3.1 PRELIMINARY REVIEW OF 2022 ANNUAL REPORTS

INTRODUCTION

Article 13.3 of the Arms Trade Treaty requires States Parties to submit annual reports to the ATT Secretariat on their authorized or actual arms exports and imports that occurred during the previous calendar year. Each State Party is required to begin reporting following the first full calendar year after which the Treaty enters into force for it and to continue reporting every year thereafter. The Treaty requires that annual reports be submitted by 31 May each year – though the ATT Secretariat grants a seven-day grace period, creating a de facto annual reporting deadline of 7 June.

Annual reports can provide valuable insights into global arms trade dynamics. In particular, they can enhance awareness of global and regional weapons flows, assist in identifying potentially destabilizing weapons accumulations, facilitate assessments of Treaty compliance, and promote transparency and build confidence among states involved in the global arms trade. However, their potential is undercut by steadily declining compliance rates and persistent transparency challenges.

This chapter offers a preliminary analysis of annual reports submitted for the 2022 calendar year, as well as an update on the overdue annual reports that were submitted since the publication of last year’s ATT Monitor Annual Report, as of the de facto annual reporting deadline of 7 June 2023.

PREVIEW OF 2022 ANNUAL REPORTS

One hundred and ten of the 113 States Parties to the Treaty were required to report to the ATT Secretariat on their authorized or actual arms exports and imports in 2022. (The newest States Parties – Andorra, Gabon and the Philippines – were not required to submit a 2022 annual report). As of 7 June 2023, the Secretariat’s website showed that 35 States Parties had submitted annual reports for 2022:

- Albania, Argentina, Australia, Bosnia and Herzegovina, Bulgaria, Burkina Faso, Canada, Cyprus, Czech Republic, El Salvador, Finland, Georgia, Germany, Ireland, Jamaica, Japan, Latvia, Liechtenstein, Madagascar, Maldives, Mauritius, Montenegro, New Zealand, People’s Republic of China, Peru, Poland, Republic of Korea, Romania, Serbia, Sierra Leone, Slovakia, South Africa, State of Palestine, Switzerland and Uruguay.
It is likely, however, that more than these 35 States Parties submitted their 2022 annual reports on time. In past years, all reports submitted on time were uploaded and made available by the 7 June deadline. This year, as of 20 June 2023, an additional ten reports appeared on the website, increasing to 45 the number of reports available on the ATT Secretariat’s website. At the time of writing, the Secretariat had not responded to requests for clarification about how many of the reports posted after the 7 June deadline were actually submitted on time. With this apparent delay in posting, to ensure consistency with previous ATT Monitor analyses, which have used 7 June as the cut-off date for examining newly submitted annual reports, this chapter limits its analysis to the annual reports of the 35 States Parties listed above.

If the figure of 35 States Parties is accurate, this would mean that only 32 per cent of the 110 due to submit a 2022 report did so on time. This would be the lowest on-time annual reporting compliance in the ATT’s history – the previous one being in 2020, when the COVID-19 pandemic contributed to a compliance rate of 38 per cent for 2019 reports. The ATT Monitor looks forward to the ATT Secretariat’s clarification of the number of 2022 reports that were submitted on time.

Table 3 - ATT Annual Reports on-time reporting rates

<table>
<thead>
<tr>
<th>Reporting Year</th>
<th>Number of On-Time Reports (using de facto 7 June deadline)</th>
<th>On-Time Compliance Rate (as percentage of reports due)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>30</td>
<td>49%</td>
</tr>
<tr>
<td>2016</td>
<td>31</td>
<td>41%</td>
</tr>
<tr>
<td>2017</td>
<td>37</td>
<td>42%</td>
</tr>
<tr>
<td>2018</td>
<td>46</td>
<td>50%</td>
</tr>
<tr>
<td>2019</td>
<td>37</td>
<td>38%</td>
</tr>
<tr>
<td>2020</td>
<td>46</td>
<td>44%</td>
</tr>
<tr>
<td>2021</td>
<td>48</td>
<td>44%</td>
</tr>
<tr>
<td>2022</td>
<td>35</td>
<td>32%</td>
</tr>
</tbody>
</table>

IF THE FIGURE OF 35 STATES PARTIES IS ACCURATE, THIS WOULD MEAN THAT ONLY 32 PER CENT OF THE 110 DUE TO SUBMIT A 2022 REPORT DID SO ON TIME. THIS WOULD BE THE LOWEST ON-TIME ANNUAL REPORTING COMPLIANCE IN THE ATT’S HISTORY – THE PREVIOUS ONE BEING IN 2020, WHEN THE COVID-19 PANDEMIC CONTRIBUTED TO A COMPLIANCE RATE OF 38 PER CENT FOR 2019 REPORTS.

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2 Between 7 and 20 June 2023, the ATT Secretariat’s website was updated to indicate that an additional ten States Parties had submitted 2022 annual reports (Barbados, Belgium, Botswana, Greece, Italy, Lithuania, Malta, Mexico, Netherlands and Portugal).

3 These additional reports will instead be included in the analysis in next year’s ATT Monitor Annual Report.
Among the 35 States Parties, developing and least developed countries led the way in early annual reporting this year. Of the first four 2022 annual reports submitted, two came from least developed countries (Madagascar and Sierra Leone) and one came from a small island developing country (Mauritius). With many States Parties having described the significant capacity and resource constraints on their reporting efforts, Madagascar, Mauritius and Sierra Leone should be commended for being among the first annual reporters for 2022. It would be useful to engage with these States Parties to better understand their reporting experiences and to consider whether there are lessons that other similar States Parties could learn from to enhance their own reporting practices.

Nine of the 35 States Parties (26 per cent) kept their 2022 annual reports confidential; that is, available only to the ATT Secretariat and other States Parties. Encouragingly, this represents a decrease in confidential on-time reporting compared to a rate of 32 per cent at the same point last year. It is also encouraging that several States Parties with a history of confidential reporting made their 2022 reports public. Most notably, Cyprus made its report public for the first time after five consecutive years of confidential reporting. Bulgaria and El Salvador, which had made their reports public for years but then kept their 2020 and 2021 reports confidential, made a welcome return to public reporting.

It is not yet clear what factors contributed to the decrease in confidential reporting but, as discussed more fully in the initial assessment below, this shift coincides with an increase in States Parties indicating that they withheld commercially sensitive and/or national security-related information from their reports. States Parties with these concerns may be becoming more willing to make their reports public while withholding such information as an alternative to making them confidential in full.

All but one of the nine States Parties that kept their 2022 reports confidential have a history of doing so. Two (Albania and Maldives) have oscillated between public and confidential reporting over the years, three (Georgia, Latvia and Mauritius) shifted to confidential reporting after making their first annual reports public and another three (Madagascar, People’s Republic of China and State of Palestine) have only submitted confidential reports. The exception is Finland, which made its 2022 report confidential after making its reports public for seven years. Some of these States Parties, including Finland and the People’s Republic of China, have emphasized ‘the importance of transparency and reporting’ in recent interventions at ATT meetings. Their decision to keep their 2022 reports confidential is at odds with these statements and severely limits the practical utility of these documents while undermining the ATT’s broader transparency aims.

4 These characterizations are based on United Nations classifications. For more information, see United Nations, Department of Economic and Social Affairs, Statistics Division. ‘Methodology.’ https://unstats.un.org/unsd/methodology/m49/.


REPORTING UPDATES

The number of States Parties that have consistently fulfilled their ATT annual reporting obligations appears to have continued to decline this year – it is too soon to say so with certainty due to potential delays in posting annual reports on the ATT Secretariat’s website. The number of States Parties that had submitted all of their required annual reports by this year’s de facto reporting deadline of 7 June was 34 out of the 110 (31 per cent) that were required to submit at least one annual report.7 This would represent a continued decline, with the equivalent number in 2022 being 39 States Parties and that in 2021 being 41 States Parties. This decline is particularly significant given that the number of States Parties required to submit an annual report increased from 105 in 2021 to 110 this year as ATT membership has grown.

On the other hand, it is encouraging that several States Parties submitted overdue annual reports this year, which means that the number of those yet to submit any of their reports has decreased. As of 7 June 2023, according to the ATT Secretariat’s website, 26 States Parties (24 per cent of those due to report) had yet to submit any of their required reports.8 This is a decrease from 32 States Parties at the same point last year. Twenty-eight States Parties submitted 42 overdue annual reports over the past year: 26 reports were for 2021 and 16 were for previous years.9 They include six first-time reporters that submitted overdue reports: Côte d’Ivoire (which submitted its 2016–2021 reports), Trinidad and Tobago (which submitted its 2015–2019 reports), Zambia (which submitted its 2018–2021 reports) and Botswana, Iceland, and the Seychelles (which submitted their 2021 reports). This welcome development will hopefully encourage non-reporters to follow suit and submit their required reports in the months ahead.

While States Parties should strive to submit their reports on time – so as to not only to fulfil their Treaty obligations but also to facilitate timely assessments of arms trade dynamics – the submission of overdue reports can still yield valuable insights while reinforcing the obligatory nature of ATT reporting. States Parties should therefore be encouraged to submit overdue reports.

Another encouraging development over the past year was the decision by two States Parties (Portugal and Spain) to change their 2021 annual reports from confidential to public. They should be commended for taking this step to promote arms trade transparency. Other States Parties should periodically review the status of their earlier reports. If a report was kept confidential by mistake or if the conditions that initially warranted a report being confidential no longer apply, for example, the State Party should request the ATT Secretariat to make it public.

7 Albania, Argentina, Australia, Bosnia and Herzegovina, Bulgaria, Canada, Cyprus, Czech Republic, El Salvador, Finland, Georgia, Germany, Ireland, Jamaica, Japan, Latvia, Liechtenstein, Madagascar, Maldives, Mauritius, Montenegro, New Zealand, People’s Republic of China, Peru, Poland, Republic of Korea, Romania, Serbia, Sierra Leone, Slovakia, South Africa, State of Palestine, Switzerland and Uruguay.
8 Afghanistan, Bahamas, Belize, Brazil, Cabo Verde, Central African Republic, Chad, Dominica, Ghana, Grenada, Guinea, Guinea Bissau, Guyana, Lebanon, Lesotho, Mauritania, Mozambique, Namibia, Niue, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, San Marino, São Tomé and Príncipe, Suriname and Togo.
9 Albania, Argentina, Austria, Benin, Botswana, Bulgaria, Côte d’Ivoire, Cyprus, Denmark, Estonia, Finland, France, Georgia, Honduras, Iceland, Jamaica, Kazakhstan, Lithuania, Luxembourg, Mexico, Monaco, Norway, Palau, Senegal, Seychelles, Trinidad and Tobago, Uruguay and Zambia.
INITIAL ASSESSMENT

Several observations can be made based on an initial review of the contents of the 26 public 2022 annual reports posted on the ATT Secretariat’s website as of 7 June 2023.

Most publicly reporting States Parties continue to use a version of the recommended annual reporting template. Nineteen of the 26 analysed annual reports (73 per cent) used a version of the template.10 This was an increase from last year when the proportion was 63 per cent. In an example of good practice, 14 States Parties11 used the revised version of the template endorsed by the Seventh Conference of States Parties in 2021.

By contrast, use of the online reporting tool and other report formats remains modest. Six of the 26 States Parties (Argentina, Cyprus, Czech Republic, Poland, Romania and Switzerland) used the online reporting tool, a slight decrease in the rate of usage to 23 per cent from 27 per cent last year. Other report formats, such as United Nations Register on Conventional Arms (UNROCA) reports, are used even less. Of the 26 States Parties, only Canada submitted an UNROCA report as its 2022 ATT annual report.

Any confusion around ‘nil’ reporting may be dissipating. Four States Parties (Burkina Faso, El Salvador, Peru and Uruguay) submitted ‘nil’ annual reports for exports and one (Sierra Leone) submitted a ‘nil’ report for exports and imports. In previous years, some States Parties omitted any import and/or export data from their reports without indicating that they were submitting ‘nil’ reports. The fact that none of the 26 States Parties did so could suggest that States Parties are developing a better understanding of ‘nil’ reporting in the ATT context.

Relatively few of the 26 States Parties provided information on national categories. Four (Bosnia and Herzegovina, New Zealand, South Africa and Switzerland) indicated that their 2022 reports contained national definitions of categories of conventional arms reported, including one (New Zealand) that used Annex 2 of the reporting template to provide specific national definitions of these categories. An additional two States Parties (Australia and Japan) reported on arms transfers under national categories.

10 Australia, Bosnia and Herzegovina, Bulgaria, Burkina Faso, El Salvador, Germany, Ireland, Jamaica, Japan, Liechtenstein, Montenegro, New Zealand, Peru, Republic of Korea, Serbia, Sierra Leone, Slovakia, South Africa and Uruguay.
11 Australia, Burkina Faso, Germany, Ireland, Jamaica, Japan, Liechtenstein, Montenegro, New Zealand, Peru, Republic of Korea, Sierra Leone, Slovakia and Uruguay.
12 Argentina, Cyprus, the Czech Republic, Poland, Romania, and Switzerland.
A growing share of States Parties is withholding information from reports on grounds of commercial sensitivity or national security. Ten of the 26 States Parties (38 per cent) indicated doing so in their 2022 reports – an increase from previous years when the equivalent shares were 19 per cent for 2020 reports and 30 per cent for 2021 reports. One State Party (Australia) that withheld information this year provided a helpful indication of the type of information concerned, noting that the number of missiles and air to ground weapons it imported from the United States was ‘withheld’.

One possible reason for the increase this year in States Parties withholding information from their annual reports could be that some view arms transfers to Ukraine as more sensitive than those to other conflict areas. (The Netherlands, which is not included in the analysis in this chapter because its report was not posted on the ATT Secretariat website by the de facto deadline, stated at preparatory meetings for the Ninth Conference of States Parties that its ‘exports to Ukraine will not be included in its reports for national security reasons’, adding that this was an uncomfortable but necessary decision.) Given that the increase in reports with information withheld has coincided with a decrease in confidential reporting, it may also be the case that States Parties concerned about commercially sensitive or national security-related information are becoming more comfortable with making their reports public with this information withheld as an alternative to confidential reporting.

**EXPORTS**

Twenty-one of the 26 States Parties that submitted public annual reports by this year’s de facto deadline, according to the ATT Secretariat’s website, reported exporting conventional arms during 2022. Of them, 14 reported exporting major conventional arms. This includes four that reported authorized exports (Australia, Montenegro, Republic of Korea and Switzerland), eight that reported actual exports (Bulgaria, Canada, Czech Republic, Germany, New Zealand, Poland, Serbia and Slovakia) and one (South Africa) that did not always indicate whether it reported authorized or actual exports. One State Party (Bosnia and Herzegovina) did not indicate whether any of its reported major arms exports were authorized or actual exports. Such omissions are unfortunate, as they hinder accurate analyses of global weapons flows.

All of the 21 States Parties reported exporting small arms and/or light weapons (SALW). Nine reported authorized exports, nine reported actual exports, two (Argentina and Montenegro) reported authorized and actual SALW exports, and one (Bosnia and Herzegovina) did not indicate which it reported.

All of the 21 States Parties provided the number of items exported. Four (Australia, Bosnia and Herzegovina, Cyprus, and Japan) also provided the value for all items, and one (Ireland) did so for most items.

Three of the 21 States Parties reported differently on their major arms and SALW exports. Montenegro reported authorized major arms exports as well as authorized and actual SALW exports, while Germany and New Zealand reported actual major exports and authorized SALW exports.

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**GIVEN THAT THE INCREASE IN REPORTS WITH INFORMATION WITHHELD HAS COINCIDED WITH A DECREASE IN CONFIDENTIAL REPORTING, IT MAY ALSO BE THE CASE THAT STATES PARTIES CONCERNED ABOUT COMMERCIALLY SENSITIVE OR NATIONAL SECURITY-RELATED INFORMATION ARE BECOMING MORE COMFORTABLE WITH MAKING THEIR REPORTS PUBLIC WITH THIS INFORMATION WITHHELD AS AN ALTERNATIVE TO CONFIDENTIAL REPORTING.**

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13 Australia, Bosnia and Herzegovina, Bulgaria, Burkina Faso, Montenegro, Poland, Republic of Korea, Romania, Slovakia and South Africa.
15 Argentina, Australia, Bosnia and Herzegovina, Bulgaria, Canada, Cyprus, Czech Republic, Germany, Ireland, Jamaica, Japan, Liechtenstein, Montenegro, New Zealand, Poland, Republic of Korea, Romania, Serbia, Slovakia, South Africa and Switzerland.
16 Australia, Bosnia and Herzegovina, Bulgaria, Canada, Czech Republic, Germany, Montenegro, New Zealand, Poland, Republic of Korea, Serbia, Slovakia, South Africa and Switzerland.
17 Argentina, Australia, Bosnia and Herzegovina, Bulgaria, Canada, Cyprus, Czech Republic, Germany, Ireland, Jamaica, Japan, Liechtenstein, Montenegro, New Zealand, Poland, Republic of Korea, Romania, Serbia, Slovakia, South Africa and Switzerland.
18 Australia, Cyprus, Germany, Ireland, Jamaica, New Zealand, Republic of Korea, South Africa and Switzerland.
19 Bulgaria, Canada, Czech Republic, Japan, Liechtenstein, Poland, Romania, Serbia and Slovakia.
imports in a separate table without indicating whether they were authorized or actual. Two States Parties (Bosnia and Herzegovina and Ireland) failed to indicate whether any of the SALW imports they reported were authorized or actual.

Nearly all of the 25 States Parties that reported conventional arms imports provided the number of items involved. The exceptions were Australia, which, as noted above, indicated that the number of some items was ‘withheld’, and the four States Parties (Bosnia and Herzegovina, Cyprus, Japan and Peru) that provided both the number and value for some of the items imported.

Three States Parties reported differently on their major arms and SALW imports. Germany, Jamaica and Switzerland indicated that data concerning their major arms imports represented actual imports and that their SALW import data corresponded to import authorizations.

39TH OPERATIONAL SUPPORT BATTALION TRAINEES CONDUCT A LIVE FIRE SERIAL AT HOLSWORTHY BARRACKS, NEW SOUTH WALES.

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20 Argentina, Australia, Bosnia and Herzegovina, Bulgaria, Burkina Faso, Canada, Cyprus, Czech Republic, El Salvador, Germany, Ireland, Jamaica, Japan, Liechtenstein, Montenegro, New Zealand, Peru, Poland, Republic of Korea, Romania, Serbia, Slovakia, South Africa, Switzerland and Uruguay.

21 Argentina, Australia, Bulgaria, Burkina Faso, Canada, the Czech Republic, Germany, Jamaica, Japan, Montenegro, Peru, Romania, Serbia, Slovakia, Switzerland and Uruguay.

22 El Salvador, Germany, Jamaica, New Zealand, Republic of Korea, South Africa and Switzerland.

23 Australia, Bulgaria, Burkina Faso, Canada, Cyprus, Czech Republic, Japan, Liechtenstein, Poland, Romania, Serbia, Slovakia and Uruguay.
CONCLUSION

In some key respects States Parties made progress towards realizing the Treaty’s transparency objectives in their 2022 annual reports. Six States Parties that had yet to report on their arms transfers to the ATT Secretariat submitted their first reports this year. Some developing and least developed States Parties alike set a laudable example by being among the first to submit 2022 reports. The trend of increased confidential reporting is showing signs of abating, with the proportion of confidential on-time reports having decreased this year and several States Parties with histories of confidential reporting making their 2022 reports public.

These gains were undermined, however, by enduring challenges and new ones. The available data analysed indicate that the rate of on-time annual reporting compliance continued to decline and may have hit a record-low this year. Despite positive developments regarding public reporting, it is troubling that a long-standing public-reporting State Party such as Finland made its 2022 report confidential. It will be worth looking into the apparent delays on the part of the ATT Secretariat in posting annual reports on its website, and perhaps into adding a column on the website related to the date of report submission (which is not available for confidential reports and not always provided by reporting States Parties) to support greater understanding and enhanced analysis of the state of reporting.

Looking ahead, the Working Group on Transparency and Reporting (WGTR) has an important role to play in addressing persistent issues around ATT annual reporting. This year, despite continued efforts made by the ATT Secretariat and office holders, no state agreed to chair the WGTR, leaving the office vacant and requiring the ATT Secretariat staff to take on the chair role. While the absence of a chair this year could be seen as having diminished the importance of reporting, the WGTR made some progress towards enhancing reporting at its February and May 2023 meetings, including with respect to the ATT Secretariat’s voluntary peer-to-peer reporting assistance project that aims to provide States Parties an opportunity to ask questions and share information and practical advice with one another around ATT reporting. The project, which began during the CSP6 cycle with a meet-and-greet event for States Parties interested in offering or receiving reporting assistance, stalled during the COVID-19 pandemic, and no meetings has been held since. This year, the WGTR sought to move the project forward by proposing that the ATT Secretariat identify States Parties that could serve as ‘regional champions’ on reporting and assist others in their region in overcoming reporting challenges. The proposal was generally well received at the CSP9 Working Group Meetings and, if well implemented, could play an important role in helping States Parties fulfil their reporting obligations.

Less progress was made on other aspects of the WGTR’s work. The development of an online searchable database of annual report data, a potentially valuable analytical tool, has been on its agenda since the CSP4 cycle. This year, WGTR participants were asked whether the ATT Secretariat should obtain cost estimates for building such a database. Relatively few States Parties responded, and – though several expressed their support – others expressed concerns about the database’s utility, feasibility and impact on State Parties’ reporting burdens, suggesting that the idea may still be far from becoming a reality. Work toward this goal continues to move forward through civil society and research organization programs, including Control Arms’ ATT Monitor Project and the Stimson Center’s ATT-Baseline Assessment Project, though collaboration between the WGTR and these projects in this regard has yet to take place.

Notable progress has been made in improving the state of annual reporting over the past year. However, concerted action from States Parties, the WGTR, the ATT Secretariat and other interested stakeholders is necessary to build on this momentum. Moreover, it is imperative that States Parties redouble their efforts to reverse the negative trends that continue to mar reporting – including non-compliance, confidential reporting and reporting irregularities that complicate efforts to understand and analyse the information provided – to ensure that annual reporting under the ATT lives up to its full potential.

U.S. MARINES FAST ROPE FROM A UH-1Y VENOM HELICOPTER DURING EXERCISE FUJI VIPER AT CAMP FUJI, JAPAN.

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