

CHAPTER 3: ARMS EXPORTS AND IMPORTS – ASSESSING 2019 ANNUAL REPORTS

3.1 – ANNUAL REPORTS ANALYSIS

INTRODUCTION

Transparency is a vital component of the Arms Trade Treaty (ATT) and fundamental to achieving its goals and objectives. ATT annual reports facilitate confidence building, responsibility and cooperation by allowing States Parties and other stakeholders to be certain that Treaty commitments have been fulfilled. Information contained in annual reports can also help to inform licensing decisions and may be used to identify diversion. Accurate, comprehensive and timely reporting is a prerequisite for transparency, and Article 13 includes the obligation for all States Parties to submit an annual report on their authorized or actual arms exports and imports by 31 May each year.¹

An analysis of 2019 ATT annual reports shows a downward trend in compliance with Article 13 reporting obligations, as well as an increase in the rate at which reports are kept private. This trend in private reporting is concerning as private reports create a challenge for identifying global arms exports and imports, prevent a public accounting of arm sales and impede the identification of particularly troubling transfers or potentially dangerous arms accumulations.

The on-time completion rate for 2019 ATT annual reports was the lowest of any year and challenges raised by the COVID-19 pandemic may have affected some States Parties' ability to submit reports. The public-health crisis forced many governments to change their work patterns to focus on more immediate priorities and to accommodate a virtual environment. Government officials may have had limited capacities or limited access to the information necessary to complete the reports.

The ATT Monitor downloaded all ATT annual reports for analysis by 1 February.² Many States Parties have submitted 2019 reports after this date, and in some cases reports from previous years, likely as states continued to address COVID-19 challenges.³ While these late reports are not part of the analysis below, the ATT Monitor takes stock of these late submissions in its review of five years of ATT annual reporting data in Chapter 2.1. Because annual reporting is an obligation in Article 13.3, there is still work to be done to support full compliance of these obligations by all States Parties now and in the future.

QUANTITY OF REPORTS

REPORTING COMPLIANCE

Ninety-seven States Parties were required to submit their 2019 annual report on arms exports and imports within one week of 31 May 2020.⁴ Fifty-six States Parties submitted reports detailing arms transfers made in 2019 by 1 February 2021.⁵ Of these, one State Party (the Maldives) submitted a 2019 annual report even though its first report was not due until 31 May 2021. In the analysis below, States Parties that submitted reports but were not yet obliged to do so were not included in the determination of compliance rates in order to reflect accurately on compliance with reporting obligations.

Of the 97 States Parties due to submit 2019 annual reports, 55 (57 per cent) did so, and 42 (43 per cent) did not. The total number of reports due and submitted, as well as the overall reporting compliance rate, was lower for 2019 reports than for the previous year. Ninety-two States Parties were required to submit 2018 annual reports, and of these, only 61 States Parties (66 per cent) submitted a report by 1 February 2020.

1 See Arms Trade Treaty, Article 13.3 (adopted 2 April 2013, entered into force 24 December 2014). UNTS_(ATT) Art 13(3).

2 The ATT Monitor establishes 1 February each year as the cut-off date for annual reports to be included in this report to ensure adequate time for in-depth analysis.

3 The States Parties that submitted a report for 2019 after 1 February 2021 are: Antigua and Barbuda, Bulgaria, Burkina Faso, Costa Rica, Croatia, Estonia and the Republic of North Macedonia. These reports are not considered in the remainder of this section.

4 ATT annual reports are due by 31 May each year, reflecting arms exports and imports from the previous calendar year. However, States Parties are granted a seven-day grace period by the ATT Secretariat to submit their reports, creating a de facto deadline of 7 June each year.

5 Albania, Argentina, Australia, Austria, Belgium, Benin, Bosnia and Herzegovina, Chile, Cyprus, Czech Republic, Denmark, Dominican Republic, El Salvador, Finland, France, Georgia, Germany, Greece, Hungary, Ireland, Italy, Jamaica, Japan, Kazakhstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Maldives, Malta, Mauritius, Mexico, Monaco, Montenegro, Netherlands, New Zealand, Norway, Panama, Paraguay, Peru, Poland, Portugal, Republic of Korea, Republic of Moldova, Romania, Senegal, Serbia, Sierra Leone, Slovakia, Slovenia, Spain, the State of Palestine, Sweden, Switzerland, United Kingdom and Uruguay.

The reporting rates over time, including rates of public reporting, are summarized in Table 3.1.

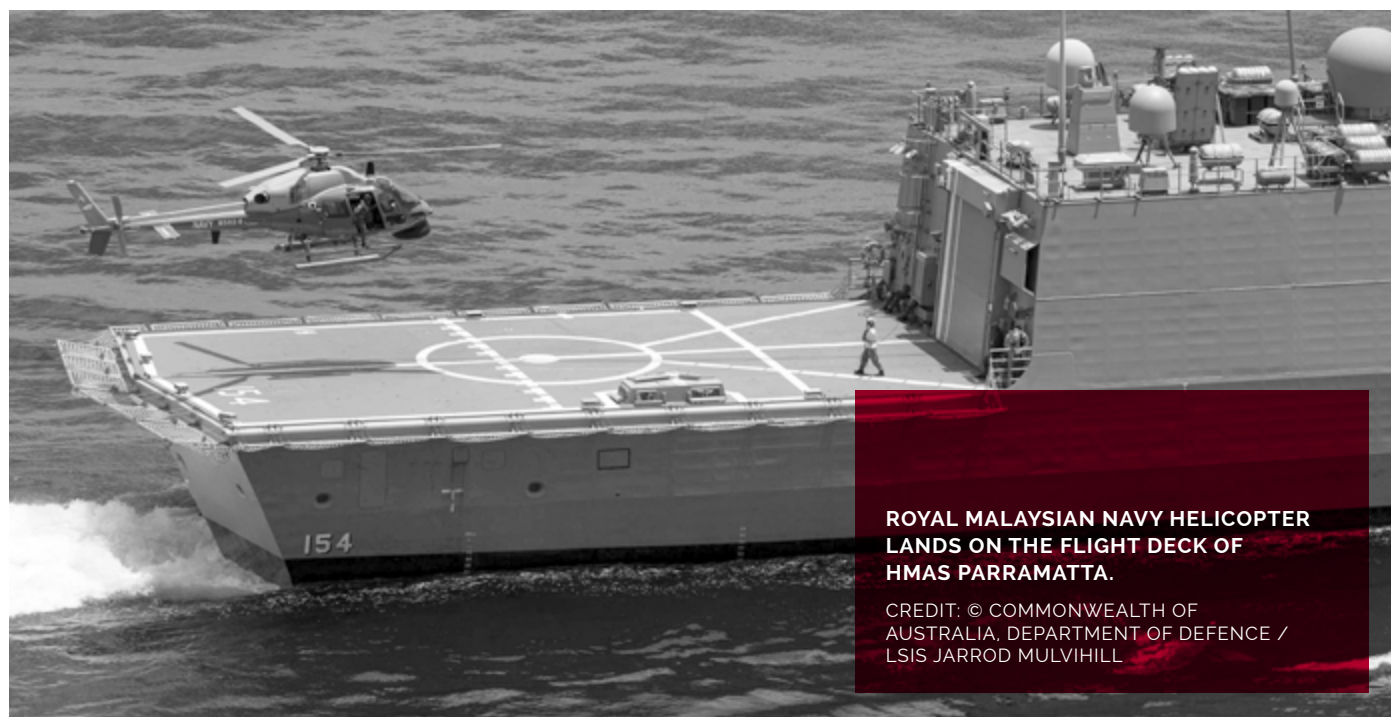
Notably, five States Parties that had submitted a report every year from 2015-2018 did not submit a 2019 report by the ATT Monitor cut-off date for analysis.⁶ As noted above, the decline in reporting for 2019 annual reports is likely due to the impact of the COVID-19 pandemic. Compliance rates, as well as private reporting rates, will be different if accounting for reports submitted after the ATT Monitor cut-off date for analysis.



THE DECLINE IN REPORTING FOR 2019 ANNUAL REPORTS IS LIKELY DUE TO THE IMPACT OF THE COVID-19 PANDEMIC.

Table 3.1 – Annual Reports submitted by 1 February each year by number and percentage of reports due

	2019		2018		2017		2016		2015	
Number of reports due	97		92		89		75		61	
Reports due and submitted ⁷	55	57%	61	66%	58	65%	53	71%	49	80%
Reports not submitted	42	43%	31	34%	31	35%	22	29%	12	20%
Reports made public	45	46%	51	55%	54	61%	50	67%	48	79%
Reports kept private	10	10%	10	11%	4	4%	3	4%	1	2%



⁶ Bulgaria, Costa Rica and the Republic of North Macedonia submitted reports after 1 February 2021. These reports are not considered in the remainder of this section

⁷ Numbers of reports submitted do not include reports for any year that were submitted after 1 February 2021.

LATE REPORTS

Only 34 States Parties (62 per cent) submitted 2019 annual reports within one week of the 31 May deadline.⁸ Twenty-one States Parties, or 38 per cent of all reports submitted, reported late.⁹

The rate of late reporting was higher for 2019 annual reports than for the previous reporting year, likely as a result of challenges presented by COVID-19. For 2018 annual reports, 44 States Parties (72 per cent) submitted reports within one week of the reporting deadline, and 17 (28 per cent) submitted late reports. There were four more late reports than in the previous year, and 11 States Parties submitted late reports for 2019 despite having submitted on-time reports for the previous year.¹⁰

PUBLIC OR PRIVATE REPORTING

An increased percentage of States Parties each year are keeping their annual reports private, continuing a worrying trend towards private reporting.

Only 45 of reports due were submitted by the ATT Monitor cut-off date for analysis and made publicly available. Ten States Parties kept their reports private.¹¹ Though the number of reports kept private remained the same for 2019 and 2018 reports, the rate of private reporting among submitted reports increased to 18 per cent in 2019 from 16 per cent in 2018.



THOUGH THE NUMBER OF REPORTS KEPT PRIVATE REMAINED THE SAME FOR 2019 AND 2018 REPORTS, THE RATE OF PRIVATE REPORTING AMONG SUBMITTED REPORTS INCREASED TO 18 PER CENT IN 2019 FROM 16 PER CENT IN 2018.

FIGURE 3.1 – 2018 AND 2019 ATT ANNUAL REPORT ON-TIME REPORTING COMPARISON

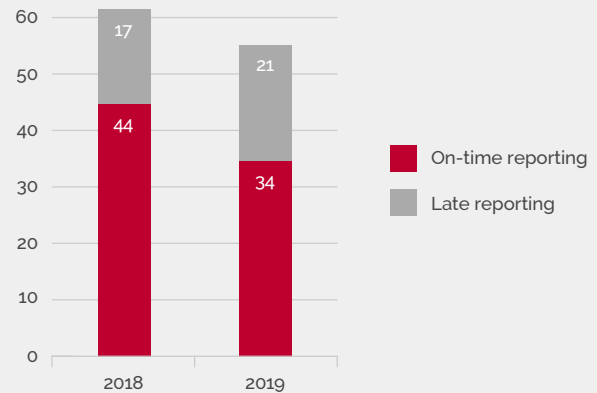
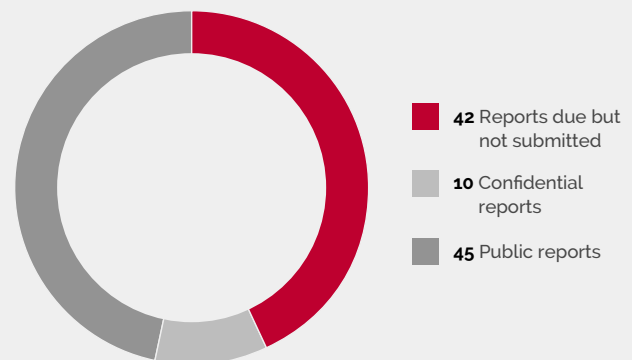


FIGURE 3.2 – PRIVATE AND PUBLICLY AVAILABLE ANNUAL REPORTS AS A PERCENTAGE OF TOTAL REPORTS DUE



⁸ Albania, Argentina, Belgium, Benin, Chile, Czech Republic, Dominican Republic, Finland, France, Georgia, Germany, Italy, Jamaica, Japan, Latvia, Liechtenstein, Lithuania, Mauritius, Mexico, New Zealand, Norway, Panama, Portugal, Republic of Korea, Republic of Moldova, Romania, Sierra Leone, Slovakia, Slovenia, Spain, the State of Palestine, Sweden, Switzerland and Uruguay.

⁹ This number may actually be greater, as States Parties submitted reports after 1 February ATT Monitor cut-off date for analysis. The late reporters prior to this date are: Australia, Austria, Bosnia and Herzegovina, Denmark, El Salvador, Hungary, Ireland, Luxembourg, Monaco, Montenegro, Netherlands, Paraguay, Peru, Poland, Cyprus, Greece, Kazakhstan, Malta, Senegal, Serbia and United Kingdom.

¹⁰ Australia, Bosnia and Herzegovina, Ireland, Monaco, Montenegro, Netherlands, Peru, Poland, Senegal, Serbia and United Kingdom.

¹¹ Albania, Cyprus, Georgia, Greece, Kazakhstan, Lithuania, Malta, Mauritius, Senegal and State of Palestine.

Article 13.3 of the Treaty obliges States Parties to report each year on imports and exports from the preceding calendar year.¹² Including information in their annual reports on both imports and exports is necessary for States Parties to fulfil their ATT annual reporting obligations.

As highlighted in previous editions of the ATT Monitor Annual Report,¹³ some States Parties have included little or no information on their imports when completing ATT annual reports, nor have they submitted 'nil' reports that indicate no transfers were made in the previous year. However, analysis of exports reported by other States Parties suggests that some states did import arms but, for one reason or another, did not submit import data in their reports.

In 2019 annual reports, two States Parties (Austria and the United Kingdom) again did not provide information on imports, nor did they submit a 'nil' report. However, other States Parties reported exports to the United Kingdom.

Providing information on imports, as well as exports, is crucial for States Parties to demonstrate consistency between arms-trade policies and ATT obligations. For example, control and monitoring of imports is a key part of a State Party's arms-transfer control system, and reporting on imports can be a vital component of efforts to identify diversion and other weaknesses in national control systems.

DIVING DEEPER INTO REPORTING RATES

Other reporting trends may help determine why States Parties do or do not submit reports and may also help ATT stakeholders identify States' needs for assistance in fulfilling reporting obligations. A number of trends – including regional reporting rates, history of ATT participation and status as large exporters/importers – are explored below.

It is likely that a number of States Parties are not fulfilling their reporting obligations because they lack the capacity to do so. The factors described in the remainder of this section can be used to inform decisions and identify possible recipients of international assistance to be provided under Article 16, or to tailor assistance to the needs of different kinds of States Parties. For example, States Parties that import or export small quantities of conventional arms each year may well have different bureaucratic requirements for reporting than those with large industries that produce arms for export.

While insufficient resources and/or capacity constraints may contribute to low reporting rates, it is also likely that lack of political will and prioritization of reporting obligations are also the cause of decreasing commitments to transparency among States Parties.

REGIONAL REPORTING DISPARITIES

Table 3.2 shows differences in regional compliance with ATT reporting obligations for 2019 annual reports.

All States Parties in Asia submitted 2019 annual reports, as did the great majority of States Parties in Europe and half of those in Oceania. Only a minority of States Parties from Africa or Latin America and the Caribbean did so.

Table 3.2 – 2019 Annual reporting numbers and percentages by region

	Africa		Asia		Europe		Americas		Oceania	
Number of States Parties due to report	23		6		39		25		4	
Reporting States Parties	4	17%	6	100%	34	87%	10	40%	2	50%
Non-reporting States Parties	19	83%	0	0%	5	13%	15	60%	2	50%

¹² See Arms Trade Treaty, Article 13.3 (adopted 2 April 2013, entered into force 24 December 2014). UNTS.(ATT) Art 13(3).

¹³ For an in-depth look at the importance of reporting imports and challenges associated with missing import data, see Control Arms Secretariat (2020). 'ATT Monitor 2020'. 26 August 2020. https://attmonitor.org/wp-content/uploads/2020/08/EN_ATT_2020_Chapter_2-1.pdf, pp. 40–45.

ATT PARTICIPATION

Ongoing analysis of ATT annual reports shows States Parties that acceded to the Treaty after it came into force are less likely to be compliant with reporting obligations and to submit ATT annual reports. This trend continued with 2019 reports.

Of the 55 reports due and submitted, 42 (75 per cent) were submitted by States Parties who were among the first to ratify the Treaty,¹⁴ most of which had the capacity and systems in place to complete and submit reports prior to the Treaty's entry into force.¹⁵

Of the 42 States Parties that did not submit a 2019 annual report, only 19 (41 per cent) were among the group of states to first ratify the Treaty.

LARGE EXPORTERS/IMPORTERS

A State Party's status as a large exporter/importer may also correlate with its ability to complete and submit ATT annual reports. Among the States Parties that submitted 2019 reports, 24 were among the top 50 arms exporters,¹⁶ as designated by the Stockholm International Peace Research Institute (SIPRI).¹⁷ Among the States Parties that did not submit a 2019 report, only three were among the top 50 arms exporters (Brazil, Bulgaria and South Africa).

Similar reporting rates can be found among States Parties that are large arms importers. Among States Parties that submitted 2019 reports, 13 were among the top 50 arms importers,¹⁸ while only one State Party that did not submit a 2019 report was among the top 50 arms importers.¹⁹

The higher occurrence of large arms exporters/importers among reporting States Parties may have two explanations. First, such States Parties are likely to need sophisticated systems to monitor arms transfers and so they may already possess the required capacity. Second, arms-trade issues may have a much higher domestic political profile for these States Parties, so they may experience more domestic calls for transparency from parliamentarians, civil society and other constituencies.

It is also notable that 20 of the top 24 arms exporters and eight of the top arms importers that submitted 2019 reports are States Parties in Europe. The salience of arms exports as a political and economic issue in Europe has led to EU coordination, including on reporting. As such, EU member states already had a long history of reporting before joining the ATT.



ONGOING ANALYSIS OF ATT ANNUAL REPORTS SHOWS STATES PARTIES THAT ACCEDED TO THE TREATY AFTER IT CAME INTO FORCE ARE LESS LIKELY TO BE COMPLIANT WITH REPORTING OBLIGATIONS AND TO SUBMIT ATT ANNUAL REPORTS. THIS TREND CONTINUED WITH 2019 REPORTS.

14 Albania, Argentina, Australia, Austria, Belgium, Bosnia and Herzegovina, Czech Republic, Denmark, Dominican Republic, El Salvador, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Jamaica, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mexico, Montenegro, Netherlands, New Zealand, Norway, Panama, Poland, Portugal, Romania, Senegal, Serbia, Sierra Leone, Slovakia, Slovenia, Spain, Sweden, United Kingdom and Uruguay.

15 States Parties could also report to the UN Register of Conventional Arms, via regional reporting mechanisms or produce national reports. See Control Arms Secretariat (2019). 'ATT Monitor 2019'. 26 August 2019. https://attmonitor.org/wp-content/uploads/2020/07/EN_ATT_Monitor-Report-2019_Online.pdf, p. 38.

16 Australia, Austria, Belgium, Czech Republic, Denmark, Finland, France, Georgia, Germany, Greece, Italy, Lithuania, Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Korea, Serbia, Slovakia, Spain, Sweden, Switzerland and United Kingdom.

17 SIPRI estimates the value of a state's arms exports and imports, and ranks countries based on these. Data was downloaded from <https://www.sipri.org/databases/armstransfers>.

18 Australia, Brazil, Finland, France, Greece, Italy, Japan, Kazakhstan, Netherlands, Norway, Peru, Poland, Republic of Korea, Spain and United Kingdom.

19 The one State Party in this example is South Africa, which submitted a report in previous years.

QUALITY OF REPORTING

The quality of information in ATT annual reports can either contribute to or undermine States Parties' efforts to fulfil transparency and confidence-building objectives as described in the Treaty's object and purpose.

To demonstrate commitments to transparency, and to provide the minimum necessary information needed in order to meaningfully assess a State Party's arms transfers, a publicly available report must, for each transfer:

- Specify weapon type
- Provide the number of units or financial value (or both) for each weapon type
- Clearly name the final exporting/importing country
- Identify whether the data concerns an authorized or an actual transfer

Of the 97 States Parties that had an obligation to submit a 2019 annual report, 28 (29 per cent) submitted one that met these four criteria.²⁰ This represents only 51 per cent of all reports submitted. Despite the increase in the number of States Parties, six fewer reports in 2019 met all four criteria compared to the previous year.



AGGREGATION OF DATA PROVIDED IN ATT ANNUAL REPORTS REMAINS ONE OF THE MOST SIGNIFICANT WAYS IN WHICH PUBLICLY AVAILABLE REPORTS DO NOT MEET THE MINIMUM STANDARD FOR INFORMATION THAT CONTRIBUTES POSITIVELY TO ATT OBJECTIVES CONCERNING TRANSPARENCY AND CONFIDENCE BUILDING.

AGGREGATION OF DATA

Aggregation of data provided in ATT annual reports remains one of the most significant ways in which publicly available reports do not meet the minimum standard for information that contributes positively to ATT objectives concerning transparency and confidence building.

Information aggregated by weapon type and/or exporting/importing countries makes it difficult or impossible to discern the quantity or type of weapons that were transferred to or from a particular state. Therefore, excessively aggregated data makes it difficult or impossible to determine if a State Party is abiding by its Treaty obligations.

Excessive aggregation was used in 14 of the 45 reports (31 per cent) that were submitted and made publicly available and contained transfer data ('nil' reports were excluded from this analysis), which means nearly one-third of submitted reports contain aggregation that hinders assessment of what transfers actually occurred.

For example, in their 2019 ATT annual reports:

- Ireland reported exports of 217 'Shotguns' and 'Airguns' to a total of nine countries, making it impossible to know the quantities and weapon types that were transferred to each destination country.
- Australia provided the total number of small arms exported to each destination country, but it provided aggregated information on weapon type, making it impossible to know whether it exported pistols or machine guns.

Ten States Parties aggregated importer/exporter information, making it unclear which country sent or received the transferred weapons.²¹ A further six aggregated weapon types.²² Two States Parties (Italy and Monaco) used both forms of aggregation.

GOOD PRACTICE

ATT annual reports may include information that goes beyond the minimum criteria outlined above. The ATT annual reporting template, the online reporting tool and other formats provide space for descriptions of items exported and imported (for example, make and/or model of conventional arms) that have been, as well as additional comments on the context of the transfer (for example, end-use and/or end-user information).

²⁰ Argentina, Benin, Czech Republic, France, Germany, Hungary, Japan, Latvia, Liechtenstein, Luxembourg, Mexico, Montenegro, Netherlands, New Zealand, Panama, Paraguay, Peru, Poland, Portugal, Republic of Korea, Romania, Serbia, Sierra Leone, Slovakia, Slovenia, Spain, Switzerland and Uruguay.

²¹ Denmark, Dominican Republic, El Salvador, Ireland, Italy, Jamaica, Luxembourg, Monaco, Norway and Republic of Moldova.

²² Australia, Austria, Belgium, Italy, Monaco and Sweden.

TEXT BOX – AGGREGATION OF DATA AND NATIONAL PRACTICE

In a presentation during the intersessional meetings of the Working Group on Transparency and Reporting (WGTR) in April 2021, the United Nations Institute for Disarmament Research (UNIDIR) provided a cursory look at national-level challenges that may be contributing to increased aggregation of information in ATT annual reports.²³

Specifically, officials tasked with preparing reports may lack access to comprehensive data on the type, volume or importer/exporter for each reported transfer. They may also not have the means to verify and validate information internally. Lack of capacity in this regard may be a symptom

of inadequate record-keeping procedures and of difficulties in coordinating separate branches of government that may be involved in authorizing arms exports and imports (such as ministries of foreign affairs or defence, police services and customs services).²⁴

State Parties wishing to provide international assistance to improve reporting could focus upon improving capacity in these areas. For example, States Parties could share national practices on desensitizing and declassifying disaggregated information, as well as useful national procedures, databases and tools for data disaggregation.²⁵

Of the 55 annual reports that were due and submitted, 33 (60 per cent) provided descriptions of items exported and/or imported. Sixteen included descriptions of items in every reported transfer²⁶ and 17 included descriptions of items in some transfers.²⁷ This total represents five fewer reports that contained descriptions than in the previous year.

Twenty-five (45 per cent) due and submitted reports included comments on the context of reported exports and/or imports. Of these, four States Parties included comments on all reported transfers²⁸ and 21 included comments on some reported transfers.²⁹ This total represents one fewer report that contains comments than in the previous year.

MOVING FORWARD AND ADDRESSING CHALLENGES TO REPORTING

Analysis of 2019 ATT annual reports shows a downward trend in compliance with Article 13 reporting obligations, as well as an increase in the rate at which reports are made private. The on-time completion rate for 2019 ATT annual reports was the lowest of any year and challenges raised by the COVID-19 pandemic have likely affected some States Parties' ability to submit reports.

Nonetheless, commitments to transparency as demonstrated by timely, comprehensive and publicly available reporting appear to have decreased with this round of reporting. In particular, the trend in private reporting is concerning as private reports create a challenge for identifying global arms exports and imports.

This chapter identifies a number of possible barriers for States Parties in submitting comprehensive and publicly available annual reports, including those concerning capacity, national systems and political will. The annual reporting template itself also remains a barrier to transparency in reporting. Amendments to address some of these challenges and clarify information to better support reporting efforts have been the primary focus of the WGTR in its work during the CSP6 and CSP7 cycles. The WGTR continues its work towards improving reporting efforts and increasing the quantity and quality of ATT annual reports submitted by States Parties, including amendments to the reporting template and numerous initiatives to encourage the sharing of good practice and potential solutions to identified reporting challenges.

23 See UN Institute for Disarmament Research (UNIDIR) (2021). 'Setting the Scene: Aggregation of Data in Annual Reports' April 2021. [https://thearmstradetreaty.org/hyper-images/file/UNIDIR_WGTR_Reporting_v290421%20\(final\)/UNIDIR_WGTR_Reporting_v290421%20\(final\).pdf](https://thearmstradetreaty.org/hyper-images/file/UNIDIR_WGTR_Reporting_v290421%20(final)/UNIDIR_WGTR_Reporting_v290421%20(final).pdf).

24 Ibid.

25 Ibid.

26 Argentina, Benin, Bosnia and Herzegovina, Chile, Dominican Republic, France, Hungary, Ireland, Liechtenstein, Luxembourg, Mexico, Peru, Republic of Korea, Romania, Slovenia and Uruguay.

27 Australia, Belgium, Denmark, Estonia, Finland, Germany, Latvia, Montenegro, Netherlands, Poland, Portugal, Republic of Moldova, Serbia, Slovakia, Sweden, Switzerland and United Kingdom.

28 Argentina, Jamaica, Liechtenstein and Mexico.

29 Belgium, Bosnia and Herzegovina, Czech Republic, Estonia, France, Germany, Hungary, Ireland, Latvia, Luxembourg, Monaco, Montenegro, Netherlands, Peru, Poland, Republic of Moldova, Romania, Slovakia, Slovenia, Switzerland and United Kingdom.

A CHINOOK HELICOPTER LIFTING
AN M-777 HOWITZER DURING AN
EXERCISE IN ESTONIA.

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