highest ever point—126 reports—in 2001, followed by a reasonably stable 113 to 123 reports for 2002–2006. Since then reporting levels have decreased rapidly. Only 59 states reported on 2011, and only 73 on 2012 (see table 10.6). As of March 2015, 57 states had submitted reports on their arms transfers during 2013, the lowest number ever.<sup>4</sup>

In the period 2009–13 just 30–45 per cent of all UN member states provided information.<sup>5</sup> All the top 10 suppliers of major weapons recorded by SIPRI for 2010–14 have been regular reporters to the UNROCA (for the

<sup>1</sup> This section does not address 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 and the Wassenaar Arrangement. Another source of information on the international arms trade is the customs data of the United Nations Commodity Trade Statistics Database (Comtrade). Comtrade data is not discussed here because it is neither intended nor designed to be a tool for increasing the amount of publicly available information on international arms transfers. Comtrade data is included in the Norwegian Initiative on Small Arms Transfers (NISAT) Small Arms Trade Database, <<http://www.prio.no/NISAT/Small-Arms-Trade-Database/>>.

<sup>2</sup> United Nations Office for Disarmament Affairs, United Nations Register of Conventional Arms (UNROCA), <<http://www.un.org/disarmament/convarms/Register/>>.

<sup>3</sup> These weapons are armoured combat vehicles; large-calibre artillery systems; combat aircraft; attack helicopters; warships; and missiles or missile launchers. States are also invited to provide information on their transfers of small arms and light weapons and on their holdings of major weapons.

<sup>4</sup> Not including Qatar, which responded but gave no data on imports or exports.

<sup>5</sup> In 2008–10 the UN had 192 member states. South Sudan became the 193rd member in 2011.

list of top suppliers see table 10.1 in section 1 of this chapter). However, four missed at least one year between 2009 and 2013: France in 2009, Israel in 2012 and 2013, Ukraine in 2010 and the USA in 2013. Of the top 10 recipients, the United Arab Emirates and Saudi Arabia did not report for any of the years in the period 2009–13, Pakistan missed three years (2009, 2011 and 2013), and Singapore and Turkey each missed two years (2012 and 2013, and 2009 and 2011, respectively), while Australia did not report for 2011, and both India and the USA failed to report for 2013. Only China and South Korea reported for all five years. (For a list of the 50 top recipients of arms in 2010–14 see table 10.3 in section I of this chapter.)

This low level of reporting comes despite the fact that the issue of reporting on arms transfers has been given an especially high profile in recent years as a result of the negotiations on the Arms Trade Treaty (ATT), which entered into force in December 2014.<sup>6</sup> The ATT obliges states parties to provide the ATT Secretariat with annual reports on ‘authorized or actual exports and imports of conventional arms’. There is an ongoing discussion concerning whether and, if so, how the ATT reporting mechanism will be linked to the UNROCA.<sup>7</sup>

## **National and regional reports on arms exports**

### *Trends in national reporting*

Since the early 1990s a growing number of governments have published national reports giving details of their arms exports.<sup>8</sup> As of January 2015, 35 states had published at least one national report on arms exports since 1990. Of those, only 3 had failed to issue a report since 2009.<sup>9</sup> Of the 32 states that have reported since 2009, 31 provided information about arms export licences granted, and 26 included information about actual arms exports. In 2014 no state produced a national report on arms exports that had not done so previously.

Since 2009 the amount of detail included in national reports on arms exports has varied. While some states have reduced the amount of information they provide, others continue to produce ever more detailed and comprehensive reports (see table 10.7 for a review of states that have increased or decreased the information provided since 2009). In 2014 South Africa began producing far more comprehensive information on

<sup>6</sup> Arms Trade Treaty (ATT), opened for signature 3 June 2013, entered into force 24 Dec. 2014, <[https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg\\_no=XXVI-8&chapter=26&lang=en](https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVI-8&chapter=26&lang=en)>.

<sup>7</sup> For more on this debate see chapter 15, section I, in this volume.

<sup>8</sup> A database of the published reports is maintained by SIPRI at <[http://www.sipri.org/research/armaments/transfers/transparency/national\\_reports](http://www.sipri.org/research/armaments/transfers/transparency/national_reports)>.

<sup>9</sup> The 3 states that have produced a report since 1990 but not since 2009 are Australia, Belarus, and Bosnia and Herzegovina.

**Table 10.6.** Reports submitted to the United Nations Register of Conventional Arms (UNROCA), by region, 2009–13

Years refer to the year covered by the report, not the year of its submission. Figures in brackets are the percentages per region of UN members that have reported.

Region	2009	2010	2011	2012	2013
Africa	4 (8%)	2 (4%)	2 (4%)	3 (6%)	1 (2%)
Americas	10 (29%)	18 (51%)	7 (20%)	11 (31%)	8 (23%)
Asia	13 (41%)	15 (53%)	10 (34%)	12 (41%)	6 (20%)
Europe	40 (85%)	45 (96%)	37 (80%)	44 (93%)	38 (81%)
Middle East	2 (13%)	3 (20%)	1 (7%)	1 (7%)	3 (20%)
Oceania	4 (29%)	4 (29%)	2 (14%)	2 (14%)	1 (7%)
<b>Total</b>	<b>73 (38%)</b>	<b>87 (45%)</b>	<b>59 (31%)</b>	<b>73 (38%)</b>	<b>57 (30%)</b>

Source: UNROCA database, <<http://www.un-register.org/>>.

export licences, including detailed descriptions of the goods involved and the number of items.<sup>10</sup> In recent years, Albania—which aspires to membership of the European Union (EU)—and Croatia, which joined the EU in 2013, have also published more comprehensive national reports.<sup>11</sup> By contrast, a number of established EU member states are now producing less detailed reports than in previous years, including Denmark, Sweden and the region of Flanders in Belgium.<sup>12</sup>

Until 2012 Denmark provided information on licences or deliveries related to transfers to industry or defence end-users and gave specific information on export licence denials. Since 2013 Denmark has limited its national arms export report to its submission to the EU annual report, providing information only on the number and value of export licences granted, broken down by destination and EU Military List category (the EU annual report is discussed further below). Until 2012 Sweden provided detailed information on cooperation and licensed production deals, including the exporting company, destination country and weapon system involved. Since 2013 this information has been replaced by summary text that simply states the destination country involved. In the Belgian region of Flanders the implementation of the EU Intra-Community Directive (ICT Directive) has led to a reduction in the amount of information available

<sup>10</sup> Hartley, W., 'Act change makes SA arms sales more transparent', *Business Day*, 26 May 2014; Merten, M., 'Finally, transparency for SA arms sales', IOL News, 18 Mar. 2014, <<http://www.iol.co.za/news/politics/finally-transparency-for-sa-arms-sales-1.1663251#.VG1e05Rg4Vk>>; and National Conventional Arms Control Committee, '2013 Annual Report: National Conventional Arms Control Committee', Apr. 2014, <[http://www.sipri.org/research/armaments/transfers/transparency/national\\_reports/south\\_africa/SA\\_2013.pdf](http://www.sipri.org/research/armaments/transfers/transparency/national_reports/south_africa/SA_2013.pdf)>.

<sup>11</sup> See Holtom, P. and Bromley, M., 'Transparency in arms transfers', *SIPRI Yearbook 2012*.

<sup>12</sup> In Belgium responsibility for issuing and reporting on arms export licences has been devolved to the 3 regional governments—Brussels, Flanders and Wallonia—since 2003.



Country year <sup>a</sup>	Type	No. of licences	Fin- ancial value	Desti- nation	Control list category	Descrip- tion	No. of items	Type of end- user	Origin
Estonia 2012	Licences Deliveries Lic. denials	+							
Hungary 2011	Licences Deliveries Lic. denials								
Ireland 2011	Licences Deliveries Lic. denials								
Slovakia 2013	Licences Deliveries Lic. denials	+							
South Africa 2013	Licences Deliveries Lic. denials								
USA 2013	Licences Deliveries Lic. denials								

x = not applicable; - = reduction in detail; + = increase in detail.

<sup>a</sup> The year in the left-hand column shows when the report changed most recently. In all cases, year refers to the (financial or calendar) year reported on, not the year of publication.

Sources: The national arms reports from the states in question, also available from SIPRI's National Reports Database, <[http://www.sipri.org/research/armaments/transfers/transparency/national\\_reports](http://www.sipri.org/research/armaments/transfers/transparency/national_reports)>; and Weber, H. and Bromley, M., 'National reports on arms exports', SIPRI Fact Sheet, Mar. 2011, <<http://books.sipri.org/files/FS/SIPRIFS1103b.pdf>>, for the comparison data from 2009.

about the final destination of exported goods.<sup>13</sup> Following the adoption by Flanders of the new arms trade decree from 15 June 2012—which is based on the ICT Directive—a significant number of exports that would have been covered by individual export licences, or the relevant catch-all clause for unlisted items going to a military end-use, are no longer subject to export controls. Moreover, most exports to other EU member states can now be covered by general licences, which means that information about the goods being exported—including their destination and end-user—is only made public long after the export has taken place.<sup>14</sup> As other EU

<sup>13</sup> See note 12. Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community, *Official Journal of the European Union*, L146, 10 June 2009. On the ICT Directive see also chapter 15, section IV, in this volume.

<sup>14</sup> As a result, the total value of export licences issued has fallen from €285 million in 2012 to €121 million in 2013. See Baum, T. and Duquet, N., *Flemish Foreign Arms Trade 2013* (Flemish Peace Institute: Brussels, Feb. 2015), p. 29.

**Table 10.8** Submissions of information to the European Union annual report on arms exports, 2003–13

Annual report	Year covered	No. of states obliged to submit	No. of states making submissions	No. of states making full submission <sup>a</sup>	Proportion of states making full submission (%)
16th	2013	28	27 <sup>b</sup>	21	75
15th	2012	27 <sup>c</sup>	27	20	74
14th	2011	27	27	18	67
13th	2010	27	27	17	63
12th	2009	27	27	17	63
11th	2008	27	27	19	70
10th	2007	27	27	16	59
9th	2006	25	25	16	64
8th	2005	25	25	17	68
7th	2004	25	25	13	52
6th	2003	22 <sup>d</sup>	22	6	27

<sup>a</sup> A 'full submission' is taken to be data on the financial value of both arms export licences issued and actual exports, broken down by both destination and EU Military List category.

<sup>b</sup> Greece did not submit data to the 16th EU Annual Report.

<sup>c</sup> Croatia joined the EU in 2013 and was not obliged to submit data for 2012. It submitted data for the first time to the 16th EU Annual Report.

<sup>d</sup> Because the 6th annual report covers export licences issued and actual exports in 2003, the 10 member states that joined the EU in 2004 were not obliged to submit data. Instead, they were invited to submit figures for 2003 if they were available, which 7 of them did.

Source: Council of the European Union, EU annual reports, <[http://www.eas.europa.eu/non-proliferation-and-disarmament/arms-export-control/index\\_en.htm](http://www.eas.europa.eu/non-proliferation-and-disarmament/arms-export-control/index_en.htm)>.

member states implement the ICT Directive, this may lead to further reductions in national transparency.

In contrast, Germany has been undergoing a series of reforms to improve its transparency in arms transfers. After the change in government in December 2013, the new coalition government—made up of the Christian Democratic Union (CDU), the Christian Social Union in Bavaria (CSU) and the Social Democratic Party (SPD)—decided to improve transparency. This followed significant debates about actual and proposed arms exports to states in North Africa and the Middle East.<sup>15</sup> Besides the sales themselves, the opposition—as well as parliamentarians from the governing parties—took issue with the general lack of transparency surrounding such deals.<sup>16</sup> Germany will now produce biannual reports detailing the most important exports and export destinations. The first was published in October 2014 and includes the number and value of approved licences on a country level,

<sup>15</sup> See section I in this chapter.

<sup>16</sup> Hickmann, C., 'Schwarz-rot verspricht mehr transparenz bei rüstungsexporten' [The black-red government will provide more transparency on arms exports], *Süddeutsche Zeitung*, 8 Apr. 2014.

and a description of the exports to the 20 most important destinations.<sup>17</sup> In addition, the German Parliament will be notified within two weeks of all final approvals for arms exports issued by the government committee responsible—the Federal Security Council. These notifications will contain a description of the goods, the number of items, the recipient country and, potentially, the name of the supplier company. The usual non-disclosure clause has been lifted for these notifications.<sup>18</sup> In October 2014 the Federal Constitutional Court rejected a claim brought by several German Green Party parliamentarians, in which they argued, among other things, that information should be made available to parliament before the Federal Security Council issues its final approvals. Despite rejecting the plaintiffs' main argument, the court clarified a number of legal provisions and agreed with some of the points raised, favouring an increase in transparency in arms exports after the final approvals have been issued.<sup>19</sup>

### *Trends in EU reporting*

The EU Common Position defining common rules governing the control of exports of military technology and equipment requires EU member states to exchange data on the financial values of their export licence approvals and actual exports, along with information on their denials of arms export licences.<sup>20</sup> The Council of the European Union compiles and publishes this data in an annual report. For the 16th annual report, published in March 2015 and covering transfers during 2013, 75 per cent of the 28 EU member states provided full submissions; that is, they provided data on the number of licences issued and the financial value of both arms export licences and

<sup>17</sup> *Bericht der Bundesregierung über ihre Exportpolitik für konventionelle Rüstungsgüter im ersten Halbjahr 2014* [Message from the government about its export policies on conventional arms in the first half-year of 2014], Bundesministerium für Wirtschaft und Energie [Federal Ministry for Economic Affairs and Energy] (Ausdruck Schaare & Schaare GbR: Berlin, Oct. 2014).

<sup>18</sup> 'Germany eyes arms export changes after backlash', Reuters, 3 June 2014; and Geschäftsordnung des Bundessicherheitsrates vom 27. Januar 1959 in der Fassung vom 4. Juni 2014 [Rules of procedure for the Federal Security Council of 27 Jan. 1959, as amended on 4 June 2014], German law Drucksache 18/1626, 4 June 2014, <<http://dip21.bundestag.de/dip21/btd/18/016/1801626.pdf>>.

<sup>19</sup> Hipp, D., 'Urteil in Karlsruhe: Ein guter Tag für die Rüstungsindustrie' [Judgement in Karlsruhe: a good day for the defence industry], *Der Spiegel*, 21 Oct. 2014; 'Regierung darf Anbahnung von Rüstungsexporten geheim halten' [Government may keep development of arms exports secret], *Süddeutsche Zeitung*, 21 Oct. 2014; Janisch, W., 'Entscheidung für das Halbdunkel' [Ruling for the semi-darkness], *Süddeutsche Zeitung*, 21 Oct. 2014; and 'German court rules against more disclosure in arms deals', Deutsche Welle, 21 Oct. 2014, <<http://www.dw.de/german-court-rules-against-more-disclosure-in-arms-deals/a-18009863>>.

<sup>20</sup> Council of the European Union, Council Common Position 2008/944/CFSP of 8 Dec. 2008 defining common rules governing control of exports of military technology and equipment, *Official Journal of the European Union*, L335, 8 Dec. 2008. On developments related to the EU Common Position see chapter 15, section IV, in this volume.

actual arms exports, broken down by both destination and EU Military List category.<sup>21</sup>

This figure is up slightly from the 15th EU annual report, when 27 EU member states were asked to provide data and 74 per cent made full submissions (see table 10.8). Publication of the 16th annual report was significantly delayed by Greece's failure to provide national data, probably due to its ongoing budgetary difficulties.<sup>22</sup> It is hoped that the new mechanisms for information sharing being developed under the auspices of the review of the EU Common Position will help to speed up the process of publishing the EU annual report, although this will only be the case if EU member states provide the information in a timely manner.<sup>23</sup>

<sup>21</sup> Council of the European Union, Sixteenth Annual Report according to Article 8(2) of Council Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, *Official Journal of the European Union*, C103, 27 Mar. 2015.

<sup>22</sup> The 16th EU Annual Report states that Greece's arms export data for 2013 was 'not available at time of data collection at EU level'. Council of the European Union, C103 (note 21), p. 8.

<sup>23</sup> On the review of the EU Common Position see chapter 15, section IV, in this volume.