

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

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International or multilateral transparency in arms procurement and military spending has long been an important element of conventional arms control and confidence building. Relevant instruments have been created within the United Nations and in several other multilateral organizations, and their perceived utility is regularly reiterated.¹

This section reviews the status in 2020 of the multilateral instruments to which states report—as a confidence-building measure (CBM)—on several aspects of arms procurement and military spending.² It first looks at two that are coordinated by the United Nations: the UN Register of Conventional Arms (UNROCA) and the UN Report on Military Expenditures (UNMILEX). It then describes developments in the transparency mechanisms of the Organization for Security and Co-operation in Europe (OSCE)—the only non-dormant instruments coordinated by a regional organization.³ The activities under the instruments in 2020 mostly relate to states reporting on arms transfers and military spending in 2019. The section does not discuss multilateral reporting on arms exports within the framework of international and national arms trade regulations.⁴

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

¹ E.g. UN Office for Disarmament Affairs (UNODA), *Securing Our Common Future: An Agenda for Disarmament* (United Nations: New York, 2018), p. 44.

² The section includes reporting by 31 Dec. 2020. Some states may have submitted reports during 2021 that should have been submitted in 2020.

³ In the Americas, the 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 on arms transfers. However, although they have received annual reminders, including in 2020, there are no public records of states having submitted information to CITAAC since 2015. For a summary and other details of the convention see annex A, section II, in this volume. 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)’, [n.d.].

⁴ On multilateral reporting on arms exports under the Arms Trade Treaty see chapter 14, section I, in this volume. On the state of transparency in arms procurement see Wezeman, P. D., Béraud-Sudreau, L. and Wezeman, S. T., ‘Transparency in arms procurement: Limitations and opportunities for assessing global armament developments’, SIPRI Insights on Peace and Security no. 2020/10, Oct. 2020.

and production of arms, and ‘contribute to preventive diplomacy’.⁵ However, while UNROCA’s objectives relate to armament developments in general, in terms of reporting its focus is on arms transfers.

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 for offensive operations’.⁶ 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 background information on transfers of an eighth category: small arms and light weapons (SALW). The discussion and decision to include SALW was largely related to efforts to prevent the illicit trade in these weapons, and not part of UNROCA’s function as a CBM between states.⁷

In addition, ‘states in a position to do so’ are invited to provide—indicating a lower level of commitment—information on their holdings of major arms and procurement of such arms through national production.⁸ In 2019 a group of government experts (GGE) that reviewed the operation of UNROCA encouraged states to report this information. This was on the basis that ‘countries producing their own weapons should be held to the same standard of transparency as countries that acquire their weaponry abroad’.⁹

Participation

The level of participation in UNROCA has decreased drastically since reporting started in 1993.¹⁰ For example, over 100 states reported on their arms imports and exports annually in the early 2000s and 61 reported for

⁵ UN General Assembly Resolution 46/36L, ‘Transparency in armaments’, A/RES/46/36, 6 Dec. 1991, para. 2; and UN Office for Disarmament Affairs, ‘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/74/211, 22 July 2019, paras 6–15.

⁶ 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).

⁷ 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.

⁸ UN General Assembly Resolution 74/53, ‘Transparency in armaments’, 12 Dec. 2019, A/RES/74/53, 19 Dec. 2019.

⁹ United Nations, A/74/211 (note 5), p. 4.

¹⁰ UNROCA submissions are made public in annual reports by the UN secretary-general, available on the website of the UN Office for Disarmament Affairs (note 5); and in the online UNROCA database, <<https://www.unroca.org/>>.

2013. However, only 43 of the 193 UN member states submitted a report on exports or imports for 2018 and only 39 for 2019.¹¹

Most of the states identified by SIPRI as large exporters of major arms in 2016–20 have participated in UNROCA consistently. In particular, the top 10 exporters have all submitted data for almost all of these five years. Of the 10 largest arms exporters in the period 2016–20, only the United States (by far the world's largest exporter of major arms) and the Republic of Korea (South Korea) did not report for 2019.¹² For both countries, this was the first year for which it did not report to UNROCA.¹³ Neither has publicly explained the reason for not reporting. Of the 10 largest arms importers in the period 2016–20, seven—Saudi Arabia, Egypt, Algeria, South Korea, Qatar, the United Arab Emirates and Pakistan—did not report to UNROCA for 2019.¹⁴

Reporting on arms transfers within the framework of the 2013 Arms Trade Treaty (ATT) involves similar reporting templates to those used for UNROCA. However, 56 countries reported to the ATT for 2019, 17 more than to UNROCA.¹⁵ For example, South Korea reported to the ATT but not to UNROCA. Since the templates are similar, a state can simply submit a copy of its ATT report to UNROCA, as Australia and the United Kingdom did for 2019.¹⁶ It is unclear why other countries do not do this.

The level of reporting on military holdings and arms procurement through national production was even lower than on arms transfers. Of the 39 reports for 2019, only 10 included information on military holdings and a further 5 on both military holdings and procurement from national production. For 2018 these numbers were respectively 10 and 2, while further 3 reported only on procurement from national production. Among the major military powers that submitted data for 2019 on arms transfers but did not provide data on holdings or arms procurement through national production were China, France, India and Russia.

¹¹ Figures are according to the public records available on 31 Dec. 2020. Due to technical problems, not all submissions may have been included in the UNROCA database. UN Office for Disarmament Affairs, Communication with authors, 6 May 2020. Information about submissions for 2019 is particularly uncertain because of continuing discrepancies between the two sources that contain submitted reports: the report by the UN secretary-general, which includes all reports submitted by the deadline of 31 May 2020; and the UNROCA database, which should include all submissions but does not include 4 of the 2019 reports included in the secretary-general's report. For more in-depth analysis of participation in the UNROCA reporting on arms transfers see Bromley, M. and Alvarado Cobar, J. F., *Reporting on Conventional Arms Transfers and Transfer Controls: Improving Coordination and Increasing Engagement* (SIPRI: Stockholm, Aug. 2020); United Nations, A/74/211 (note 5), pp. 4–9; and United Nations, General Assembly, 'United Nations Register of Conventional Arms', Report of the Secretary-General, A/75/152, 9 July 2020.

¹² On the largest exporters in 2016–20 see chapter 9, section II, in this volume.

¹³ States were requested to report for 2019 by 31 May 2020. Although it is not uncommon for states to report late, until 2020 the USA and South Korea always reported by the end of the year.

¹⁴ On the largest importers in 2016–20 see chapter 9, section III, in this volume.

¹⁵ On ATT reporting see chapter 14, section I, in this volume.

¹⁶ Arms Trade Treaty Secretariat, 'Annual reports', 16 Dec. 2020.

Data omissions and inaccuracies

Previous research on UNROCA has shown that important information is often omitted from state's submissions.¹⁷ This is particularly clear when an exporting state's UNROCA report does not match the importing state's report. For example, for 2019, exporters reported the supply of 445 'armoured combat vehicles' to 11 states that also reported to UNROCA, while importers reported acquisitions of 100 of the vehicles from 5 exporters that reported to UNROCA.¹⁸ This discrepancy—of hundreds of vehicles—may be due to different national interpretations of the definitions of the seven UNROCA categories of major arms, of what constitutes a transfer and of when a transfer takes place.¹⁹

In addition, open source information shows that information on arms transfers has not always been included in either of the applicable UNROCA reports because states sometimes want to keep certain arms transfers confidential.²⁰ Among the transfers in 2019 identified in multiple other sources but not included in any report to UNROCA are deliveries of an estimated 12 combat aircraft and 12 attack helicopters from Russia to Egypt, an estimated 2 combat aircraft from China to Myanmar and an estimated 24 armoured combat vehicles from Germany to Austria.²¹

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.²² The report, which has been known as the UN Report on Military Expenditures since 2012, aims to enhance transparency in military matters, increase predictability of military activities, reduce the risk of military conflict and raise public awareness of disarmament matters.²³

¹⁷ Wezeman, S. T., 'Reporting to the United Nations Register of Conventional Arms for 2017', SIPRI Background Paper, June 2019.

¹⁸ Items marked in the submissions as being for non-military use have not been included in these figures.

¹⁹ Wezeman (note 17).

²⁰ Wezeman (note 17), pp. 9–10.

²¹ This is based on a comparison between the UNROCA submissions and the SIPRI Arms Transfers Database.

²² UN General Assembly Resolution 35/142 B, 'Reduction of military budgets', 12 Dec. 1980, A/RES/35/142; 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).

²³ United Nations, A/72/293 (note 22), para. 2.

The highest rate of participation in UNMILEX was reporting for 2001, when 81 states participated.²⁴ Although questions remain about the reliability of the available public records on reporting (see below), only 30 of the 193 UN member states submitted information on their military spending for 2018, and only 43 did so for 2019.²⁵ Of the 43 states that reported for 2019, 29 are in Europe, 6 in Asia and Oceania, 5 in the Americas, 2 in the Middle East and 1 in Africa. Five of the 15 states that SIPRI identified as having the highest military spending levels in 2019 did not report to UNMILEX: the USA, China, Saudi Arabia, South Korea and Australia (in order of spending levels). The most significant omissions were the two states with the largest military expenditure: the USA, for which the mostly recent report is for 2015; and China, for which the most recent report is for 2017.

Based on SIPRI military expenditure figures, the 43 states that reported for 2019 accounted for 29 per cent of total world spending in 2019.²⁶ 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 2019, 147 published their military budgets in official sources.²⁷ These figures are all publicly available in the SIPRI Military Expenditure Database.

The way in which the UN publishes the national reports on military expenditure makes access and use of their contents difficult and hinders the assessment of participation. Reports that are submitted before the deadline of 30 April are included in a report by the UN secretary-general. In addition, there is an online public archive that should include all reports, including those submitted after the deadline.²⁸ A new version of this database was introduced in 2020.²⁹ However, by the end of 2020 the database only included reports for 2019 and did not provide reliable information about participation for previous years. Furthermore, 9 of the 41 reports listed for 2019 were

²⁴ United Nations, 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.

²⁵ Tian, N., Lopes da Silva, D. and Wezeman, P. D., 'Transparency in military expenditure', *SIPRI Yearbook 2020*, pp. 264–66; United Nations, General Assembly, 'Objective information on military matters, including transparency of military expenditures', Report of the Secretary-General, A/74/155, 12 July 2019; United Nations, General Assembly, 'Objective information on military matters, including transparency of military expenditures', Report of the Secretary-General, A/75/140, 15 July 2020; and UN Office for Disarmament Affairs (UNODA), 'Military expenditures', [n.d.].

²⁶ SIPRI Military Expenditure Database, <<https://www.sipri.org/databases/milex>>.

²⁷ SIPRI Military Expenditure Database, <<https://www.sipri.org/databases/milex>>. See also Wezeman, P. D. and Wezeman, S. T., 'Transparency in military expenditure', *SIPRI Yearbook 2020*, pp. 266–67.

²⁸ Both the reports by the UN secretary-general and the archive are available from UN Office for Disarmament Affairs (note 25).

²⁹ United Nations, Database on Military Expenditures, <<http://www.un-arm.org/Milex/home.asp>>.

inaccessible, while the database omits 2 reports that are mentioned in the UN secretary-general's 2020 report.

Efforts to understand the decline in participation in United Nations transparency

GGEs have suggested a number of causes for the low participation by states in multilateral transparency instruments. These include a lack of understanding as to the purpose and relevance of the reporting, a lack of capacity, a lack of confidence in the reporting, a lack of political will, reporting fatigue and security concerns.³⁰ In an attempt to better understanding the cause of the decline in participation in the two UN reporting mechanisms, the UN has made several limited efforts to collect explanations by states about their participation or lack thereof. These seem to have been unsuccessful.

In 2016 the General Assembly recognized the need to revitalize UNROCA and tasked the UN Office for Disarmament Affairs (UNODA) with sending to states a questionnaire on the reasons for not reporting and ways to improve reporting. The 2019 GGE on UNROCA concluded that the number of responses to the questionnaires (17) was insufficient to 'substantially inform the Group's understanding of reasons for non-reporting'.³¹ Although the questionnaire was circulated again in 2020, the secretary-general's 2020 report on UNROCA does not mention any results from this effort.³²

In 2017 the General Assembly turned its attention to revitalization of UNMILEX and tasked UNODA with sending a similar questionnaire to states on reporting military expenditure. While 13 states had replied to this questionnaire by 2019, there is no public report that indicates that these replies have led to significant insights.³³ Indeed, the UN secretary-general's 2020 report makes no further reference to the questionnaire, and so the status and outcomes of the effort are unclear.³⁴

OSCE transparency mechanisms

As of 2020 the only active regional efforts that aim at multilateral transparency in armaments were the information exchanges within the framework of the Organization for Security and Co-operation in Europe. The OSCE aims to 'contribute to reducing the dangers . . . of misunderstanding or

³⁰ United Nations, A/74/211 (note 5), para. 94; and United Nations, A/72/293 (note 22), para. 23.

³¹ United Nations, A/74/211 (note 5), paras 27, 94.

³² United Nations, A/75/152 (note 11).

³³ United Nations, A/74/155 (note 25), para. 7.

³⁴ United Nations, A/75/140 (note 25).

miscalculation of military activities which could give rise to apprehension'.³⁵ Its 57 participating states have agreed a number of CBMs on holdings, procurement and transfers of arms and on military expenditure.

Regarding arms holdings and procurement, the Vienna Document 2011 on Confidence- and Security-Building Measures requires an annual exchange of information on part of the OSCE states' military holdings and procurement of major arms.³⁶ However, these reports are not made public. 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.³⁷ These submissions have been publicly available on the OSCE website since 2017.³⁸ They supplement the information in UNROCA as UNROCA's public records do not contain the equivalent reports in all cases.³⁹ In 2020, 43 of the 57 states reported on their arms transfers in 2019 to the OSCE.

Concerning military expenditure, the OSCE CBMs include a requirement for participating states to annually exchange information on military budgets.⁴⁰ Of the 57 states, 49 reported for 2019, 48 reported for 2018 and 49 for 2017.⁴¹ However, these submissions are not publicly available.

Conclusions

The 2018 UN Agenda for Disarmament concluded that 'In regions of conflict and tension, transparency and confidence-building mechanisms designed to prevent arms competition remain underutilized and underdeveloped'.⁴² That conclusion remained valid in 2020. With the partial exception of reporting within the OSCE, the international transparency instruments described above provided a limited contribution to trust and confidence building due to a lack of participation, the limited data reported, inaccuracies in the reporting, and problems with the way the information is made accessible to states and publicly.

³⁵ Conference on Security and Cooperation 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.

³⁶ 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 OSCE, 'Ensuring military transparency—The Vienna document', [n.d.].

³⁷ OSCE, Forum for Security Co-operation, 'Further transparency in arms transfers', Decision no. 13/97, FSC.DEC/13/97, 16 July 1997; OSCE, Forum for Security Co-operation, 'Changes in the deadline for the Exchange of Information on Conventional Arms and Equipment Transfers', Decision no. 8/98, FSC.DEC/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, FSC.DEC/8/08, 16 July 2008.

³⁸ OSCE, 'Information Exchange on Conventional Arms Transfer'.

³⁹ See Bromley and Alvarado Cobar (note 11).

⁴⁰ Vienna Document 2011 (note 36), paras 15.3–15.4.

⁴¹ OSCE, Communication with author, 14 Jan. 2021.

⁴² UN Office for Disarmament Affairs (note 1), p. 46.

Fewer than one-quarter of UN member states participated in UNROCA or UNMILEX in 2020. A slight increase in participation in UNMILEX was a positive development. This was more than balanced by the fact that, for the first time, the USA reported to neither of these UN instruments. Attempts by the UN to understand the causes for the low participation have not led to tangible outcomes that could help revitalize these instruments.

Only some of the states that participate in UNROCA and UNMILEX provide data that is comprehensive and detailed enough to use as an indicator of key trends in their arms procurements, arms transfers and military spending priorities. In particular, in the case of UNROCA some states only report some of their arms exports, omitting information about other significant arms exports. This risks creation of a false sense of transparency.

At the regional level, only the information-sharing mechanisms within the OSCE framework remained active and had a high, although not stable, level of participation.