II. Arms transfers as military aid

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Most arms transfers are commercial transactions where the buyer pays for the weapons. It is not uncommon that such commercial deals include various types of financial arrangements that are more the result of political rather than commercial considerations (e.g. low-interest credits provided by the supplier government). A recent example is the sale in 2015 of 36 Gripen combat aircraft by a Swedish company to Brazil where the Swedish Government provided a long-term loan of some $5 billion at an interest rate below the commercial level.1 In some cases such loans are not paid back in full but this might be something the parties expected and planned for when they made the deal. These types of arrangements could be considered to be a kind of military aid. However, the more common understanding of the term ‘military aid’ is the supply of equipment and services, including training, at no cost to the recipient. Since data on arms supplies as aid is inconsistent and uncertain, the analysis presented in this section is broad and general. It gives an overview of arms supplies as military aid in the past 10 years (2007–16) focusing on (a) recent examples of arms supplies as military aid by the main arms exporters, and (b) some of the stated and unstated goals of the aid.

Military aid played a major role in the cold war period when the richer members of each alliance provided large volumes of free equipment to strengthen the poorer members. From the 1950s to the mid-1970s the United States provided much of the military equipment delivered to its European and Asian allies as aid. Most of the deliveries from the Soviet Union to its allies in the same period were probably also in the form of aid. In the 1960s to the mid-1990s some of the richer European North Atlantic Treaty Organization (NATO) states supplied free equipment to other NATO states, especially to Greece and Turkey. States in other regions also received significant military aid during the cold war, with both the USA and the Soviet Union aiding their allies and other countries with large volumes of weapons. In addition, former colonial powers often provided aid to their ex-colonies. Indeed, most former colonies in Africa built up military forces with aid from their former colonial power. Such aid was often followed by further aid from one of the cold war blocs or from non-aligned countries.

During the cold war military aid typically included large volumes of major weapons. However, from the mid-1990s the volume of major weapons supplied as aid markedly diminished. While there have been some large deliveries of major weapons as aid over the past 10 years (2007–16), notably

to Afghanistan and Iraq during the US campaigns in those countries, only around 2 per cent of the total global volume of deliveries of major weapons was funded or partly funded under military aid programmes.

**The United States**

The USA has been the largest provider of military aid by far since 1945. It is also the only country with identified and consistent long-standing programmes under which it provides various types of military and security aid. US military aid diminished after the end of the cold war. However, since 2001 it has increased in prominence and has again become an important part of US policy. Military aid and arms sales fall within the policy area labelled ‘Building Partner Capacity’, which has been used as a catch-all label for various aspects of US national security policy since 2006. The most prominent aid programme is the Foreign Military Financing (FMF) programme. The FMF programme, which is mainly meant for the acquisition of military equipment from the US arms industry (including major weapons), spends around $5–6 billion annually. In addition, the US provides substantial amounts of surplus military equipment, including major weapons, as aid under the Excess Defense Articles (EDA) Grant programme. Additional temporary programmes aim to provide aid, including major weapons, to specific countries. Notable examples are: (a) the programmes to support the rebuilding and sustaining of the armed forces of Afghanistan and Iraq to fight insurgencies; (b) the Merida programme supporting Mexico’s fight against drug cartels; and (c) the ‘Train and Equip’ programme supporting rebel forces in Syria. Other major aid programmes include the International Military Education and Training (IMET) programme, the Maritime Security Initiative (MSI) and counterterrorism aid. However, these programmes are often more focused on training or equipment for non-military agencies rather than on the supplies of weapons.

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4 The US Government provides large volumes of documentation on military aid programmes. See e.g. the State Department’s budget proposals, <https://www.state.gov/f/budget/>. Both the Congressional Research Service (CRS) and the Government Accountability Office (GAO) provide regular detailed reports on military aid, often in the form of country studies. The GAO reports are available
Israel and Egypt are by far the largest recipients of US military aid, mainly as FMF.\(^5\) Israel has received more than $28.5 billion in FMF aid over the past 10 years. In 2016 the US agreed to provide $33 billion in FMF to Israel between 2019 and 2028—the largest FMF grant ever provided. This will go towards funding Israel's new F-35 combat aircraft and other air force assets to be supplied by the USA as well as some equipment supplied by Israel's own arms industry. An additional $5 billion in aid will be made available for Israel's anti-ballistic missile (ABM) programmes. The ABM systems will be supplied by Israel's own arms industry, albeit with some input from US companies. The USA's funding of locally produced equipment is unique to its aid deal with Israel. The current 10-year aid package (2009–18) allows Israel to use up to 25 per cent of total aid to acquire Israeli-produced equipment. However, Israel's use of FMF to acquire major weapons from its own industry will be scaled down and eventually phased out under the aid deal agreed in 2016.\(^6\)

The provision of large-scale aid to Israel, even at times when the US Government has been critical of Israel, is partly aimed at obtaining Israel's acceptance of US policies towards Iran, Palestine and other Arab countries.\(^7\)

US military aid, specifically in the form of major weapons delivered as FMF or EDA aid, has played a major role in operations against insurgencies in Afghanistan, Colombia, Iraq, Pakistan, the Philippines, Nigeria and many other countries. However, such aid has often generated controversy in the USA.\(^8\) Many of the recipient governments have been involved in human rights violations or corruption, or have come to power in undemocratic ways. In addition, there is sometimes a gap between what the USA expects in return for the aid and what happens in reality. US military aid to Pakistan, for example, has diminished significantly in recent years after the US Congress and Government concluded that Pakistan had not been sufficiently active in its efforts to combat al-Qaeda and the Taliban, and had failed to provide


\(^5\) The USA also provides major weapons as aid to its other allies in the Middle East. For further detail see chapter 3, section III, in this volume.


\(^7\) Green, E., ‘Why does the United States give so much money to Israel?’, *Atlantic Daily*, 15 Sep. 2016; and Sharp (note 6).

adequate levels of cooperation to prevent illegal supplier networks related
to nuclear weapon materials. Several programmes for major weapons were
delayed, reduced in size or cancelled, including for F-16 combat aircraft. The
US Congress cited Pakistan’s lack of progress towards restoring democracy
and its poor human rights record as additional reasons for blocking military
Service (CRS) Report for Congress R44034 (US Congress, CRS: Washington, DC, 14 May 2015); and
Requirements}, Congressional Research Service (CRS) Report for Congress R42116 (US Congress,
CRS: Washington, DC, 1 June 2012).} Nigeria is another example where concerns, in this case over human
rights and corruption, have recently held up the provision of military aid,
especially the supply of weapons.\footnote{De Luce, D. and O’Grady, S., ‘US to boost military aid to Nigeria for Boko Haram fight’, \textit{Foreign

The USA has also provided or offered military aid to countries embroiled
in territorial disputes in the South China Sea. The Philippines is a traditional
ally of the USA and a long-term recipient of US military aid. In the past
15 years it has received almost $800 million in military aid, including
$127 million in the US fiscal year (FY) 2016 (October 2015–September 2016)—
the highest annual total during that period. Much of the aid provided over
the past 15 years has been in the form of light weapons and non-lethal equip-
2016; and Reuters, ‘China offers $14 million arms package to the Philippines’, 20 Dec. 2016.} However, in recent years the emphasis
has partly shifted towards a strengthening of the Philippines’ capabilities
in the South China Sea. The most significant demonstration of this shift in
emphasis was the delivery by the USA of three large, second-hand patrol
ships to the Philippines between 2011 and 2016. The USA has budgeted
$180 million in military aid to the Philippines for FY 2017 (October 2016–
September 2017), but some of this aid—as well as some of the aid budgeted
in previous years—has been blocked as a result of concerns over human
rights violations under the new Philippine Government of President Rodrigo
Duterte.\footnote{Katigbak, J., ‘US to provide $180-M aid to Philippines next year’, \textit{Philippine Star}, 8 Oct. 2016.} Such concerns may lead to further suspensions of the FY 2017 aid
programme and are likely to put future programmes under increased pres-
sure.

In 2015–16 the USA offered aid—in the form of patrol ships—to Viet Nam.
Russia

Little is known about structural Russian military aid programmes or even ad hoc supplies of aid. For example, Russia is heavily involved in supporting the Syrian Government in its war against various rebel forces and the Islamic State (IS) but seems to supply very few major weapons to Syria. It is also unclear whether those weapons are supplied as sales or as aid. The bulk of Russia’s military aid seems to be in the form of military equipment to former Soviet states. Russia has supplied limited amounts of major weapons to several Central Asian states as part of a policy to protect its long southern borders from possible expansion by extreme Islamist groups from Afghanistan. Kyrgyzstan and Tajikistan have received armoured vehicles and artillery during the past decade. Kazakhstan received surface-to-air missile (SAM) systems in 2015 under a programme to create a joint Russian–Kazakh air defence network. Similar systems were delivered (partly as aid) to Belarus in 2015–16, also for a joint air defence network.

Russia has also supplied aid to rebel forces in eastern Ukraine since 2014. There have been numerous reports alleging large Russian supplies of military equipment, including hundreds or even thousands of tanks and other armoured vehicles, to Ukrainian rebels. Very few of these reports have been verified, a process which requires clear evidence that the equipment being used by the rebels is unique to Russia or that Russia is the only likely supplier. Russian equipment verified as being in use by the rebels includes T-72B3 tanks, Kornet anti-tank missiles and Grom SAM systems delivered in 2014.

China

China has a long history of providing military aid to certain developing countries. In recent years it seems to have been using limited military aid as part of a broader aid effort to improve relations with many countries in Africa, Asia and South America. China’s provision of military aid also often correlates with increasing Chinese economic investments in a particular country.

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14 For further detail on Russia’s role in the Syrian conflict see chapter 3, section I, in this volume.
16 TASS, ‘Russia supplied air defense missile systems to Kazakhstan free of charge’, 8 June 2016.
17 TASS (note 16).
China has made small military aid donations to many different African countries. Sometimes these donations include major weapons—for example the second-hand patrol ship provided to Nigeria in 2016. In competition with India, China has also provided aid to several Indian Ocean littoral or island states. Aid deliveries include four combat aircraft donated to Sri Lanka in 2008 and two light transport/maritime patrol aircraft donated to the Seychelles in 2011. In addition, China has made small military aid donations to countries in South America and the Caribbean. It has provided several aid packages to Ecuador since 2010, including the delivery in 2016 of 10,000 rifles and other equipment (worth $9.2 million). In 2016 China provided unspecified military equipment to Barbados and two light armoured vehicles and other equipment to the Bahamas. Barbados received the aid after it had refused to accept the conditions on military aid demanded by the USA.

China’s provision of military aid to some countries in South East Asia is likely to be in exchange for support for its policies in the region, especially with regard to competition over maritime claims. Cambodia, for example, has received Chinese military aid (including a pledge in 2016 of $15 million in military aid) for many years. While provision of the aid correlates to increasing Chinese economic investments in Cambodia, including in a new port, it is also likely to be a factor hindering the Association of Southeast Asian Nations from taking a strong and united position on China’s claims in the South China Sea. One of the most surprising recent military aid donations from China to a country in South East Asia occurred in December 2016, when China offered 100 million yuan ($14.4 million) in military aid to the Philippines in addition to a $500 million credit to buy more equipment, including weapons. The offer came at a time when the new Philippine Government was involved in disagreements with the USA, its main ally and aid provider, which had led to threats from the USA that it might block some large arms deliveries to the Philippines.

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25 Reuters, ‘China offers $14 million arms package to the Philippines’ (note 11).
**Key European suppliers**

*France*

Traditionally, France has provided military aid to many of its former colonies and a number still receive such aid. The aid has included training as well as limited amounts of major weapons, either new or from French military surplus. With the exception of eight armoured personnel carriers (APCs) delivered to Lebanon in 2011, all known supplies of major weapons as aid in the past 10 years have gone to former French colonies in the Sahel. Deliveries have mainly comprised small numbers of light armoured vehicles and light aircraft, and have often been supplied to countries where France is engaged in military operations in support of local governments against rebel forces. Examples include the delivery of (a) three second-hand armed light helicopters to Niger in 2013 as part of a military aid package worth $77 million, and (b) three light observation aircraft to Burkina Faso in 2012 as part of a package worth $150 million. In both cases the major weapons formed only a fraction of the total value of the aid. In 2015–16 France also supplied 62 light armoured vehicles for use in peacekeeping operations in Somalia by Cameroon, Ethiopia, Somalia, Tunisia and Uganda under a programme financed mainly with US aid.

*Germany*

Germany has a long history of supplying significant military aid in the form of major weapons to less wealthy NATO states. Initially, the chief beneficiaries were Greece, Portugal and Turkey. Germany’s attention then moved to the newer NATO member states in Central Europe, albeit its supplies to those states were at far lower levels than previous supply levels. However, over the past decade the supply of weapons as aid by Germany to other NATO states has been reduced to almost nothing.

Germany has a long-standing military aid programme with Israel, which has received German equipment as aid since the 1960s. The most prominent and most controversial of these programmes is Germany’s co-financing of Israel’s acquisitions of submarines. It has delivered five Dolphin submarines to Israel since 1991 and has completely or partly financed all these acquisitions. Israel ordered another submarine in 2012 and three more in 2016 for a total of €1.6 billion ($2 billion). Up to one-third of that cost will be paid by Germany. The sales have been somewhat controversial because the

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submarines can be used to launch land-attack missiles and there have been unconfirmed reports that they may carry nuclear weapons. In addition to part-financing Israel’s submarine acquisitions, in 2015 Germany agreed to pay one-third of the cost of four frigates ordered by Israel from a German shipyard.

While Germany has not provided combat forces for the allied operations against IS in Iraq and Syria, it has provided training and 2000 tonnes of weapons to the Kurdish Regional Government (KRG) in Iraq. In 2014–16 Germany supplied the KRG with almost 10 000 rifles, 1400 MILAN anti-tank missiles and some armoured vehicles. According to the KRG, Germany has become its main arms supplier. In 2016 Germany also agreed to provide 50 Marder infantry fighting vehicles (IFV) to Jordan to protect its borders from a potential spillover of the civil war in Syria. The aid is part of Germany’s Reinforcement Initiative under which the German Government has pledged to support specific states in troubled regions. German military aid, possibly including major weapons, is being supplied under the initiative to Iraq, Mali, Niger, Nigeria and Tunisia. The cost of Germany’s military aid was reported to be €100 million ($94.6 million) in 2016. This is expected to rise to €130 million in 2017. The aid to warring parties in war zones is a major change in German policy, but has been explained as necessary to prevent ‘these countries [being] overrun by terrorists’. However, the weapons supplied to the KRG may have been used in fighting between Kurdish forces, contrary to the KRG’s pledge to use the weapons only in the fight against IS.

The United Kingdom

The UK has traditionally provided military aid to many countries. However, in recent years major weapons have rarely been included in such aid. Only two cases of major weapon transfers as military aid were identified for the period 2007–16. The first involved a donation by the UK of two helicopters to Afghanistan in 2010 after they were used in a training programme for the Afghan military. The second was less clear-cut and involved the delivery in 2013 of 25 light APCs to the Somali Army. The APCs, together with some [29] For further detail on Israel’s nuclear forces see chapter 11, section VIII, in this volume.
[33] ARA News (note 31).
other British equipment, were reported to have been part of a donation from Djibouti. However, the particular model of APC donated is one that is only used by the UK. Moreover, according to the UK, the APCs were delivered to Djibouti just before the donation to Somalia, suggesting that they were actually part of a British aid package to Somalia.³⁴ The UK provided training and small volumes of military equipment as aid to other countries in 2007–16. For example, it has provided small arms and ammunition as well as training in non-lethal equipment to the KRG in Iraq since 2014.³⁵ It is also providing some 41 million pounds ($60 million) in aid to Lebanon. However, while the USA and France supply major weapons to Lebanon as part of their aid packages, the UK’s aid package is mainly in the form of training and some non-lethal equipment.³⁶

Other suppliers

Other states have provided military aid at various times. In most cases this has been fairly ad hoc, especially in recent years, and in limited amounts. Due to its concerns over China’s naval expansion and action in the South China Sea, Japan has started to use donations of military equipment to improve its relations with several South East Asian states. This has included the supply or offer to supply of light transport aircraft to the Philippines, and patrol vessels to coast guards or navies in Malaysia, the Philippines and Viet Nam.³⁷

Oil-exporting Arab states have taken a different approach to the provision of military aid from that generally taken by other states. Arab oil-exporting states have only recently begun to develop their local arms industries. They have, on occasion, provided surplus equipment from their inventories as aid. However, the most common approach has been the provision of very substantial funds to other states to acquire weapons. Saudi Arabia, for example, has a long history of funding the arms acquisitions of its allies. In 2014 it promised $4 billion in aid to Lebanon to acquire weapons, mainly from France. This example is notable as it highlights the often unwritten conditions attached to aid. Saudi Arabia suspended the aid package in early 2016 after Lebanon did not strongly condemn an attack on the Saudi diplomatic representation.

in Iran.\textsuperscript{38} The Saudi aid was at least partly an effort to gain Lebanon’s diplomatic support against Iran. Iran has itself supplied military aid to armed non-state groups in Lebanon, including Hezbollah. It has also likely provided such aid to several armed groups in Palestine.\textsuperscript{39} In addition, since 2009 it has supplied military aid to Houthi rebels in Yemen; the rebels are fighting a government supported by Saudi Arabia, the UAE and other Arab states. Several shipments of weapons, including major weapons such as mortars and anti-tank missiles, have been intercepted at sea on their way to Yemen, while other shipments have managed to slip through. However, details of the exact volumes and weapon types supplied by Iran remain unclear.\textsuperscript{40}

\textbf{Conclusions}

The use of military aid as a policy tool has declined since the end of the cold war. It has never been completely off the agenda, however, and appears to have regained some of its importance, most notably during the 2000s when the US-led ‘war on terror’ prompted a significant growth in supplies of weapons as aid to various countries involved in conflict, especially Afghanistan, Iraq and several African countries. While the impact of these supplies on the conflicts is unclear or contested, many of the recipient governments remain dependent on a continuation of this military aid for their survival, at least in the short term. There are also signs that growing rivalries between the USA and its allies in Europe and Asia on the one hand, and China or Russia on the other, are leading to an increase in the use of military aid as a tool to gain strategic interest in a way that is similar to that seen in the cold war period.

\textsuperscript{38} Al-Rasheed, M., ‘Why did Riyadh cancel $4 billion in aid to Lebanon?’, Al-Monitor, 26 Feb. 2016; and Barrington and Abdallah (note 36). In early 2017 it was reported that the suspension of the aid package had been lifted. Middle East Eye, ‘Saudi unblocks military aid to Lebanon’, 10 Jan. 2017.
