

IV. International transparency in arms procurement and military expenditure as confidence-building measures

PIETER D. WEZEMAN AND SIEMON T. WEZEMAN

In order to support arms control and build confidence between states, global and regional multilateral organizations have established transparency instruments on arms procurement and military spending. At the global level, two such instruments within the United Nations are the UN Register of Conventional Arms (UNROCA) and the UN Report on Military Expenditures (UNMILEX). Among regional organizations, only the Organization for Security and Co-operation in Europe (OSCE) has visibly active transparency instruments.

This section assesses developments in 2022 regarding the multilateral instruments to which states report, as a confidence-building measure (CBM), on aspects of arms procurement and military spending. It looks in turn at UNROCA, UNMILEX and regional transparency mechanisms. It focuses on reports on arms transfers, arms holdings and military spending submitted by states by 31 December 2022, which mainly provide data for 2021.

There are other transparency mechanisms that may also help to build confidence between states. These include reporting on arms exports within the framework of arms trade regulations such as the 2013 Arms Trade Treaty (ATT) and the European Union (EU) report on arms exports. They also include public transparency measures, such as national arms export reports and military expenditure transparency at the national level. However, building confidence between states is not their primary function and so they are discussed elsewhere.¹

The United Nations Register of Conventional Arms

UNROCA was established in 1991 by the UN General Assembly. Its main aims are to enhance confidence between states, ‘prevent the excessive and destabilizing accumulation of arms’, ‘encourage restraint’ in the transfer and production of arms, and ‘contribute to preventive diplomacy’.² While UNROCA’s objectives relate to armament developments in general, including

¹ On multilateral reporting on arms exports under the ATT see chapter 12, section I, in this volume. On the EU report see chapter 12, section V, in this volume. On national reports on arms exports see SIPRI, ‘National reports on arms exports’.

² UN General Assembly Resolution 46/36L, ‘Transparency in armaments’, 6 Dec. 1991, para. 2; and UN Office for Disarmament Affairs (UNODA), ‘UN Register of Conventional Arms’. On the development of UNROCA see United Nations, General Assembly, Report on the continuing operation of the United Nations Register of Conventional Arms and its further development, A/77/126, 30 June 2022, paras 5–9.

current holdings and domestic procurement, its focus in terms of reporting is on arms transfers between states.

UN member states are requested to report annually, in a standardized format and on a voluntary basis, information on their exports and imports in the previous year of seven categories of major arms that are deemed to be ‘indispensable to offensive operations’.³ These categories are battle tanks, armoured combat vehicles, large-calibre artillery systems, combat aircraft, attack helicopters, warships, and missiles and missile launchers. Since 2003, states have also been able to provide information on transfers of an eighth category: small arms and light weapons (SALW). The inclusion of SALW was largely related to efforts to prevent the illicit trade in these weapons (see section II), and not to UNROCA’s function as a CBM between states.⁴

In addition, ‘states in a position to do so’ are invited (indicating a lower level of commitment) to provide information on their holdings of major arms and procurement of such arms through national production.⁵

Participation

The number of states submitting reports to UNROCA increased in 2022 to 56 from an all-time low of 41 in 2021.⁶ In most years of the 1990s, over 90 states reported to UNROCA and in the early 2000s over 110 states did so. Participation in 2022 exceeded 50 for the first time since 2014. Of the 56 states that reported for 2021, 34 are in Europe, 10 in Asia and Oceania, 5 in Africa, 5 in the Americas and 2 in the Middle East.

Most of the states identified by SIPRI as large exporters of major arms in 2018–22 have been regular participants in UNROCA.⁷ In 2022 the United States (by far the world’s largest exporter of major arms) was the only exporter among the 10 largest exporters in 2018–22 that did not report for 2021. However, the USA belatedly submitted a report for 2020. The lack

³ United Nations, General Assembly, Report on the continuing operation of the United Nations Register of Conventional Arms and its further development, A/71/259, 29 July 2016, para. 61(g).

⁴ See e.g. United Nations, General Assembly, Report on the continuing operation of the United Nations Register of Conventional Arms and its further development, A/58/274, 13 July 2003, paras 92–108.

⁵ UN General Assembly Resolution 74/53, ‘Transparency in armaments’, 12 Dec. 2019.

⁶ UNROCA submissions are made public in annual reports by the UN secretary-general, the latest (covering most submissions on 2021 made in 2022) being United Nations, General Assembly, ‘United Nations Register of Conventional Arms’, Report of the secretary-general, A/77/165, 14 July 2022. Earlier annual reports are available from UN Office for Disarmament Affairs (note 2). Most of those submissions as well as submissions that have been received after the compilation of the annual reports can also be found in the online UNROCA database. As neither source is complete, all numbers given here are based on an aggregation of reports in both sources and on communications with UNODA. Figures are according to the public records available on 31 Dec. 2022. The total of 41 includes 2 belated reports for 2020 submitted in 2022.

⁷ On the largest exporters of major arms in 2018–22 see chapter 6, section II, in this volume.

of reporting for 2021 was due to staffing problems, and in early 2023 it was expected that the US report would be submitted belatedly.⁸

Four of the 10 largest arms importers in the period 2018–22 did not report to UNROCA for reporting year 2021: Saudi Arabia, Qatar, Egypt and Pakistan.⁹ Saudi Arabia has never reported, Egypt has reported only once (in 1992) and Qatar only three times. Pakistan has not reported since 2015.

Several states involved in armed conflict reported to UNROCA. Russia, which had reported for all years since 1992, and Ukraine, which had reported for most years since 1992, submitted UNROCA reports in mid 2022 on arms exports and imports in 2021, despite the ongoing war between the two countries.¹⁰ Israel and Türkiye, which had reported for most years since 1992, also did so in 2022.¹¹

A significant reason for the above-noted increase in submissions to UNROCA appears to have been that, starting in 2022, an ATT state party has the option—with a straightforward tick of a box—to authorize the ATT Secretariat to submit its report under the ATT to UNROCA.¹² The annual reporting on arms exports and imports required by the ATT involves reporting templates similar to those used for reporting on arms transfers to UNROCA. In addition, the ATT follows the UNROCA definitions of major arms. Of the 110 states parties to the ATT that were required to submit a report covering 2021, 68 had done so by 31 December 2022—slightly more than the number that had reported to UNROCA.¹³

The level of reporting on military holdings and arms procurement through national production was even lower than on arms transfers. While all 56 reports for 2021 included information on arms transfers, only 18 reported on military holdings and as few as 4 included information on procurement from national production. Major military powers such as China, India and Russia submitted data for 2021 on arms transfers but did not provide data on holdings or arms procurement through national production. In contrast, France, Germany, Japan and the United Kingdom did include such data in their submissions for 2021, and the USA did so in its belated submission covering 2020. However, their reports varied widely in the level of detail included.

⁸ Official, US Department of State, Communication with author, 10 Jan. 2023.

⁹ On the largest importers of major arms in 2018–22 see chapter 6, section III, in this volume.

¹⁰ On the Russia–Ukraine War see chapter 1, section V, and chapter 2, section I, in this volume.

¹¹ On the conflicts involving Israel and Türkiye see chapter 2, section I, in this volume.

¹² Holtom, P. and Mensah, A. E. E., ‘The end of transparency in international arms transfers?’, UN Institute for Disarmament Research (UNIDIR), 14 Sep. 2022.

¹³ On ATT reporting see chapter 12, section I, in this volume.

Transparency versus data inaccuracies

As in previous years, several submissions to UNROCA included significant information on arms transfers or details of such arms transfers that had not been available in the public domain before. These reports are therefore likely to have contributed to increased transparency between states. For example, China reported on the export of armoured vehicles to several states in Africa, including details such as the numbers of vehicles that had not been reported in other open sources. Similarly, Türkiye reported details that were not previously publicly available on transfers of armoured vehicles to Rwanda and the United Arab Emirates.

However, comparison of UNROCA submissions and the SIPRI Arms Transfers Database shows that there were again significant omissions in some of the reports that were submitted in 2022.¹⁴ For example the USA is estimated to have delivered 50 F-35 combat aircraft to a total of nine states in 2020, whereas no such transfer is included in the belated USA UNROCA report for 2020. For 2021, the Republic of Korea (South Korea) reported the delivery of a second-hand corvette to Peru but omitted the delivery of a frigate to the Philippines, while Italy omitted the delivery of five F-35 combat aircraft from the Italian F-35 production line to the Netherlands and two other combat aircraft to Kuwait. The UK omitted the import of four anti-submarine warfare aircraft and three combat aircraft in 2021, although it reported most of these aircraft in its UNROCA submission on holdings.

In other cases, states submitted premature or seemingly exaggerated information, information with no relevance for understanding developments in armaments, or reports that lacked descriptions of the equipment beyond the general category. The submission of such information is confusing and hampers the assessment of the potential impact on peace and security of reported transfers. Italy reported the actual transfer in 2021 of 11 448 armoured combat vehicles to the USA and 918 armoured combat vehicles to the Netherlands, without adding details on the models involved. While the latter probably refers to a contract for export of light armoured vehicles to the Netherlands with planned deliveries in 2023–26, it is not clear to what the former transfer refers and the number involved has no relation to any actual US import of armoured vehicles in 2021 or planned imports in coming years. The UK continued to report exports of armoured vehicles to museums, including a replica of an early 1940s German Tiger tank, but omitted detailed descriptions of over 600 missiles that it reported as exported in 2021. Omitting or partially omitting descriptions of the weapon models is common. For example, the USA included in its report for 2020 full

¹⁴ SIPRI Arms Transfers Database, Mar. 2023. See also Wezeman, P. D. and Wezeman, S. T., 'International transparency in arms procurement and military expenditure as confidence-building measures', *SIPRI Yearbook 2022*, pp. 551–57.

designations of equipment for some entries in its submission, more generic descriptions in other entries and, in a few cases, no description at all. Submissions for 2021 by, for example, China and Russia do not include any details on designations.

Conclusions of the group of governmental experts on UNROCA

UNROCA has been regularly reviewed by groups of governmental experts (GGEs) with the goal of increasing the register's relevance and achieving universal participation. Compared to the rather revolutionary decision to establish UNROCA and the discussions that led up to it, the GGEs have been generally unsuccessful in further developing UNROCA since the inclusion of SALW in the registry in 2003. While many ideas for increasing the relevance of UNROCA have been discussed by the GGEs since 1992, including expanding the scope to more weapon types or weapon categories or beyond transfers between states, few have become formal recommendations from the GGEs, and even those were not all adopted by the General Assembly.¹⁵

In 2022 a new GGE—the 10th since UNROCA became operational in 1992—again discussed many of the issues from earlier GGEs as well as some new ones. These included the key problems of low participation, the lack of further development of the instrument's scope and the lack of use of the data in the UN system. However, the GGE once more ended with recommendations for only marginal changes to the description of UNROCA categories.¹⁶ Notably, and similar to earlier GGEs, the main issue for the 10th GGE was low participation in UNROCA, while at the same time it included representatives from several states that have reported to UNROCA rarely or irregularly.

The United Nations Report on Military Expenditures

In 1980 the UN General Assembly agreed to establish an annual report in which all UN member states could voluntarily provide data on their military expenditure in the previous year.¹⁷ The report, which has been known as the UN Report on Military Expenditures since 2012, aims to enhance

¹⁵ For an overview of the work, recommendations and adopted recommendations of the GGEs until 2019 see UN Secretariat, 'The UN Register of Conventional Arms (UNROCA): Developments, trends, challenges and opportunities', Background paper, [16 Feb. 2022].

¹⁶ United Nations, A/77/126 (note 3); and UN Office for Disarmament Affairs, '2022 GGE on UN Register on Conventional Arms concludes work with forward-looking recommendations to promote participation, relevance, and continuing operation of the Register', 12 July 2022.

¹⁷ UN General Assembly Resolution 35/142 B, 'Reduction of military budgets', 12 Dec. 1980; and United Nations, General Assembly, Report of the group of governmental experts to review the operation and further development of the United Nations Report on Military Expenditures, A/72/293, 4 Aug. 2017, paras 2–5. For a detailed description of the history of the instrument see Spies, M., *United Nations Efforts to Reduce Military Expenditures: A Historical Overview*, UN Office for Disarmament Affairs (UNODA) Occasional Papers no. 33 (United Nations: New York, Oct. 2019).

transparency in military matters, increase predictability of military activities, reduce the risk of military conflict and raise public awareness of disarmament matters.¹⁸

The highest rate of participation in UNMILEX was reporting for 2001, when 81 states participated.¹⁹ Of the 193 UN member states, 43 submitted information on their military spending in 2020, while by 31 December 2022 only 36 had done so for 2021.²⁰ Of these 36 states, 26 are in Europe, 6 in the Americas, 2 in Asia and Oceania, 2 in the Middle East and none in Africa. Of the 15 states that SIPRI identified as having the highest military spending levels in 2021, 8 did not report to UNMILEX for 2021: the USA, China, the UK, Russia, Saudi Arabia, South Korea, Canada and Spain (in order of spending levels). The most significant omission was the USA, which most recently reported for 2015. At the same time, in 2022 China restarted reporting, with a belated submission for 2020, after not having reported for 2018 and 2019.

Based on SIPRI military expenditure figures, the 36 states that had reported for 2021 by end-2022 accounted for 20 per cent of total world spending in 2021.²¹ In contrast to the low level of reporting to UNMILEX, almost all states provide information on their military spending at a national level. Of the 168 states for which SIPRI attempted to estimate military expenditure in 2022, 148 published their military budgets in official sources. To promote participation in UNMILEX, in 2022 SIPRI prepared a practical guide for states that want to use such public government documents to prepare their submissions for UNMILEX in a straightforward and efficient manner.²²

Regional transparency mechanisms

In 2022 the only visibly active regional efforts that aim at multilateral transparency in armaments were the information exchanges between the OSCE's 57 participating states across North America, Europe and Central and Northern Asia. The OSCE aims to 'contribute to reducing the dangers . . . of

¹⁸ United Nations, A/72/293 (note 17), para. 3.

¹⁹ United Nations, General Assembly, Report of the group of governmental experts on the operation and further development of the United Nations Standardized Instrument for Reporting Military Expenditures, A/66/89, 14 June 2011, p. 26.

²⁰ United Nations, General Assembly, 'Objective information on military matters, including transparency of military expenditures', Report of the secretary-general, A/76/129, 9 July 2021; United Nations, General Assembly, 'Objective information on military matters, including transparency of military expenditures', Report of the secretary-general, A/77/159, 13 July 2022; and UN Office for Disarmament Affairs (UNODA), 'Military expenditures'. As none of these sources is complete, all numbers given here are based on an aggregation the sources. Figures are according to the public records available on 31 Dec. 2022.

²¹ SIPRI Military Expenditure Database, Apr. 2023.

²² Wezeman, P. D. et al., 'A practical guide to state participation in the UN Report on Military Expenditures', SIPRI Good Practice Guide, Sep. 2022.

misunderstanding or miscalculation of military activities which could give rise to apprehension'.²³

The Vienna Document 2011 on Confidence- and Security-Building Measures requires the OSCE states to participate in an annual exchange of information on their military holdings and procurement of major arms.²⁴ This information is not made public. Only five OSCE participating states reported on their national military holdings while there were no reports on procurement through national production.²⁵ In addition, OSCE participating states have agreed to share information on imports and exports of major arms based on the categories and format of UNROCA.²⁶ Since 2017 these submissions have been publicly available on the OSCE website.²⁷ In 2022, 45 of the 57 states reported to the OSCE on their arms transfers in 2021, the same number as in 2021. The most notable omission in 2022 was the USA.

Concerning military expenditure, the OSCE CBMs include a requirement for participating states to annually exchange information on military budgets. This information is not made publicly available.²⁸ Of the 57 OSCE participating states, 39 reported for 2021, 47 reported for 2020 and 49 reported for 2019.²⁹

In the Americas, the 17 states parties of the Inter-American Convention on Transparency in Conventional Weapons Acquisition (Convención Interamericana sobre Transparencia en las Adquisiciones de Armas Convencionales, CITAAC) are required to submit annual reports to the Organization of American States (OAS) on arms transfers.³⁰ However, since 2015 there is only one public record of a state (Chile in 2021) having submitted information under the convention.³¹ For only the second time since CITAAC entered into force in 2002, a conference of the states parties to the convention took place on 19 April 2022. Among other things, the conference formally established a CITAAC Technical Secretariat and Consultative Committee to

²³ Conference on Security and Co-operation in Europe, Final act, Helsinki, 1 Aug. 1975, p. 10. For a brief description and list of states participating in the OSCE see annex B, section II, in this volume. On the activities of the OSCE in relation to the Russia–Ukraine War in 2022 see section I of this chapter.

²⁴ Vienna Document 2011, para. 11 and annex III. For a summary and other details of the Vienna Document 2011 see annex A, section II, in this volume. See also section I of this chapter; and OSCE, 'Ensuring military transparency—The Vienna Document'.

²⁵ Official, OSCE, Communication with author, 10 Feb. 2023.

²⁶ OSCE, Forum for Security Co-operation, Decision no. 13/97, 16 July 1997; OSCE, Forum for Security Co-operation, Decision no. 8/98, 4 Nov. 1998; and OSCE, Forum for Security Co-operation, 'Updating the reporting categories of weapon and equipment systems subject to the information exchange on conventional arms transfers', Decision no. 8/08, 16 July 2008.

²⁷ OSCE, 'Information Exchange on Conventional Arms Transfer'.

²⁸ Vienna Document 2011 (note 24), paras 15.3–15.4.

²⁹ Official, OSCE (note 25).

³⁰ For a summary and other details of the convention see annex A, section II, in this volume.

³¹ United Nations, General Assembly, 'United Nations Register of Conventional Arms', Report of the secretary-general, A/76/130, 19 July 2021, pp. 19–20. For the reports submitted up to 2015 see Organization of American States, Committee on Hemispheric Security, 'Inter-American Convention on Transparency in Conventional Weapon Acquisition (CITAAC)'.

support implementation and encourage submission of annual reports.³² The committee will meet for the first time in 2023.³³

Conclusions

A noteworthy positive development in 2022 was the increase in participation in UNROCA, mainly due to a simplified process of submitting the same reports to both the ATT and UNROCA. Furthermore, reporting by the two countries with the largest militaries improved: China again reported on time to UNROCA and restarted reporting to UNMILEX and the USA reported belatedly to UNROCA.

However, fewer than one-third of UN member states participated in UNROCA and fewer than one-quarter in UNMILEX in 2022. In several submissions there were obvious major gaps in the reporting and the USA did not report on military expenditure even though it is by far the largest military spender in the world. While concerns related to global armament trends were on the increase in 2022, the data shared in the transparency instruments still lacked in comprehensiveness and detail and continued to suffer from major and glaring omissions. Together, these gaps continued to undermine the usefulness of these instruments as CBMs and as indicators of key global trends in military matters.

At the regional level, the information-sharing within the OSCE continued to have a high level of participation, despite the war in Ukraine and the high tensions between Russia and many other OSCE states. After years of being virtually dormant, in 2022 initial steps were made to revitalize CITAAC.

³² OAS Department of Public Security (@OEA_Seguridad), Twitter, 19 Apr. 2022, <https://twitter.com/OEA_Seguridad/status/1516491119034519552>; and CITAAC, Conference of the States Parties, Recommendations, CITAAC/CEP-II/doc.8/22 rev.2, 19 Apr. 2022.

³³ OAS General Assembly Resolution 2986, 'Advancing hemispheric security: A multidimensional approach', 6 Oct. 2022, para. 72.