

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

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Transparency in arms procurement and military spending remains an important element of conventional arms control and confidence building between states. States have created relevant instruments for this purpose within the United Nations and in several other multilateral organizations.

This section reviews the status in 2021 of the multilateral instruments to which states report—as a confidence-building measure (CBM)—on aspects of arms procurement and military spending.¹ It first looks at two instruments that have been created within the UN: the UN Register of Conventional Arms (UNROCA) and the UN Report on Military Expenditures (UNMILEX). It then provides an overview of developments in the transparency mechanisms of the Organization for Security and Co-operation in Europe (OSCE)—the only active CBM transparency instrument established by a regional organization. The activities under the instruments in 2021 mostly relate to states reporting on arms transfers, arms holdings and military spending in 2020. The section focuses on reports submitted by states in 2021, excluding any belated reports submitted in 2022.

The section does not discuss multilateral reporting on arms exports within the framework of arms trade regulations, such as the reporting obligations under the 2013 Arms Trade Treaty (ATT) or the European Union (EU) report on arms exports. Nor does it discuss public transparency, such as national arms export reports and military expenditure transparency at the national level.² While all these other transparency mechanisms may also help to build confidence between states and thus reduce the risk of conflict, that is not their primary function.

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

¹ The section includes reporting by 31 Dec. 2021.

² On multilateral reporting on arms exports under the Arms Trade Treaty see chapter 14, section I; on the EU report see chapter 14, section IV; on national arms exports reports see chapter 9, section IV; and on military expenditure see chapter 8—all in this volume.

production of arms, and ‘contribute to preventive diplomacy’.³ However, while UNROCA’s objectives relate to armament developments in general, its focus in terms of reporting 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’.⁴ 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, and not to UNROCA’s function as a CBM between states.⁵

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.⁶

Participation

The number of states submitting reports to UNROCA reached an all-time low in 2021 (for reporting year 2020).⁷ In most years of the 1990s over 90 states reported to UNROCA and in the early 2000s over 110 states. However, from 2014 the number of UN member states submitting a report on exports or imports has never been higher than 48 per year. For reporting year 2019 only 40 submitted a report and for 2020 only 39.⁸

³ 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’, [n.d.]. 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.

⁴ United Nations, General Assembly, ‘Continuing operation of the United Nations Register of Conventional Arms and its further development’, Note by the Secretary-General, A/71/259, 29 July 2016, para. 61(g).

⁵ See e.g. United Nations, General Assembly, ‘Continuing operation of the United Nations Register of Conventional Arms and its further development’, Note by the Secretary-General, A/58/274, 13 July 2003, paras 92–108.

⁶ UN General Assembly Resolution 74/53, 12 Dec. 2019.

⁷ UNROCA submissions are made public in annual reports by the UN Secretary-General. The latest, covering most submissions in 2021 (for 2020), is available on the UN website (United Nations, General Assembly, ‘United Nations Register of Conventional Arms’, Report of the Secretary-General, A/76/130, 9 July 2021) while earlier annual reports are available on the UNODA website (<<https://www.un.org/disarmament/convarms/register/>>); 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. All numbers mentioned here are based on the aggregation of reports in both sources as neither source by itself is complete.

⁸ Figures are according to the public records available on 31 Dec. 2021. 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).

Most of the states identified by SIPRI as large exporters of major arms in 2017–21 have been regular participants in UNROCA. In particular, the world's top 10 exporters have all submitted data for almost all of these five years. Of the 10 largest arms exporters in the period 2017–21, only the United States (by far the world's largest exporter of major arms) and China did not report in 2021, despite having done so every year in the previous decade.⁹ Neither state has publicly explained the reason for not reporting in 2021. However, late reporting is not uncommon: for example, the USA belatedly submitted a report for 2019 in 2021.

Of the 10 largest arms importers in the period 2017–21, 7 (Saudi Arabia, Egypt, China, Algeria, Qatar, Pakistan and the United Arab Emirates) did not report to UNROCA for reporting year 2020.¹⁰

Annual reporting on arms exports and imports within the framework of the ATT involves use of reporting templates similar to those used for reporting on arms transfers within UNROCA, as well as the UNROCA definitions of major arms. However, out of 110 states parties to the ATT, 60 reported to the ATT for 2020. This was 21 more than to UNROCA.¹¹ Of the 52 that reported publicly to the ATT, and thus could have reported with little effort to UNROCA, only 34 did so. For example, Italy reported to the ATT but not to UNROCA.

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 2020, 19 included information on military holdings and only 8 included information on procurement from national production. India and Russia were among the states that submitted data for 2020 on arms transfers but did not provide data on holdings or arms procurement through national production.

Transparency versus data inaccuracies

Several submissions included significant information on arms transfers or details of such arms transfers that had not been available in the public domain before and therefore are likely to have contributed to increased transparency between states. For example, Belarus reported the export of 40 tanks to Uganda, France reported details on transfers of armoured vehicles to Saudi Arabia, and Turkey reported details about the number of armoured vehicles exports to several countries.

⁹ On the largest exporters in 2017–21 see chapter 9, section II, in this volume.

¹⁰ On the largest importers in 2017–21 see chapter 9, section III, in this volume.

¹¹ On ATT reporting see chapter 14, section I, in this volume.

However, there were again cases of significant omissions in some submissions.¹² For example in 2020 multiple sources identified deliveries from Russia of an estimated 2 combat aircraft to Algeria, an estimated 11 combat aircraft to Egypt and an estimated 6 combat aircraft to Syria. However, Russia did not include these transfers in its submission to UNROCA and the recipient states did not participate in UNROCA. In other cases, states provided the minimum requested data, but left out information essential for assessing the potential importance of the transfers.¹³ For example, for 2020, France reported exports of missiles to Qatar and India, and the UK reported exports of missiles to Saudi Arabia, but neither provided descriptions or an indication of the types of the missiles involved. Other sources indicate that the French transfers included both short-range air-to-air missiles and air-to-surface cruise missiles with a range of about 300 kilometres.¹⁴

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.¹⁵ The report, which has been known as the UN Report on Military Expenditures (UNMILEX) 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.¹⁶

The highest rate of participation in UNMILEX was reporting for 2001, when 81 states participated.¹⁷ Of the 193 UN member states 44 have submitted information on their military spending for 2019, and on 31 December 2021

¹² See also: Wezeman, S. T., 'Reporting to the United Nations Register of Conventional Arms for 2017', SIPRI Background Paper, June 2019. The examples provided here are based on comparisons between the UNROCA submissions and the SIPRI Arms Transfers Database.

¹³ States are requested to provide data on the identity of the UN member state to which they supply or from which they receive arms, and on the number of items in each category supplied. States are encouraged to add further details on the description of the arms and any comments on the transfers they want to share.

¹⁴ Based on comparisons between the UNROCA submissions and the SIPRI Arms Transfers Database (note 12).

¹⁵ UN General Assembly Resolution 35/142, 'Reduction of military budgets', 12 Dec. 1980, section B; and United Nations, General Assembly, 'Group of Governmental Experts to Review the Operation and Further Development of the United Nations Report on Military Expenditures', Note by the Secretary-General, 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*, UNODA Occasional Papers no. 33 (United Nations: New York, NY, Oct. 2019).

¹⁶ United Nations, A/72/293 (note 15), para. 3.

¹⁷ United Nations, 'Group of Governmental Experts on the Operation and Further Development of the United Nations Standardized Instrument for Reporting Military Expenditures', Note by the Secretary-General, A/66/89, 14 June 2011, p. 26.

only 43 had done so for 2020.¹⁸ Of the 43 states that reported for 2020, 32 are in Europe, 4 in the Americas, 3 in Asia and Oceania, 3 in the Middle East and 1 in Africa. Of the 15 states that SIPRI identified as having the highest military spending levels in 2020, 7 did not report to UNMILEX, namely (in order of spending levels) the USA, China, the United Kingdom, Saudi Arabia, Australia, Canada and Brazil. The most significant omissions were the two states with the largest military expenditure: the USA, for which the most recent report is for 2015, and China, for which the most recent report is for 2017. While the UK, Canada and Brazil reported for 2019, they did not report in 2021 for 2020. In a positive development, South Korea submitted in 2021 a report for 2020 and a belated report for 2019.

In 2021 10 states participated in UNMILEX that had not done so in 2020, while 9 other states participated in 2020 but not in 2021. This might be explained by changes in personnel, poor institutional memory or underfunding.

Based on SIPRI military expenditure figures, the 43 states that reported for 2020 accounted for 25 per cent of total world spending in 2020.¹⁹ 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 2020, 152 published their military budgets in official sources.²⁰

Regional transparency mechanisms

In 2021 the only active regional efforts that aim at multilateral transparency in armaments were the information exchanges between the 57 participating states of the OSCE. The OSCE aims to ‘contribute to reducing the dangers . . . of misunderstanding or miscalculation of military activities which could give rise to apprehension’.²¹

The Vienna Document 2011 on Confidence- and Security-Building Measures requires an annual exchange of information on part of the OSCE

¹⁸ 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 UNODA, ‘Military expenditures’, [n.d.].

¹⁹ SIPRI Military Expenditure Database.

²⁰ SIPRI Military Expenditure Database. See also Wezeman, P. D. and Wezeman, S. T., ‘Transparency in military expenditure’, *SIPRI Yearbook 2020*, pp. 266–67.

²¹ 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.

states' military holdings and procurement of major arms.²² 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.²³ Since 2017 these UNROCA-style submissions have been publicly available on the OSCE website.²⁴ In 2021, 45 of the 57 states reported on their arms transfers in 2020 to the OSCE. The main omission was the USA, which in 2021 submitted a belated report for 2019. Of the 45 states 16 did not submit equivalent reports to UNROCA in 2021.

Concerning military expenditure, the OSCE CBMs include a requirement for participating states to annually exchange information on military budgets.²⁵ Of the 57 OSCE participating states, 46 reported for 2020, 49 reported for 2019 and 49 for 2018.²⁶ However, these submissions are not publicly available.

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, since 2015 there is only one public record of a state (Chile) having submitted information to CITAAC.²⁷ Chile included in its 2021 submission to UNROCA a copy of its 2020 submission to CITAAC.²⁸

Conclusions

Fewer than one-quarter of UN member states participated in UNROCA or UNMILEX in 2021 and participation in both instruments declined slightly compared to the previous year. Only in Europe did most states participate in the reporting. Participation in the OSCE reporting on military expenditures also declined slightly. A noteworthy positive development was the USA

²² 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.].

²³ OSCE, Forum for Security Co-operation, 'Further transparency in arms transfers', Decision no. 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, 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.

²⁴ OSCE, 'Information Exchange on Conventional Arms Transfer', [n.d.].

²⁵ Vienna Document 2011 (note 22), paras 15.3–15.4.

²⁶ OSCE, Communications with author, 10 Jan. 2002.

²⁷ 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.].

²⁸ United Nations, A/76/130 (note 7) pp. 19–20.

submitting reports in 2021 to UNROCA and OSCE, even if only belated reports for 2019. However, China not reporting to UNROCA in 2021 was a major setback.

Moreover, even where states participated in UNROCA and UNMILEX in 2021, only a few of them provided data that was comprehensive and detailed enough to use as an indicator of key trends in their arms procurements, arms transfers and military spending. At the regional level, only the information-sharing mechanisms within the OSCE framework appeared to have had a high level of participation.

The international transparency instruments described above continued to suffer from significant deficiencies, including a lack of participation, inaccuracies and a lack of relevant details in the reporting. These weaknesses limit their potential contribution to trust and confidence building in military matters in most parts of the world, at a time when distrust between states and groups of states is on the increase.