

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.

Section II describes trends in reporting to the United Nations Register of Conventional Arms (UNROCA), while section III considers reporting on arms exports by individual states and by the European Union (EU). Section IV considers the available information on the brokers who arrange and facilitate arms sales. Confidential intergovernmental exchanges of information on arms transfers, such as those that occur within the Organization for Security and Co-operation in Europe (OSCE), the Organization of American States (OAS) and the Wassenaar Arrangement, are not addressed here.¹

II. 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 export and import of seven categories of conventional weapons.² While UNROCA has made a significant contribution to 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.³

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 the NISAT Small Arms Trade Database at <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 See Holtom, P., 'Nothing to report: the lost promise of the UN Register of Conventional Arms', *Contemporary Security Policy*, vol. 31, no. 1 (Apr. 2010), pp.61–87.

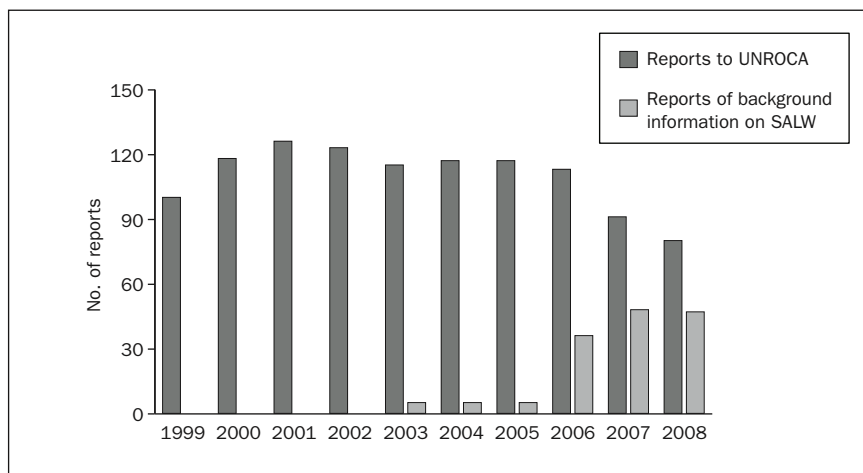


Figure 7C.1. Number of reports submitted to the United Nations Register of Conventional Arms (UNROCA), 1999–2008

SALW = small arms and light weapons.

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

The recent downward trend in states' participation in UNROCA continued during 2009 (see figure 7C.1). As of 31 December 2009, only 79 states had submitted reports on their arms transfers during 2008.⁴ This is even fewer than the previous low of 85, in 1998. The drop reflects a fall in the number of states submitting 'nil reports'—a report that simply declares that the country neither imported nor exported arms—as 34 of the states that submitted a nil report for 2005 and 2006 did not report for 2007 or 2008. In 2009 a group of governmental experts (GGE) appointed by the UN Secretary-General to review the continuing operation and development of UNROCA reported that it 'was unable to make judgements about States' reasons for not submitting "nil" returns'.⁵ However, it noted that 'outreach, updating national points of contact and follow-up by the Office for Disarmament Affairs' are essential for making states aware of this option.

There may be other reasons for a decline in reporting. Kenya submitted nil reports to UNROCA for 2005–2007, but as of December 2009 had not submitted a report for 2008. Kenya's nil report for 2007 was contradicted by sub-

⁴ Indonesia submitted its report on 5 Jan. 2010, bringing the total number of submissions on arms transfers during 2008 to 80. In comparison, 90 states had reported to the Register by 31 Dec. 2008, 112 by 31 Dec. 2007 and 113 by 31 Dec. 2006. UNROCA database, <http://disarmament.un.org/un_register.nsf>.

⁵ United Nations, General Assembly, 'Continuing operation of the United Nations Register of Conventional Arms and its further development', Note by the Secretary-General, A/64/296, 14 Aug. 2009, para. 19. GGE reviews take place every 3 years. One of the main tasks of each GGE is to consider ways to increase levels of reporting to UNROCA towards universal participation. The GGE reports of 1994, 1997, 2000, 2003 and 2006 are available at <http://www.un.org/disarmament/conv_arms/Register/HTML/Register_GGE_Reports.html>.

missions by China and Ukraine that detailed exports to Kenya during 2007.⁶ The discrepancy in reports, and allegations that Ukrainian exports to Kenya were actually transferred to the Government of Southern Sudan, led to negative publicity, which may have led Kenya to suspend its participation in UNROCA.

The conflict in South Ossetia in 2008 also appears to have had an impact on Georgia's participation in UNROCA. Georgia consistently submitted reports on its arms imports and exports for 1998–2007 but has not submitted a report for 2008. Since the Rose Revolution of November 2003, and the election of Mikheil Saakashvili as president, Russian officials have called for limits on 'destabilizing' arms transfers to Georgia. These calls have had a mixed impact. The Czech Republic, Turkey and Ukraine continued to supply arms to Georgia. However, it appears that bilateral pressure on Israel and states in the western Balkans led to some deals being cancelled.⁷ Georgia's decision not to submit a report to UNROCA for 2008 may be an attempt to limit Russia's ability to monitor its arms imports.

Following limited but positive recommendations on expanding the scope of UNROCA by the 2003 and 2006 GGEs, it was hoped that the 2009 GGE would recommend further expansions, and thereby increase its relevance for UN members. Proposals to expand the existing categories were discussed, including several which have been discussed by previous GGEs: to include force-projection and force-multiplier systems, to amend the parameters of weapons covered by existing categories, and to include information on unmanned aerial vehicles (UAVs).⁸ Following on from the positive response to the *invitation* to report background information on international transfers of small arms and light weapons (SALW), the GGE considered the case for *requesting* states to submit information on SALW transfers to a new, eighth category of UNROCA.⁹

The 2009 GGE did not recommend expansion of UNROCA and so there will be no changes to the scope of UNROCA before the next GGE in 2012. The 2009 GGE recognized that a new category for SALW would 'assist in monitoring and highlighting destabilizing accumulations of SALW' and noted the possibility of UNROCA losing relevance if it did not include SALW. However, the GGE failed to reach consensus on the creation of such a category.¹⁰ The 2009 GGE report contained only one substantive recommendation: that the UN Secretary-General seek the views of member states on whether the absence of SALW as a full category in UNROCA has limited the relevance of the register and directly affected decisions on participation.¹¹

⁶ Bromley, M. and Kelly, N., 'Transparency in arms transfers', *SIPRI Yearbook 2009*, pp. 337–38.

⁷ Holtom, P., 'Arms transfers to Georgia', Presentation at the Conference on Caucasus Studies: Migration–Society–Language, Malmö University, 28–30 Nov. 2008, <<http://195.178.225.22/CSmsl/program.html>>.

⁸ United Nations, A/64/296 (note 5), para. 43–8.

⁹ Forty-seven states reported on international transfers of SALW for 2008, representing more than half of the states that submitted reports to UNROCA. Sixty-five states have reported to UNROCA on international transfers of SALW at least once for 2005–2008.

¹⁰ United Nations, A/64/296 (note 5) para. 51.

¹¹ United Nations, A/64/296 (note 5), para. 75.

III. National and regional reports on arms exports

Since the early 1990s an increasing number of governments have published national reports on arms exports.¹² As of January 2010, 32 states had published at least one national report on arms exports since 1990, and 28 have done so since 2006 (see table 7C.2 below).

Albania published its first national report on arms exports in December 2009, providing information on export and import licences granted during 2007 and 2008, broken down by the destination or origin of the goods.¹³

South Africa's National Conventional Arms Control Committee (NCACC), which oversees the implementation of the country's arms export policy, is legally obliged to provide the parliament and the public with annual reports on arms exports.¹⁴ Despite this obligation, prior to 2009 the most recent public report, released in 2007, detailed arms transfers during 2003 and 2004.¹⁵ Reports detailing transfers in 2005 and 2006 were presented to the parliament but were blocked from public release.¹⁶ In August 2009 the opposition Democratic Alliance (DA) party attacked the NCACC's record on arms export controls, alleging that the NCACC had recently authorized—or was considering—transfers to Iran, Libya, Syria, Venezuela, Zimbabwe and North Korea.¹⁷ In response, the ruling African National Congress (ANC) stated that the DA was potentially guilty of releasing classified information and the individuals involved could face up to 20 years in jail, although no action was taken.¹⁸ Following the controversy, the NCACC gave its first briefing to parliament since August 2005 and released a public report detailing arms exports from South Africa in 2008.¹⁹

Under the European Union's Common Rules governing the control of exports of military technology and equipment (Common Rules), 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. The data on licences and exports, along with aggregated data on denials, is compiled in a publicly available annual report. The EU published its

¹² A list of the published reports is maintained on the SIPRI website at <http://www.sipri.org/research/armaments/transfers/transparency/national_reports>.

¹³ Albanian State Export Control Authority, *Annual Report on Export Control for 2007 and 2008* (Albanian Ministry of Defence: Tirana, 2009).

¹⁴ National Conventional Arms Control Act, Act no. 41 of 2002, Assented to 12 Feb. 2003, *Government Gazette* (Cape Town), 20 Feb. 2003.

¹⁵ South African National Conventional Arms Control Committee (NCACC), 2003 and 2004 annual reports, 2007, available on the SIPRI website (note 12).

¹⁶ Democratic Alliance (DA), 'Arming dictators all over the world: National Conventional Arms Control Committee in crisis', 2 Aug. 2009, <<http://www.da.org.za/newsroom.htm?action=view-news-item&id=7065>>.

¹⁷ Democratic Alliance (note 16).

¹⁸ Ncana, N., 'ANC wants Maynier off arms panel', *The Times* (Johannesburg), 2 Sep. 2009.

¹⁹ South African National Conventional Arms Control Committee (NCACC), 2008 annual reports, 27 Aug. 2009, available on the SIPRI website (note 12). See also Parliamentary Monitoring Group, 'National Conventional Arms Control Committee (NACC) Introductory & Annual Report 2008 briefing', 2 Sep. 2009, <<http://www.pmg.org.za/print/18065>>.

Table 7C.1. Numbers of EU member states submitting a complete data set to the EU annual report, 2004–2009^a

Annual report	Year covered	No. of states making submissions	No. of states making full submissions	Proportion of states making full submissions (%)
11th	2009	27	19	70
10th	2008	27	17	63
9th	2007	25	15	60
8th	2006	25	17	68
7th	2005	25	13	52
6th	2004	22 ^b	6	26

^a A ‘complete data set’ 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 Common Military List category.

^b Because the 6th annual report covers export licences issued and actual exports in 2003, the 10 member states that joined the EU in May 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.consilium.europa.eu/showPage.aspx?id=1484>>.

11th annual report in November 2009, covering transfers during 2008.²⁰ The level of detail on export licences and actual exports in the EU annual report has increased substantially since publication of the sixth annual report in 2004, when states were 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.

All 27 EU member states supplied information to the 11th annual report and 19 provided data for all requested categories. This is the highest proportion of states that have submitted a complete data set to the EU annual report since the enlargement of the EU in 2004 (see table 7C.1). However, the three largest arms exporters in the EU—France, Germany and the United Kingdom—all failed to make full submissions, thereby diluting the overall value of the report as a transparency instrument. Germany and the UK have long had technical difficulties with collecting and submitting data on actual arms exports disaggregated by EU Common Military List categories. The fact that the UK has decided to cease collecting data on actual arms exports is likely to further limit its ability to make full submissions to the EU annual report.²¹

In 2009 five states in South Eastern Europe—Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia (FYROM), Montenegro and Serbia—produced a regional report on arms exports, containing infor-

²⁰ Council of the European Union, Eleventh 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*, C265, 6 Nov. 2009. All 11 annual reports are available at <<http://www.consilium.europa.eu/showPage.aspx?id=1484>>.

²¹ See appendix 7B.

mation on arms export licences granted during 2007.²² The structure and format of the report are modelled on the EU annual report.²³ All of the participating states have already published national arms export reports, many of which contain more detailed information than the regional report. However, the publication of the regional report provides the first instance of the EU model of regional reporting being used by non-EU states.

IV. Publishing information on brokering licences

Governments and arms manufactures often rely on arms brokers to arrange and facilitate sales.²⁴ However, arms brokers have been implicated in facilitating the supply of arms to states subject to UN or regional arms embargoes along with terrorist, insurgent and organized crime groups and other 'undesirable' end-users. Effective controls on arms brokering are therefore widely seen as necessary for limiting illicit arms transfers. Information on the activities of arms brokers, and on states' interpretation of their brokering controls, remains largely outside the public domain. In recent years a number of states have started to provide some information on the individuals and companies that have been licensed to act as brokers or on approvals and denials of particular licences for brokering activities.

Since 2004 Estonia has published online information on companies or individuals that are registered to act as arms brokers, including the names of the individuals registered to act as brokers, the countries between which they can arrange transactions and the date of entry into the register.²⁵ Information on brokering authorizations and licences issued or denied is published in Estonia's Strategic Goods Commission activity reports.²⁶ Since 2005 the UK has included information on approvals and denials of licences for brokering activities by country of destination in its annual and quarterly arms export reports, giving information on the exporter country, the number of licences

²² States reached agreement on producing the report in June 2009 and it was published by the South Eastern and Eastern Europe Clearinghouse for the Control of Small Arms and Light Weapons (SEESAC) in Dec. 2009. SEESAC, *Regional Report on Arms Exports in 2007* (SEESAC: Belgrade, 2009).

²³ The possibility of producing a regional version of the EU annual report for South Eastern Europe was discussed during an EU-sponsored outreach event in Slovenia in May 2008. 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, p. 2.

²⁴ One definition of a broker (in this case, of SALW) is 'a person or entity acting as an intermediary that brings together relevant parties and arranges or facilitates a potential transaction of small arms and light weapons in return for some form of benefit, whether financial or otherwise.' United Nations, General Assembly, Report of the Group of Governmental Experts established pursuant to General Assembly resolution 60/81 to consider further steps to enhance international cooperation in preventing, combating and eradicating illicit brokering in small arms and light weapons, A/62/163, 30 Aug. 2007, Para. 8.

²⁵ Estonian Ministry of Foreign Affairs, 'Registered brokers of military goods', <<http://www.vm.ee/?q=en/node/5035>>.

²⁶ The activity reports of the Estonian Strategic Goods Commission are available at <<http://www.vm.ee/?q=en/node/5039>>.

issued or denied, and a description of the goods.²⁷ Since 2006, Romania's annual and quarterly arms export reports have included perhaps the most detailed information released by any state on approvals and denials of brokering licences and actual transfers covered by brokering licences.²⁸ Information is sorted by the country of destination and military list category and includes the exporter country, the number of licences issued or denied, the criteria under which any licences were refused, and a description of the goods concerned.

In June 2003 the Council of the European Union adopted Common Position 2003/468/CFSP, aimed at setting agreed minimum standards in the control of arms brokering across all EU member states. The common position requires member states to establish a system for exchanging information on brokering activities including denials of brokering licence applications.²⁹ In April 2008 member states agreed to share information on approvals of brokering licences and to publish information on approvals and denials of brokering licences in the EU annual report.³⁰ The 11th annual report contains a table providing information on brokering licences granted and denied by the EU member states during 2008.³¹ The table presents information broken down by either destination or individual licence—depending on the reporting state—and includes details of the destination of the goods, the origin of the goods, their financial value, their EU Common Military List category and the quantity of items involved. Although in several cases not all categories of information have been provided, the table is a notable boost to transparency in this area. It provides details of brokering licences issued by 11 EU member states, the majority of which have not previously published such detailed information.³²

²⁷ The reports are available on the website of the British Department for Business, Innovation and Skills, <<http://www.exportcontroldb.bis.gov.uk/>>.

²⁸ The reports are available on the SIPRI website (note 12).

²⁹ Council of the European Union, Council Common Position 2003/468/CFSP of 23 June 2003 on the control of arms brokering, *Official Journal of the European Union*, L159, 25 June 2003, Article 5.

³⁰ Council of the European Union (note 23), p. 3.

³¹ Council of the European Union (note 20).

³² The states are Austria, Bulgaria, the Czech Republic, Germany, Lithuania, the Netherlands, Poland, Romania, Spain, Sweden and the UK.

Table 7C.2. States participating in international, regional, and national reporting mechanisms which aim, in whole or in part, to increase the quality of publicly available information on international arms transfers, 2007–2009

An x denotes that the state reported at least once in the period 2007–2009.

State	UNROCA		National report		European Union annual report	
	Exports or imports	Background information on SALW	Exports	Licence denials ^a	Exports	Complete data set ^b
Albania	x (nil)	x	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	x ^c		x	
Belize	x (nil)					
Bhutan	x (nil)					
Bolivia	x (nil)	x				
Bosnia and Herzegovina	x	x	x	x		
Brazil	x					
Brunei Darussalam	x (nil)	x				
Bulgaria	x	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)					
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	

State	UNROCA		National report		European Union annual report	
	Exports or imports	Background information on SALW	Exports	Licence denials ^a	Exports	Complete data set ^b
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
Grenada	x (nil)					
Guatemala	x (nil)					
Haiti	x (nil)	x				
Hungary	x	x			x	x
Iceland	x (nil)					
India	x					
Indonesia	x	x				
Ireland	x	x			x	x
Israel	x					
Italy	x	x	x		x	
Jamaica		x (nil)				
Japan ^d	x (nil)					
Jordan	x					
Kazakhstan	x	x				
Kenya	x (nil)					
Kiribati	x (nil)					
South Korea	x	x				
Kyrgyzstan	x (nil)					
Latvia	x	x			x	x
Lebanon	x (nil)	x (nil)				
Liechtenstein	x (nil)	x				
Lithuania	x	x			x	x
Luxembourg	x (nil)	x			x (nil)	x (nil)
Malaysia	x					
Maldives	x (nil)					
FYROM	x (nil)		x			
Mali	x (nil)	x (nil)				
Malta	x (nil)	x (nil)			x	x
Mauritius	x (nil)					
Mexico	x	x				
Micronesia	x (nil)					
Moldova	x (nil)	x				
Monaco	x (nil)					
Mongolia	x (nil)					
Montenegro	x	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)					

State	UNROCA		National report		European Union annual report	
	Exports or imports	Background information on SALW	Exports	Licence denials ^a	Exports	Complete data set ^b
Norway	x	x	x	x		
Pakistan	x					
Palau	x (nil)					
Panama	x (nil)	x				
Paraguay	x (nil)					
Peru	x	x				
Philippines	x	x				
Poland	x	x			x	
Portugal	x	x	x		x	x
Romania	x	x	x	x	x	x
Russia	x					
Saint Lucia	x (nil)	x (nil)				
Saint Vincent and the Grenadines	x (nil)	x				
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	x
Suriname	x (nil)					
Swaziland	x (nil)	x (nil)				
Sweden	x	x ^e	x		x	
Switzerland	x	x	x			
Tajikistan	x (nil)					
Togo	x (nil)	x (nil)				
Tonga	x (nil)					
Trinidad and Tobago		x				
Turkey	x	x				
Tuvalu	x (nil)					
Ukraine	x	x	x			
United Kingdom	x	x	x	x	x	
United States	x		x			
Viet Nam	x (nil)					
Zambia	x (nil)					
126 states	124 (63 nil)	65 (11 nil)	29	10	27	19

FYROM = Former Yugoslav Republic of Macedonia; SALW = small arms and light weapons.

Note: The European Union Annual Report is the 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 and, until 2008, the annual report according to Operative Provision 8 of the European Union Code of Conduct on Arms Exports.

^a A country is marked as providing information about export licence denials if it identify the countries for which export licences have been denied.

^b A country is marked as providing information on all categories submitted if it provided data on the financial value of both arms export licences and actual arms exports, broken down by both destination and EU Military List category.

^c Since early 2003 the 3 regional governments of Belgium (Brussels, Flanders and Wallonia) have been responsible for reporting on export licences and exports.

^d Japan submitted background information to UNROCA on the procurement of SALW through national production in 2006, 2007 and 2008.

^e Sweden did not submit information on the number of SALW imported and exported, only the categories of weapon systems, and the origin or destination.

Sources: UNROCA database, <http://disarmament.un.org/un_register.nsf>; national reports, <http://www.sipri.org/research/armaments/transfers/transparency/national_reports/>; and Council of the European Union, EU annual reports, <http://consilium.europa.eu/cms3_fo/showPage.asp?id=1484>.