European Parliament

Recommendations for a transparent and detailed reporting system on arms exports within the EU and to third countries

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European Parliament

IN-DEPTH ANALYSIS

Recommendations for a transparent and detailed reporting system on arms exports within the EU and to third countries

ABSTRACT

The EU's annual report on arms export control presently lags behind the national reports of many countries. The introduction of a searchable online database will be a substantial step in increasing the user-friendliness of the report. This paper makes recommendations with regard to readability, comprehensiveness and comparability. Perhaps the principal recommendation is that steps be taken to harmonise the data provided under the categories 'licensed value' and 'actual exports', which are presently not consistently interpreted across the EU. The main argument of this paper is that the EU should move towards using data visualisation to complement the lengthy statistical tables in the annual report and thus make it more readable. The EU and its Member States should also explore opportunities to enhance the data contained in the report to include additional identified data fields, narrative sections to complement the statistical data, and disaggregated data on licence denials. In identifying additional data fields that could be included, the paper also examines the challenges associated with the provision of the data in each case.

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1   Introduction

The question of whether and when to export arms is an important but politically sensitive topic. There are evidently strategic drivers for arms exports in relation to factors such as security cooperation with allies, maintenance of the defence industrial base in the exporting country, and maintenance of foreign exchange. All countries are entitled to self-defence under international law and the equipping of the country's armed forces is thus generally a legitimate act. However, there is also a clear risk that exports will be used by militaries to undertake aggression or be used to repress a country's populace, which could violate international laws. As such, there is a need to systematically manage and mitigate these risks. The EU's Common Position on arms export controls was adopted in 2008 with this purpose in mind.

The adoption of criteria for assessing exports is not sufficient to provide confidence that arms will not be exported to illegitimate end uses. Some degree of transparency is required in order to demonstrate that the exporting country is managing these risks correctly. This is important not only to satisfy national stakeholders such as civil society and parliamentarians, but also to reassure other countries that the common criteria is being consistently applied, so as to prevent 'undercutting' – that is, one country taking advantage of another's decision not to export certain goods by fulfilling the order, as it were. Transparency can thus also help to drive convergence among countries on the implementation of arms export controls. There is evidently a balance to be struck between enhancing transparency by detailing which countries are viewed as sensitive during the reporting period, and keeping such discussions confidential to protect diplomatic relations with the country.

It is useful to draw a distinction between common rules, transparency and information sharing. In this context, the purpose of transparency is to provide interested observers with information that allows them to have confidence that the common rules are being adhered to. The purpose of information sharing, on the other hand, is to promote consistency between countries in terms of the application of the rules.

This matters in particular in the EU context, where arms export licensing is a national competence. While it is not feasible to expect competences to change in the near term, an expressed goal of the EU and its EU Member States (EUMS) in the Common Position is to drive convergence between EUMS and third countries on this topic[1]. This is particularly important as EUMS are substantial producers of arms and EU-origin goods are or may be misused. Indeed, according to the arms transfer database of the Stockholm International Peace Research Institute (SIPRI), EUMS exported between 22 % and 28 % of all documented arms between 2014 and 2019[2].

The question of transparency in EU arms exports is thus an important one to both drive convergence among EUMS and assure interested parties that the EU is fulfilling its commitments as a responsible group of countries. In this context, the European Parliament (EP) has frequently examined the issue of transparency in arms export controls, with more than 8 000 mentions of these terms on the parliamentary website in English alone[3]. The frequently expressed assertion of the Parliament is that transparency is insufficient to provide adequate scrutiny and that in the absence of transparency, the decisions of EUMS

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[1] Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment, 8 December 2008, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32008E0944 (accessed 12.03.2020).
[2] SIPRI Arms Transfer Database, available at: http://armstrade.sipri.org/ (accessed: 11.03.2020).
[3] Google search of the website: www.europarl.europa.eu/ (accessed: 02.2020).

on arms export licensing are questionable. The EP has also regularly adopted motions calling for increased transparency measures[4].

A challenge for the EP's long-held position on the issue of arms export control and transparency comes from the fundamental makeup of the EU and the division of competence between the EU and its Member States. Unlike with export controls on dual-use items, arms export controls are issues of national rather than EU competence.

The purpose of this paper is to examine current transparency practices with regard to arms export controls, with a view to making practical recommendations for improvement. Specifically, this paper makes recommendations concerning the quality of the EU reporting system on exports of conventional weapons from the perspectives of enhanced transparency, comprehensiveness, readability (i.e. user-friendliness) and comparability of data. The overall purpose of achieving progress in each of these areas is to increase transparency in the EU's approach to arms export controls and thus increase confidence that EUMS are acting responsibly and in accordance with the Common Position.

In producing this paper, the author took a three-strand approach. First, the author conducted informal discussions with relevant officials, including: current and former European External Action Service (EEAS) staff; the Working Party on Conventional Arms Export (COARM)[5]; representatives from Austria, Belgium, France, Germany, Latvia, the Netherlands and Romania; European Commission staff including DG Trade and Joint Research Centre (JRC) staff; and EUMS officials to understand national approaches and gain insights into key Member State views on the COARM annual report. The author also examined the national reports of the above-mentioned seven countries to gain insights relevant to the annual report.

Second, the author examined data collection and reporting tools and processes that could be used to improve the current reporting format. This included examining the use of tools such as Tableau to build more user-friendly dashboards through which the data can be represented. The author focused in particular on drawing on experience of report generation in other comparable areas including dual-use export licensing, where such tools are already routinely used.

Third, the author reviewed relevant existing literature and held telephone and in-person interviews with informed individuals from civil society, non-governmental organisations and academia, including the SIPRI, the University of Liege, the Flemish Peace Institute and Conflict Armament Research (CAR) regarding opportunities to improve the transparency and enforcement of the EU's arms export controls. These conversations focused on identifying specific additional data that it might be useful to include in the annual report to improve transparency.

This in-depth analysis seeks to build on existing literature on this topic. In particular, this paper seeks to build on analysis generated as part of the process of reviewing the Common Position. The paper sought to build specifically on a previous study for the EP, entitled 'The further development of the Common Position 944/2008/CFSP on arms exports control', in which experts from SIPRI laid out options in relation to[6]:

- Peer review between EUMS to (a) identify areas of divergence, (b) explore the reasons behind them, and (c) discuss ways to enhance harmonisation and common views.

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[4] See for example, European Parliament, *Motion for a European Parliament Resolution on arms exports: implementation of Common Position 2008/944/CFSP*, 16 October 2018, available at: www.europarl.europa.eu/doceo/document/A-8-2018-0335_EN.html?redirect (accessed: 09.03.2020).
[5] COARM is a working party of the European Council, meaning that it is attended by EUMS officials acting in their national capacity. The EEAS chairs COARM.
[6] European Parliament, *The further development of the Common Position 944/2008/CFSP on arms exports control*, July 2018, available at: www.europarl.europa.eu/RegData/etudes/STUD/2018/603876/EXPO_STU(2018)603876_EN.pdf (accessed: 12.03.2020).

- A more comprehensive EU annual report on arms exports, including with regard to information on actual exports, timeliness, and additional data on the type of end user and the quantity of weapons exported.

- Improved national reports, particularly by encouraging EUMS with less detailed national reports to introduce elements included by leading Member States such as the Netherlands.

- Further improvement of information exchange, in particular encouraging EUMS to use the EEAS online tool to share past cases of diversion and warn other EUMS about companies involved in illicit activities.

- Broader review of the eight criteria and user's guide to include an assessment of the risks in light of the overall situation in the country of destination (principled approach).

- Reduction of procedural and enforcement divergences, where appropriate. In particular, a comparison between administrative and criminal sanctions could be conducted, as has been done in the dual-use area.

- Allocation of appropriate resources for effective implementation and enforcement.

- Stronger involvement of EU institutions in providing and verifying information, noting that 'many smaller EUMS struggle with the complexities involved in accurately assessing the risks associated with arms exports'[7].

- Creation of closer connections with other parts of the EU export control regime. In particular, the ongoing re-cast of the EU Dual-use Regulation may also offer a valuable opportunity to reflect on the overall architecture of the EU export control system.

These recommendations from SIPRI informed the review of the Common Position, but the review did not address all issues of transparency, meaning further focus on this topic was required. Beyond the SIPRI study, others have examined the question of convergence in EU arms exports. Experts from the Flemish Peace Institute concluded that the position of EUMS on arms exports is not converging for the following reasons: differences in political culture, as they affect Member States' approaches to their respective foreign and security policies; differences in the defence industrial outlook of Member States; and differing domestic bureaucratic, administrative or judicial traditions[8]. Considerable attention was also given to the question of transparency during the negotiation of the Arms Trade Treaty (ATT), a complementary instrument to EU arms export controls with broader application[9]. Additionally, the Small Arms Survey has been publishing an annual transparency barometer since 2003, using the following parameters for scoring: (i) timeliness, (ii) access and consistency, (iii) clarity, (iv) comprehensiveness; (v) deliveries, (vi) licences granted, and (vii) licences refused[10]. Studies have also examined why EUMS have continued to trade with politically unstable countries despite the existence of the criteria[11].

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[7] Ibid.

[8] Cops D., Duque, N., *Reviewing the EU Common Position on arms exports: Whither EU arms transfer controls?*, Flemish Peace Institute, December 2019, available at: https://vlaamsvredesinstituut.eu/wp-content/uploads/2019/12/VI_policy-brief_EU_arms_export_2019web.pdf (accessed: 12.03.2020).

[9] Mutschler, M. M., Grebe, J., *Transparent reporting for a successful Arms Trade Treaty*, BICC Policy Brief, Vol. 1/2015, Bonn: Bonn International Center for Conversion (BICC), 2015, available at: https://nbn-resolving.org/urn:nbn:de:0168- ssoar-61966-1

[10] Small Arms Survey, The Transparency Barometer, available at: www.smallarmssurvey.org/weapons-and-markets/tools/the-transparency-barometer.html (accessed: 11.03.2020).

[11] Duquet, N., *Business as usual? Assessing the impact of the Arab Spring on European arms export control policies*, Flemish Peace Institute, March 2014, available at: https://vlaamsvredesinstituut.eu/en/report/business-as-usual/ (accessed: 10.04.2020).

This paper will mostly directly build on the earlier SIPRI study rather than focus on the question of whether and why the policy of EUMS on arms exports is converging, but the goal of convergence is evidently an important one that interacts closely with the issue of transparency.

This paper is structured as follows: First, the paper examines what the Common Position requires with regard to transparency in both a narrow and broad sense. Second, consideration is given to instruments not currently anticipated in the Common Position, including peer review and pre- and post-shipment verification. Third, lessons are drawn from other comparable instruments (and specifically dual-use export licensing). Fourth, lessons are drawn from National Reports of EUMS and the UK. Finally, issues for the EP are identified, recommendations made, and conclusions drawn.

2 Common Position and current levels of transparency

Despite the generalities around the division of competences between the EU and EUMS, as noted above, EUMS have opted to align policies with regard to some aspects of arms export control. Fundamentally, this is embodied in the Common Position on arms export controls, which includes both a common list of controlled items and criteria under which exports of arms are assessed. It also aligns with EU and EUMS support for the ATT and extends to the annual report issued by the EUMS through the EU's COARM working group. COARM also undertakes outreach activities with third countries, which provide some degree of transparency on the EU's arms export controls related to external partners. These are explored in turn.

2.1 EU Common Position on arms export controls as a transparency instrument

The EU adopted a binding Common Position on arms export controls in 2008[12]. The Common Position contains eight criteria against which all military exports must be judged – these are summarised in Box 1. Common Positions allow EUMS to coordinate approaches on matters of national competence, although the EUMS are left to decide how to implement the elements of the Common Position.

Scholars have argued that the language of the Common Position is an exercise in language ambiguity and leaves EUMS a good deal of discretion as to whether to issue or deny individual licences[13]. Despite this, EUMS are committed to systematically assessing licences against the criteria in the Common Position and generally any denied licence will have been denied on the basis of one or more of the criteria[14].

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[12] Council Common Position 2008/944/CFSP.
[13] Hansen, S. T., 'Taking ambiguity seriously: Explaining the indeterminacy of the European Union conventional arms export control regime', *European Journal of International Relations*, Vol. 22(1), 2016, pp. 192–216.
[14] There are some exceptions to this. For example, items denied under a military end use control.

Box 1: Licensing Criteria[15]

- Criterion One: Respect for the international obligations and commitments of Member States, in particular the sanctions adopted by the United Nations Security Council or the European Union, agreements on non-proliferation and other subjects, as well as other international obligations.
- Criterion Two: Respect for human rights in the country of final destination as well as respect by that country of international humanitarian law.
- Criterion Three: Internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts.
- Criterion Four: Preservation of regional peace, security and stability.
- Criterion Five: National security of the Member States and of territories whose external relations are the responsibility of a Member State, as well as that of friendly and allied countries.
- Criterion Six: Behaviour of the buyer country with regard to the international community, as regards in particular its attitude to terrorism, the nature of its alliances and respect for international law.
- Criterion Seven: Existence of a risk that the military technology or equipment will be diverted within the buyer country or re-exported under undesirable conditions.
- Criterion Eight: Compatibility of the exports of the military technology or equipment with the technical and economic capacity of the recipient country, taking into account the desirability that countries should meet their legitimate security and defence needs with the least diversion of human and economic resources for armaments.

The 2019 review of the Common Position sought in part to ensure the criteria were aligned to the requirements of international treaties, including in particular the ATT. As SIPRI noted in 2015, 'these criteria already take into account most of the issues covered by articles 6 and 7 of the ATT, and those criteria that do not—particularly with regard to gender-based violence—are being included in an updated version of the user's guide that is due to be released'[16]. Given this, adoption of the ATT did not so much fundamentally change the approach of EUMS with regard to arms exports as increase focus on the importance of consistently-applied minimum standards with regard to arms export licensing – both inside the EU and outside.

The EU's criteria are thus an important element of a transparent arms export control regime. Aside from allegations of inconsistent interpretation and ambiguity in language, the criteria should mean that similar outcomes result from a licence application for identical items in any EUMS. It should be noted that identical outcomes cannot be expected in all cases, even if the criteria are applied and interpreted in the same way. Different EUMS will have access to different levels of information (including intelligence information) against which to judge cases. While it might be hoped that the EUMS would share this information with other EUMS, perhaps through the EEAS online system, the reality for intelligence information is often that it cannot be widely shared for fear of compromising the source. This will inevitably result in some variation in outcomes. The system of denial notifications and 'no undercut rules' contributes to levelling out these uncertainties in cases where the recipient country approaches another EUMS[17].

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[15] Council Common Position 2008/944/CFSP.

[16] Bauer, S., Bromley, M., *Implementing the Arms Trade Treaty: building on available guidelines and assistance activities*, SIPRI, May 2015, available at: www.sipri.org/sites/default/files/files/misc/SIPRIBP1505.pdf (accessed: 10.03.2020).

[17] This system requires EUMS to issue 'denial notifications' via the COARM electronic system when a licence is denied. EUMS search this database for essentially identical licences when considering whether to issue each licence and are required not to issue the licence, if the circumstances of the licences are the same. This should mean that one EUMS will not step in to issue a licence when another has denied it.

While each case will be judged against the criteria, EUMS might have different risk tolerances. For example, while one EUMS might try to determine whether a specific military unit has been involved in repressing the population, another EUMS might simply decide not to proceed with exports to the military of any country in which military repression of the population is a risk, regardless of which part of the military would be the end user. This is the 'principled approach' described by SIPRI, as detailed above[18].

Given this and the fact that each licence application and its circumstances are unique, there is perhaps no objective or statistical way to assess whether the criteria are being employed in the same way in each EUMS. Perhaps the only way such an objective measure could be created would be to pass identical cases through the licensing systems of multiple EUMS. For commercial reasons, it seems unlikely that this could ever be done as an assessment exercise using real cases. While it seems unlikely that EUMS would agree to review hypothetical cases through their licensing system, COARM does operate a *tour de table* process through which EUMS can ask questions of other EUMS about specific issues[19]. While it is outside the scope of this paper, COARM could also consider using simulated cases as a training tool for licensing officials from different EUMS to help build mutual understanding of criteria. Experience of capacity building in relation to dual-use goods suggests this approach is a fruitful way of building common understanding among disparate groups[20]. While the EU currently lacks a funded training programme for EUMS officials on arms export controls, such cases could potentially be examined and discussed in COARM or on its margins, including through its *tour de table* mechanism[21].

Table 1: Brief Descriptions of EU Common Military List Categories

ML1	Smooth-bore weapons with a calibre of less than 20 mm, other arms and automatic weapons with a calibre of 12.7 mm (calibre 0.50 inches) or less and accessories, as follows, and specially designed components therefor
ML2	Smooth-bore weapons with a calibre of 20 mm or more, other weapons or armament with a calibre greater than 12.7 mm (calibre 0.50 inches), projectors and accessories, as follows, and specially designed components therefor
ML3	Ammunition and fuze setting devices, and specially designed components therefor
ML4	Bombs, torpedoes, rockets, missiles, other explosive devices and charges and related equipment and accessories, and specially designed components therefor
ML5	Fire control, and related alerting and warning equipment, and related systems, test and alignment and countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor
ML6	Ground vehicles and components
ML7	Chemical agents, 'biological agents', 'riot control agents', radioactive materials, related equipment, components and materials
ML8	'Energetic materials', and related substances
ML9	Vessels of war (surface or underwater), special naval equipment, accessories, components and other surface vessels
ML10	'Aircraft', 'lighter-than-air vehicles', 'Unmanned Aerial Vehicles' ('UAVs'), aero-engines and 'aircraft' equipment, related equipment, and components, specially designed or modified for military use
ML11	Electronic equipment, 'spacecraft' and components, not specified elsewhere on the EU Common Military List
ML12	High velocity kinetic energy weapon systems and related equipment, and specially designed components therefor
ML13	Armoured or protective equipment, constructions and components

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[18] SIPRI, 2019.

[19] The *tour de table* process can be done in meeting or electronically and allows any EUMS to raise a question to other EUMS with the purpose of receiving a response from all EUMS.

[20] The author has acted as the training and scientific advisor for the EUP2P programme on dual-use goods since 2015.

[21] The *tour de table* mechanism allows one or more EUMS to request from other EUMS a view on any particular topic of relevance.

ML14 'Specialised equipment for military training' or for simulating military scenarios, simulators specially designed for training in the use of any firearm or weapon specified by ML1 or ML2, and specially designed components and accessories therefor

ML15 Imaging or countermeasure equipment, specially designed for military use, and specially designed components and accessories therefor

ML16 Forgings, castings and other unfinished products, specially designed for items specified by ML1 to ML4, ML6, ML9, ML10, ML12 or ML19

ML17 Miscellaneous equipment, materials and 'libraries', and specially designed components therefor

ML18 'Production' equipment and components

ML19 Directed Energy Weapon (DEW) systems, related or countermeasure equipment and test models, and specially designed components therefor

ML20 Cryogenic and 'superconductive' equipment, and specially designed components and accessories therefor

ML21 'Software'

ML22 'Technology'

2.2   The COARM annual report

The primary transparency mechanism of EUMS, beyond the publishing of the Common Position, is the publication of the annual report[22]. The annual report, which is currently in its 21st iteration, is automatically compiled by the EEAS based on data provided by EUMS. Box 2 contains the article from the Common Position concerning the annual reports. It requires EUMS to both submit data to the EU and publish a national annual report. The COARM report and most national reports use the structure of the EU Common Military List, as presented in Table 1 above.

Box 2: Article 8 of the EU Common Position

1. Each Member State shall circulate to other Member States in confidence an annual report on its exports of military technology and equipment and on its implementation of this Common Position.
2. An EU Annual Report, based on contributions from all Member States, shall be submitted to the Council and published in the 'C' series of the *Official Journal of the European Union*.
3. In addition, each Member State which exports technology or equipment on the EU Common Military List shall publish a national report on its exports of military technology and equipment, the contents of which will be in accordance with national legislation, as applicable, and will provide information for the EU Annual Report on the implementation of this Common Position as stipulated in the User's Guide.

EUMS reporting for the annual report is carried out through an electronic system that is administered by the EEAS based on the template included in Figure 2 (below) which, when complete, produces an output like that shown in Figure 1.

The EEAS also provide accompanying instructions. The following key points are in the user's guide[23]:

> *Each Member State shall provide the following information to the EEAS on its exports through the COARM online system: a) Number of export licences granted to each destination, broken down by Military List category (if available); b) Value of export licences granted to each destination, broken down by Military List category (if available); and c) Value of actual exports to each destination, broken down by Military List category (if available).*

Analysis of the instructions and subsequent interviews carried out for this paper revealed a number of issues with what is requested by the EEAS, including:

- There is a lack of clear definition of key terms such as 'licensed value' and 'actual exports'. In the case of at least one EUMS interviewed for this paper, these phrases are used to describe pre-contract value and contract value respectively. Pre-contract licence values can be many times larger than contract values, thus distorting the dataset.

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[22] Twenty-first Annual Report according to Article 8(2) of Council Common Position 2008/944/CFSP defining common rules governing the control of exports of military technology and equipment, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019XG1230(02)&from=EN (accessed: 9.03.2020).
[23] Council of the European Union, *User's Guide to Council Common Position 2008/944/CFSP defining common rules governing the control of exports of military technology and equipment*, COARM 153 CFSP/PESC 683, 16 September 2019, available at: www.consilium.europa.eu/media/40659/st12189-en19.pdf (accessed: 11.03.2020).

- Additionally, several of the EUMS interviewed do not currently collect data on actual exports (as opposed to licensed exports) for individual licences.

The lack of convergence around these definitions starkly affects the comparability of data between EUMS. **Thus, recommendation C1 is that COARM clarify its definitions and EUMS be asked to provide a narrative describing the data they submit against these definitions.**

Figure 1: Extract from COARM report [24]

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		ML1	ML2	ML3	ML4	ML5	ML6	ML7	ML10
France	a				2		1		
	b				77 292 772		2 000 000		
	c								
Germany	a		1						
	b		3 286 490						
	c								
Netherlands	a								
	b								
	c					387 052			
Spain	a			1					1
	b			1 012 500					15 000 000
	c			350 000					
Sweden	a								
	b								
	c		18 806						
United King-dom	a	6			1	3		1	3
	b	1 207 330			8 551	168 909		31 404	1 402 551
	c								
Total per ML category	a	6	1	1	3	3	1	1	4
	b	1 207 330	3 286 490	1 012 500	77 301 323	168 909	2 000 000	31 404	16 402 551
	d								
	e								

[24] This figure is captured from the COARM annual report. It shows exports per country per ML category. The disaggregation in a-e is as follows: a) number of licences, b) licence value, c) actual export, d) number of licences denied, e) criteria for denial.

Figure 2: Extract from COARM template[25]

COARM Meeting Doc XX/2012- Origin: EEAS Date: X June 2013				ML 1	ML 2	ML 3	ML 4	ML 5	ML 6	ML 7	ML 8	ML 9	ML 10	ML 11	ML 12	ML 13	ML 14	ML 15	ML 16	ML 17	ML 18	ML 19	ML 20	ML 21	ML 22	TOTAL per destination
(New!) Standard Order (only additional for insert)	alphabetical country codes (New and only additional for insert)			EU Common Military List category									EU Common Military List category													
0		Alphaland exports to:																								
1		North Africa	a	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2			b	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3			c	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	DZ	Algeria	a																							0
5	DZ		b																							0
6	DZ		c																							0
7	LY	Libya	a																							0
8	LY		b																							0
9	LY		c																							0
10	MA	Morocco	a																							0
11	MA		b																							0
12	MA		c																							0
13	TN	Tunisia	a																							0
14	TN		b																							0
15	TN		c																							0
16		Sub-Saharan Africa	a	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17			b	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18			c	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	AO	Angola	a																							0
20	AO		b																							0
21	AO		c																							0
22	BJ	Benin	a																							0
23	BJ		b																							0
24	BJ		c																							0
25	BW	Botswana	a																							0
26	BW		b																							0
27	BW		c																							0
28	BF	Burkina Faso	a																							0

[25] This document was provided by the EEAS and is a previous Excel version of the current template contained in the electronic system used by EUMS for reporting exports. As in Figure 1, the fields are as follows: a) number of licences, b) licence value, c) actual export, d) number of licences denied, e) criteria for denial. ML refers to the military list classification of arms and related materials.

An additional limitation of the annual report is that the report only contains aggregate denial information that disguises the EUMS in which the denial occurred. Some EUMS and civil society organisations believe that the report should go further and publish disaggregated denial information. At the same time, some EUMS expressed scepticism about the publication of disaggregated data, partly because of the need to protect diplomatic relations with recipient countries.

There are also structural limitations of the present report template that limit how the data can be used. The template is not a flat data file, as would usually be used for data analysis or database storage. The data are also not currently published as a structured file (i.e. an Excel file or similar). The result is that the primary output of the data is as tables published in Word and PDF documents via the EU website. Publication of data in this way is not conducive to further analysis as it introduces a substantial data extraction cost for anyone interested in extracting all of the data for further analysis. As such, while useful data are being reported, the opportunity to exploit these data is limited at present. The Campaign Against Arms Trade does regularly extract the data from the COARM report and publishes it in a structured way, but this is an unnecessarily burdensome task that could be eliminated if the data were published alongside the report[26].

The European Council decided to introduce a searchable online database in 2019 as part of its review of the Common Position[27]. This system will build on the existing reporting system maintained by the EEAS and used by EUMS to submit reports. It has not yet been fully designed and it is thus not certain that the searchable database will enable the export of data in a structured format. **Ensuring that this platform does enable the export of data in a structured format should be a priority recommendation for the EP (recommendation B1).**

3 Pre- and post-licensing verification and end use assurances

Best practice in arms export control includes include pre- and post-licensing verification and end use assurances[28]. The purpose of these steps differs slightly and is worth elaboration. The EU has taken a novel approach through its iTrace contract with CAR, in particular, which provides an alternative route to meeting these goals. The EU adopted Council Decision (CFSP) 2017/2283 on 11 December 2017 to continue the iTrace initiative[29]. The Council had in 2013 appointed CAR as its technical implementing partner of the iTrace initiative[30]. The CAR team undertake field investigations of arms in conflict zones and trace the weapons back to their origin but do not routinely undertake investigations at the request of EUMS. The data from this work are included in the iTrace platform, as shown in Figure 3 below.

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[26] Campaign Against the Arms Trade, *EU Arms Export Data*, 26 November 2019, available at: https://github.com/caatdata/eu-arms-export-data (accessed: 11.03.2020).

[27] Council Decision (CFSP) 2019/1560 of 16 September 2019 amending Common Position 2008/944/CFSP defining common rules governing control of exports of military technology and equipment, 16 September 2019, available at: https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=CELEX:32019D1560 (accessed: 10.04.2020).

[28] Wassennar Arrangement, *Compendium of Best Practice Documents*, Vol. 3, December 2019, available at: www.wassenaar.org/best-practices/ (accessed: 10.04.2020).

[29] Council Decision (CFSP) 2017/2283 of 11 December 2017 in support of a global reporting mechanism on illicit small arms and light weapons and other illicit conventional weapons and ammunition to reduce the risk of their illicit trade ('iTrace III)', 11 December 2017, available at: https://eur-lex.europa.eu/eli/dec/2017/2283/oj (accessed: 12.03.2020).

[30] Council Decision 2013/698/CFSP of 25 November 2013 in support of a global reporting mechanism on illicit small arms and light weapons and other illicit conventional weapons and ammunition to reduce the risk of their illicit trade, 25 November 2013, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013D0698 (accessed:10.04.2020).

Figure 3: iTrace portal[31]
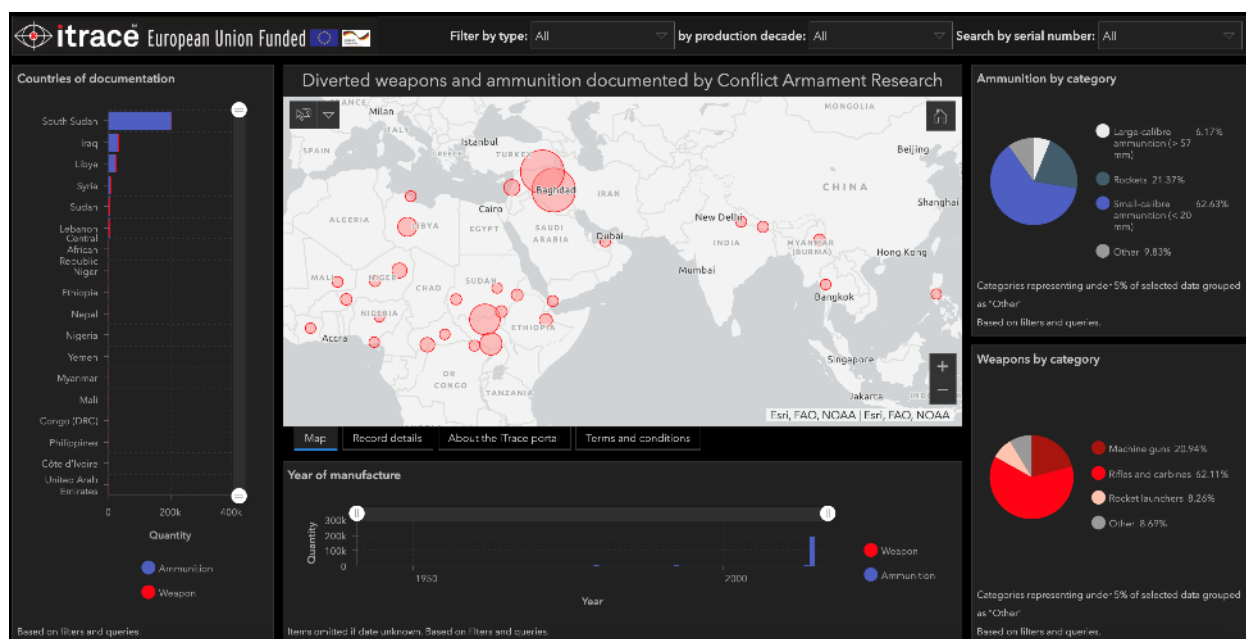
iTrace is an important initiative to aid the effectiveness of arms export controls by minimising the risk of diversion. iTrace can be further capitalised on for transparency purposes by highlighting more explicitly the diversion of goods from the EU.

However, beyond iTrace, the implementation of these measures as reported in national reports and interviews appears to be limited, which might be a key weakness in the EU's implementation of arms export controls.

- Pre-licensing: while the purpose of a pre-licensing check might vary, its core purpose is to confirm that the customer is a legitimate end user. That is, that it has a business at the premises described. Pre-licensing checks are burdensome particularly when export might not actually take place. Additionally, there is obviously a risk that the items could be diverted after delivery, which thus requires the combining of pre- and post-licensing checks.

- Post-shipment checks: the purpose of such checks is different from pre-licensing checks. The goods should not have been exported if the exporter did not have confidence in the *bona fides* of the end user. As such, perhaps the primary purpose of post-licensing checks is to ensure that the goods have not been diverted and are being used as described.

The key challenge for pre- and post-licensing verification is the resource burden on exporting countries. Based on interviews conducted for this paper, many EUMS do not believe they have sufficient funding or staff to send staff into the field to conduct end use verification. Additionally, end use verification is not a task attributed to embassies by most EUMS. A small number of EUMS do undertake post shipment verification, with Germany among the first to introduce it in 2015, for example. However, given the resource constraints facing EUMS, consideration should be given to whether the iTrace programme could play more of a role in verifying the end use of goods exported from the EU. **Certainly, the EEAS should report on iTrace and any identified diversion of EU-origin goods as part of the COARM annual report (recommendation A1).**

[31] Conflict Armament Research: iTrace, available at:
https://itrace.maps.arcgis.com/apps/opsdashboard/index.html#/71e05fa765964469a7f02d010d59a247 (accessed: 2.03.2020)

4   Member State peer review

Previous EP study into the implementation of the EU's arms export control system by SIPRI called for the creation of a system of peer review between EUMS[32]. The suggested purpose of a peer review process is to: (a) identify areas of divergence, (b) explore the reasons behind them, and (c) discuss ways to enhance harmonisation and common views[33]. In the course of this present paper, the concept of peer review was discussed with seven EUMS representatives. In at least some EUMS, there is a view that there is a strong overlap between what might be discussed during peer review and the routine discussions that take place in COARM. For example, under the COARM *tour de table* process, EUMS might discuss approaches to specific countries, specific licensing process issues and so on, at the initiative of a specific EUMS. These factors have reduced the impetus for a peer review process. Other EUMS felt that the COARM discussions did not always result in clarity about how countries re-apply the criteria. At the same time, there was also hesitation in some EUMS about the resource requirement in implementing such a peer review process. The overall result appears to be that, while there might be some extra value in a peer review process, the interviews conducted for this paper suggest there is not support for its implementation among consulted EUMS and it thus seems unlikely to proceed organically. The EP might however consider asking COARM representatives to formally raise the possibility of peer review with EUMS.

5   Comparison with transparency on dual-use export licensing

Given the mix of competences between the EU and EUMS and the significance of the issue of arms export controls to the national and trade security of EUMS, there is perhaps no straightforward comparator with other instruments. A very analogous area to that of arms export licensing is dual-use export licensing. The fundamental concepts of arms and dual-use licensing are the same, meaning that data on licensing in both areas are directly comparable. Indeed, some EUMS simply use the same tools and format for reporting licensing information for both areas.

This is true also at the EU level, even though arms and dual-use licensing differ in terms of competence (i.e. arms export licensing is a national competence, whereas dual-use export licensing is an EU competence subject to EU regulation). For both arms and dual-use goods, the EU relies on EUMS to provide data on licensing. Indeed, such is the similarity between the two domains, many of the underlying limitations of the data are true in both domains. The EU annual report on dual-use licensing notes the following, for example:

> It is difficult to get reliable information on overall dual-use exports (including non-listed dual-use items) as there is no correspondingly defined economic sector. However the Commission and Member States collect data that allow for approximate estimates of exports of dual-use goods based, on the one hand, on specific licensing data collected by competent authorities and, on the other hand, on statistics for customs commodities which include dual-use goods. 2016 export data estimates are presented below. To be noted, estimates presented hereafter do not include services and intangible technology transfers associated with the trade in dual-use goods[34].

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[32] European Parliament, *The further development of the Common Position 944/2008/CFSP on arms exports control*, July 2018, available at: www.europarl.europa.eu/RegData/etudes/STUD/2018/603876/EXPO_STU(2018)603876_EN.pdf (accessed: 12.03.2020).

[33] Ibid.

[34] Report from the Commission to the European Parliament and the Council on the implementation of Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items',

At the EU level there are some important differences in approach between the two, which are worth examining. Presently, even though dual-use export controls are an EU rather than national competence, the annual report published by DG Trade on the implementation of Regulation 428/2009 is limited in scope and does not include underlying statistical data on EU exports. It contains only aggregate data reported by EUMS to the EU on a voluntary basis[35].

Another important difference is that DG Trade involves the JRC in the production of its annual report and analysis of the underpinning data. The result has been a more sophisticated approach to data structuring and analysis, including the use of advanced visualisation tools. The structure of dual-use licensing data allows for multi-year comparison as well as country, regional, and category-driven analysis.

An additional difference between the DG Trade annual report and the COARM annual report is that the DG Trade report contains narrative and broader trend analysis, rather than simply presenting the work undertaken by the working party and the licensing statistics.

A final notable difference is that DG Trade has taken steps to instigate an 'in reach' training programme for export control officials in EUMS, whereas no corresponding in reach activity is underway in relation to arms[36].

Examining reporting with regard to dual-use licensing thus highlights a number of lessons for the COARM report:

1. **The EP should examine the issue of transparency in arms exports alongside the issue of transparency in dual-use export licensing and consider pursuing common approaches to transparency across both instruments (recommendation A2).** While the differing competences, the lack of involvement of the Commission in arms exports and perhaps other factors are likely to be barriers to full alignment, the similarity in the underlying topics and data means that there is value in taking steps to harmonise reporting where possible.

2. **The EEAS should be able to draw on data analysis and visualisation expertise in the preparation of the report. The JRC provides a similar service for DG Trade and could provide such a service for the EEAS (recommendation B2).** It should be kept in mind that the JRC is a Commission service and the Commission has not, to date, been involved in issues related to arms export controls.

3. DG Trade includes analysis of the trends in the data in its report. The EEAS should consider doing the same.

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14 December 2018, available at: https://trade.ec.europa.eu/doclib/docs/2018/december/tradoc_157592.pdf (accessed: 9.03.2020).

[35] Ibid.

[36] In reach is the concept of having structured training courses for national licensing officials on export controls. The concept and term comes from the fact that the EU has well-funded 'outreach' programmes through which to train licensing officials in third countries. Generally, the funding that is available for outreach cannot be used for inreach, however, thus presenting a fundamental barrier to such activity.

6 Member State transparency

While there are few direct transparency comparators at the EU level, another useful comparator with regard to arms export controls is the analysis of the approaches taken at the national level. EUMS are required by the Common Position to produce national reports. In this context, it is useful to briefly examine the approaches taken by a number of countries with regard to arms export controls. In selecting these countries, the following criteria were used: First, major arms exporters were included as the practices of these countries are most likely to affect the future of transparency in the EU context. For EUMS this included Austria, France, Germany and Sweden. Outside the EU this included Switzerland, the UK and the United States. Second, countries that are particularly focused on the topic of transparency were included, including Belgium (Flanders) and the Netherlands. Third, a number of smaller arms exporters, such as Latvia and Romania, were included to ensure a balanced sample of EUMS. While this section is focused on EUMS, a number of other countries were included in this examination in order to identify lessons from a broad range of countries.

6.1 Austria

Austria does not have a distinct legal basis to produce an annual report, but instead publishes its submission to COARM for public consumption. The statistical document is framed by an accompanying short text document in relation to EU policy and requirements. The Austrian report does not contain statistical data that go beyond the COARM report and a new legal basis would be required for Austria to produce a more in-depth report.

6.2 Netherlands

The Netherlands has a reputation for striving for a high level of transparency in its reporting and its own annual reports contain a number of relatively unique features that could be transcribed into the COARM process [37].

The Netherlands' annual report does not contain a table with the number of licences per category to each destination, thus it is quite different from the COARM report and the other national reports examined herein. It does however contain a statistical table as shown in Figure 4 below.

Figure 4: Extract from Dutch Annual Report

Total for 2018 (in € millions)					
Country of destination	**Cat. A**	**Breakdown**	**Cat. B**	**Breakdown**	**Total**
Argentina	0.12	A10	-	-	0.12
Australia	-	-	1.50	B9, B10	1.50
Austria	0.01	A8	0.40	B10	0.41
Bahrain	0.02	A10	-	-	0.02
Bangladesh	1.10	A10	-	-	1.10
Belgium	0.25	A10	-	-	0.25
BES Islands	0.16	A8, A9	0.02	B7	0.18
Brazil	-	-	0.04	B10	0.04
Canada	0.07	A10	0.63	B4, B9, B10	0.70
CAR	-	-	0.10	B1	0.10
Chile	1.47	A10	-	-	1.47

[37] The 2018 report was reviewed for this exercise. Government of the Netherlands, *Dutch Arms Export Policy in 2018*, 1 July 2019, available at: www.government.nl/documents/reports/2019/07/01/dutch-arms-export-policy-in-2018 (accessed: 09.03.2020).

Moreover, the Dutch report is somewhat unusual in that it:

- Captures the value of global licence use;
- Reports sub-category as well as main heading;
- Provides enhanced information for denied licences, including criteria for denial, date of denial, recipient and description of the goods.

The Netherlands has also been publishing detailed licence statistics for all licences since 2004. This includes fields not reported on in the annual report or COARM. Those fields are as follows:

- Date on which licence was issued
- Category of the military list / dual use regulation under which the goods fall
- Sub-category for the annual report
- Description of the goods for which a licence has been issued
- Indicates whether it is a definitive (D) or temporary (T) output
- Indicates whether it concerns an extension of an existing permit
- Indicates whether it concerns Export (U) or Transit (D) or Brokerage (T)
- Licence number replaced
- Country of receipt of the goods
- Country of final destination of the goods
- Country from which the goods are exported
- The country of origin of the goods
- The value of the licence issued
- The expiry date of the licence issued.

The Netherlands has also taken steps to visualise the export data, as shown in Figure 5 below. This graphic is from the Netherlands' annual report and is an example of an EUMS using visualisation to make dense statistical data more accessible to a layperson[38]. However, the level of nuance presented in this visualisation is somewhat limited in that it does not provide information on the types of licences, number of denials or trends over time.

Figure 5: Visualisation from Dutch annual report on arms export policy

Percentage of total value
- Over 10%
- 5% to 10%
- 1% to 5%
- 0,1% to 1%
- Less than 0.1%
- 0%
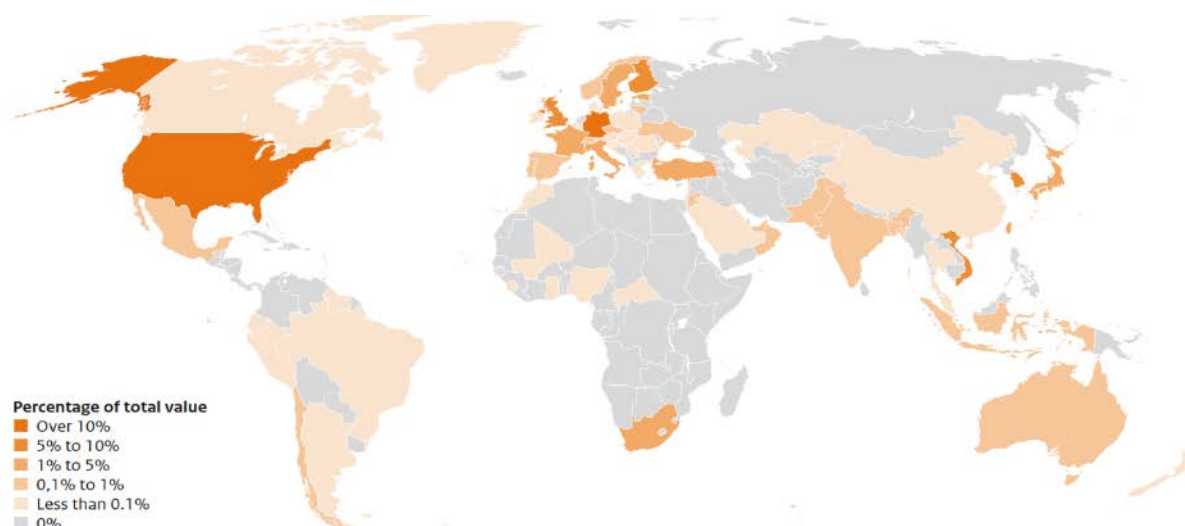
N.B.: Non-country-specific global licences for allies accounts for 14.4% of the total. These are not included in the above map.

[38] Ibid.

6.3 Belgium (Flanders region)

The Belgian regions each produce their own report on arms export controls. The report of Flanders in 2018 was examined in the production of this paper. The report contains both a statistical table and an extract from EU publications including the COARM annual report. The main statistical table is shown in Figure 6 below.

Figure 6: Statistical table from the Flanders annual report[39]

Datum	9 January 2019	BIJLAGE 1 BIJ JAARVERSLAG WAPENHANDEL 2018:				Vlaamse overheid
Pagina	1 van 97	CIJFERWEERGAVE TOEGEKENDE EN GEWEIGERDE VBERGUNNINGEN				Dienst Controle Strategische Goederen
		Rapport met betrekking tot Gegunde Invoer				
		Periode : van 01/01/2018 tot en met 31/12/2018				

VolgNr	ML Categorie	Omschrijving	Land van eindgebruik	Bestemmeling	Eindgebruiker	Bedrag (€)
Invoer van Brazilië naar België					Aantal vergunningen: 1	
1	ML03	Munitie en ontstekingsinstellingsinrichtingen en speciaal ontworpen onderdelen		krijgsmacht	krijgsmacht	4,663.27
	ML03a	Munitie voor wapens genoemd in ML01, ML02 of ML12 - Munitie voor wapens genoemd in ML01				
					Subtotaal (€) :	4,663.27
Invoer van Israël naar België					Aantal vergunningen: 2	
1	ML03	Munitie en ontstekingsinstellingsinrichtingen en speciaal ontworpen onderdelen		krijgsmacht		94,767.00
	ML03a	Munitie voor wapens genoemd in ML01, ML02 of ML12 - Munitie voor wapens genoemd in ML01				
2	ML01	Wapens met gladde loop met een kaliber < 20 mm en machinegeweren met een kaliber <= 12,7 mm		handelaar		233,500.00
	ML01a	- Pistolen				
					Subtotaal (€) :	328,267.00

Flanders has also begun to report on the actual use of general licences for transfers within the EU.

The report also contains a description of denied licences, including the:
- Value
- Outcome (issued, refused).

Flanders does not presently publish the underpinning data for its national report in a structured way.

6.4 France

The 2018 national report to the French parliament contained an evolution of previous reporting intended to further increase transparency[40]. The report contains case studies and details of major contracts. The detailed report includes multi-year data, allowing for the analysis of trends over time. The report appears to focus on licensed value rather than exported value.

The main statistical annexes appear to follow a structure similar to the COARM structure. France does not publish the statistics in a structured data file. The main statistical table on arms exports contains the following fields:
- Country
- Military List entry
- Number of licences
- Value of licences.

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[39] Jaarverslag wapenhandel, 2018, available at: www.vlaanderen.be/publicaties/jaarverslag-wapenhandel (accessed: 11.03.2020).
[40] Ministry of Defence, *Exportations d'armement : le rapport au Parlement 2019*, 4 June 2019, available at: www.defense.gouv.fr/actualites/articles/exportations-d-armement-le-rapport-au-parlement-2019 (accessed 9.03.2020).

France issues licences at the pre-contract stage rather than the post-contract stage and reports broad values for global licences, which can significantly inflate the comparability of the licensed value to the value of exported goods[41].

6.5 Germany

Germany produces a detailed annual report to its parliament but does not separately publish the underlying data in a structured way[42]. There are also some differences in format as the national report uses the Export List position entry rather than the EU Military list category, which in part reflects the fact that Germany has two lists: the EU Military List and a national war items list[43]. The main statistical table contains the following fields for both issued and denied licences.

- Country
- Number of permits
- Export List position
- Total in value.

An additional feature of the German national report is that it includes details of denials disaggregated by country and category. Additionally, it reports on exports for groups of countries.

Germany introduced post-shipment verification in 2015 and has since undertaken a small number of post-shipment verifications and reported these in its national reports[44].

6.6 Romania

The Romanian national report includes a number of elements not found in the COARM report and some elements not found in other national reports. The report includes a main statistical table reporting the value and quantity of all exports per country and category. These data are manually compiled as Romania does not operate an electronic licensing system.

Fields included in the Romanian national annual report but not found in the COARM report include:

- Denials – report without aggregation including criteria
- Description of goods
- Number of items
- Type of end user
- Transit and transhipment.

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[41] This is stated in footnote vi of the 21st COARM report, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019XG1230(02)&from=EN (accessed: 10.04.2020).

[42] Die Bundesregierung, *Bericht der Bundesregierung über ihre Exportpolitik für konventionelle Rüstungsgüter im Jahre 2018*, 19 July 2019, available at: www.bundesregierung.de/breg-de/service/publikationen/bericht-der-bundesregierung-ueber-ihre-exportpolitik-fuer-konventionelle-ruestungsgueter-im-jahre-2018-1639640 (accessed: 10.04.2020).

[43] The structure of the report categories as it pertains to the two German lists was described in section I1 of the 2016 German national report. Federal Ministry of Economic Affairs and Energy, *Report by the Government of the Federal Republic of Germany on Its Policy on Exports of Conventional Military Equipment in 2016*, available at: www.bmwi.de/Redaktion/EN/Publikationen/military-equipment-export-report-2016.pdf?__blob=publicationFile&v=8 (accessed: 10.04.2020).

[44] Ibid.

6.7　　Sweden

Sweden has a long track record of publishing an annual report on arms export controls.

Sweden reports both licensed and exported goods, but only provides aggregate data on exports of military goods. The result is that the Swedish arms export statistics table looks quite different from most other EU countries. It contains the following fields:

* Country
* Licensed exports, including:
  * Number of permits

  * Main categories of the licensed equipment (EU Military List)
  * Value of the export
* Actual exports, including:
  * Main category
  * Value.

It is notable that there is often a substantial difference between the licensed and actual values of Swedish data. The report notes several reasons for this, including the fact that the actual exports can take place in different years from when the licence was issued. As a result, the licensed and actual values are difficult to compare directly.

The Swedish report also notes that use can be made of statistical customs data to gauge the level of arms exports. Indeed, all countries worldwide submit trade data to the United Nations COMTRADE system. However, there is no alignment between the Harmonised System (HS code) used in COMTRADE and the EU Military List. As a result, HS code data are not directly usable in the monitoring of arms export licensing.

Non-EU countries

For completeness, this section briefly examines the approach taken by three non-EUMS with regard to transparency. These countries are the UK and Switzerland, which are both currently closely aligned to the EU approach to arms export controls, and the United States, which is the world's largest arms exporter.

6.8　　Switzerland

Switzerland publishes a detailed annual report on arms exports, which includes itemised details of licences. Of the countries reviewed in this paper, Switzerland is somewhat unique in publishing non-aggregate data. This means that in the dataset there is one row per transaction, rather than a count and total value of shipments to a destination per category. This extra granularity of data provides an opportunity for anyone scrutinising the data to gauge which types of shipment in each category might have taken place for a given amount of money. This could enable linkages to other types of trade data, including customs data. However, this extra detail does not provide additional insight into the nature of the shipment without additional information – information that can only be obtained by linking the data to another dataset or questioning the licensing agency or exporter about the shipment. Switzerland also publishes details of its post-shipment inspections.

6.9   United Kingdom

The UK publishes structured data on both arms and dual-use exports in two ways. The first is through its annual report on export licensing[45]. The second is through a dedicated export licensing statistics website[46]. From this website, it is possible to search for and export structured data related to arms exports, including the following fields:

- Origin (i.e. the UK)
- Category
- Destination
- Number of licences.

While the UK is perhaps a leader when it comes to providing data in a structured format, the substance of the data is limited. The UK does not currently report on actual exports, for example – only on licensed exports. As with other countries, the UK does not publish specifics of the companies involved and does not routinely provide information on the nature of the goods beyond the relevant control entry.

6.10   United States

The United States publishes a number of reports related to its export of arms. The report most directly comparable to the COARM report is that of the Directorate of Defence Trade Controls, which covers the direct commercial sales of munitions list items to foreign countries[47]. In this report, the United States reports on the following fields:

- Country
- Category
- Quantity
- Licensed value
- Actual export value.

The accuracy of the actual export data is unclear. For example, in 2018, the United States reported licensed exports of USD 63.4 billion. Whereas the reported actual exports were USD 2.4 billion. The report notes that the reasons for this include the fact that licences are issued for multiple years and can include the delivery of defence services – where the service might be provided for many years.

The United States also releases an annual report on its pre- and post-licensing system, Blue Lantern[48]. The report reinforces the value of conducting such checks by demonstrating that diversions of exports to problematic end users take place, as shown in the following figures:

- Number of licences issued: 35,779
- Cases concluded as favourable in 2018: 417
- Cases concluded as unfavourable in 2018: 168

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[45] Foreign & Commonwealth Office and Export Control Joint Unit, *UK Strategic Export Controls annual report 2018*, 18 July 2019, available at: www.gov.uk/government/publications/uk-strategic-export-controls-annual-report-2018 (accessed: 9.03.2020).

[46] The UK Export Licensing Statistics Database can be accessed at: www.exportcontroldb.trade.gov.uk/ (accessed: 9.03.2020).

[47] These reports are available online at:
www.pmddtc.state.gov/ddtc_public?id=ddtc_public_portal_news_and_events&cat=Report (accessed: 9.03.2020).

[48] Blue Lantern Annual Report, available at:
www.pmddtc.state.gov/sys_attachment.do?sysparm_referring_url=tear_off&view=true&sys_id=d53a84efdb9177045564ff1e0f9 61910 (accessed: 9.03.2020).

6.11   Lessons from national reports

Having reviewed national reports in the last two sections, it is apparent that many countries publish more data than the COARM report. It is thus useful to examine which types of data that are included in the national reports could also be included in the COARM report.

1. National reports generally combine a detailed narrative section with statistical annexes. The narrative section provides necessary context and often provides specific information about how the country's policies have reacted to emerging events during the reporting period. While the COARM report would probably not be able to include all of these elements, there is value in considering what could be included in a narrative section of the COARM report. The narrative could, for example, provide some insight into COARM discussions during the reporting period, including with regard to recipient countries.

2. Some national reports go much further in terms of publishing extra data on specific categories of cases. This category-based approach is a useful alternative when it might otherwise not be possible to publish all details of all cases. Circumstances in which this was observed include denied licences and licences to politically sensitive countries. **As such, recommendation A3 is that the COARM template be amended to request category data.**

3. Other than reports based on the COARM template, most national reports examined in this paper have detailed data tables that provide the data in a 'pivotable' format. **Thus, recommendation B3 is that the EEAS enable the export of data in such a format as part of its online searchable database.**

4. Most countries aggregate data in some way. Indeed, only a small number of countries, such as the Netherlands, provide truly disaggregated data. Data aggregation makes it more difficult to scrutinise specific shipments, such as with regard to denied licences. It also makes it more difficult to combine licensing data with other sources, such as national reports of data, to gain insights into what was shipped to whom and for what purpose.

5. **Collection and publication of data on pre- and post-shipment verification provides useful insights into the implementation of arms export controls and thus should be included, where possible, in the COARM report (recommendation A4).**

7   Alternative data reporting formats

A key objective of this paper was to identify opportunities for enhanced transparency, comprehensiveness, readability (i.e. user-friendliness) and comparability of data. In the course of this work, it became apparent that there are four distinct but related elements of this data question that are important to examine in turn:

*   How are the data compiled both by EUMS and the EEAS?
*   How are the existing data fields presented in the annual report?
*   Could more advanced visualisation tools make the data more usable?
*   Could additional data, perhaps drawn from examples in national reports, be included in the COARM report or searchable online database?
*   What additional non-statistical data might be included in the report?

In each area, opportunities were identified that transcend each of these topics. Implementation of the recommendations that come from this section will require close dialogue with EUMS to explain the rationale for the approach and to ensure they understand the proposed template. Moreover, the data structure will also have to evolve should COARM ask for – and EUMS agree to provide – additional data.

7.1 Current data compilation practices

The data are currently provided by EUMS via the COARM online tool in a template shown in Figure 2 in this paper. In at least some EUMS, data compilation into the template is done manually. Additionally, some EUMS have more than one licensing agency responsible for compiling data.

The COARM template has a number of important merits that should be kept in mind, such as the fact that it is already widely used (and thus understood by compiling staff). Additionally, as the data entry template and report table format are one and the same, this format should feel intuitive to individuals manually entering the data.

7.2 Data presentation

While this template may be intuitive to persons entering the data, there are limitations to this approach that deserve consideration. One of the key limitations of the present template is that the data are not in a structure as would typically be found in a database. This means that a completed template cannot be 'pivoted' using the pivot function in Excel and, due to the same underlying issue, cannot be fed directly into more advanced data analysis and visualisation platforms. Manual transposition of data is a time-consuming and error-prone process.

This manual step can be almost entirely eliminated if the data are structured in a format suitable for ingestion into advanced tools. The optimum format to receive such data from EUMS is a flat structured data file (i.e. in Excel or CSV format) with the structure shown in Figure 7 below.

Note: the data here are the same as in the extract in Figure 1.

Figure 7: 'Pivotable' version of COARM template in Excel

	A	B	C	D	E	F	G	H
1	M/S	Destination	ML No	No. Licences Issued	Licenced Value	Exported Value	Total Number of licence refusals	Criteria for refusal
2	Austria	United State	1	79	1146855681	132230574	0	N/A
3	Austria	United State	3	1	34920			
4	Austria	United State	6	3	1682177	523548		
5	Belgium	United State	1	289	51725374			
6	Belgium	United State	2	3	782931			
7	Belgium	United State	3	6	3321240			
8	Belgium	United State	4	1	997560			
9	Belgium	United State	5	18	53718024			
10	Belgium	United State	8	3	18878888			

Receiving data in this way enables the use of any one of a number of data analysis and visualisation tools to manipulate the data into a useful format. For example, a template can be created that produces the tables for the annual report, as shown in Figure 8 below using the Tableau software.

Figure 8: COARM reporting template recreated from pivotable data

Destination	M/S	name	ML No 1	2	3	4	5	6	8
United States	Austria	No. Licences Issued	79		1			3	
		Licenced Value	1,146,855,681		34,920			1,682,177	
		Exported Value	132,230,574					523,548	
	Belgium	No. Licences Issued	289	3	6	1	18		3
		Licenced Value	51,725,374	782,931	3,321,240	997,560	53,718,024		18,878,888

The principle advantages of such an approach are as follows:

1. It is straightforward to export data from electronic licensing systems in this format.

2. Creation of tables for the report can be automated, provided that the submission of data conforms to the format. The same format can (and indeed should) be used in future years, which saves preparation time and enables year-to-year comparisons of data.

3. The data are formatted such that they can easily be used in other types of visualisation, which can include heat maps, pie charts and other forms of graph that show what is being traded.

Ultimately, collecting data in this way enables much more sophisticated analysis and visualisation, as shown in Figure 9 below. However, it is also possible for the EEAS IT service to write scripts that would enable the presentation of COARM data in this format, even if they are not submitted in this format by EUMS. It is recommended that this be pursued as part of the effort to develop the searchable online database.

7.3   Data visualisation

The terms of reference for this paper specified that it should make recommendations in terms of comprehensiveness, readability and comparability of the data, including by recommending templates. The previous section argued the need to revise data structures to facilitate new approaches to data presentation. The argument presented in this section is that the best way to make the data readable and comparable is to complement the current table-based approach with data visualisations. Data visualisation is a recognised tool to make data more accessible, readable and comparable in the export control sphere.

Exactly what such visualisations might look like will depend on who the stakeholders are and their purpose. Feedback should be sought from users when preparing data dashboards. However, in general terms, the type of visualisation shown in Figure 9 below is an example of the type of tool that might be suitable. It is also practical, based on the data already collected in the annual report. It is an example of an interactive Tableau dashboard built using COARM data manually exported from the annual report by the Campaign Against the Arms Trade. One can select individual countries to see exports to that country by category, over time, and so on. The dashboard can be accessed online at:
https://public.tableau.com/profile/project.alpha#!/vizhome/EUExportLicencingData/Dashboard1.

The advantages of visualisations are perhaps self-evident; presently, the annual report is more than 500 pages long, which is not conducive to analysis. It is not easily possible to compare data from different countries, over time, or based on other characteristics. With data visualisation, however, it becomes easy to present such analysis. Indeed, the advantages of data visualisation have been described in terms of accessibility, literacy, and quick analysis and decision making[49]. There are a number of suitable software solutions. Tableau is widely used and was used to produce Figure 9, but Microsoft also has a solution called Power BI, which is part of its office suite. While it is advantageous to engage specialists in dashboard design, it is equally possible for inexperienced users to quickly manipulate data using such tools. When data are correctly formatted, it is also straightforward to update tools based on additional years of data.

The visualisation below shows a number of relevant data pictures based on the data already available in the COARM report. Importantly, all elements of the visualisation act as filters. Clicking on Russia will limit the results to licences to Russia; clicking on the year 2018 will restrict the data to the year 2018, and so forth.

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[49] Gatto, M., *Making Research Useful: Current Challenges and Good Practices in Data Visualisation*, May 2015, available at: https://reutersinstitute.politics.ox.ac.uk/sites/default/files/research/files/Making%2520Research%2520Useful%2520-%2520Current%2520Challenges%2520and%2520Good%2520Practices%2520in%2520Data%2520Visualisation.pdf (accessed: 1.03.2020).

The author does not contend that this is the best possible presentation of these data, as dashboard creation tends to be an iterative process with feedback from users. However, this visualisation does demonstrate what is possible using modern tools. **Recommendation C2 is thus that the EEAS, when preparing its specification for the online searchable database, work to ensure that the data export function facilitates data visualisation.** This recommendation will require the consent of EUMS.

International organisations such as the International Atomic Energy Agency have used public competitions as a mechanism to generate innovative approaches to visualisation of data[50]. Given the high visibility of arms exports, there would likely be a high level of engagement in such a competition if the data were made available in a suitable format. **Thus, recommendation B4 is that COARM ask the EEAS to organise such a competition once the searchable online database is publicly accessible.**

The earlier recommendation that the EEAS be able to draw upon the JRC is relevant in the context of such visualisations, as the JRC has specialists in data analysis and visualisations who already work on dual-use export licensing data.

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[50] See for example, International Atomic Energy Agency, *Call for Ideas: IAEA Data Visualization Challenge*, available at: www.iaea.org/newscenter/news/call-for-ideas-iaea-data-visualization-challenge (accessed: 11.03.2020).

Figure 9: Author's 'Tableau Dashboard' showing the annual report data

This visualisation was prepared by the author using data extracted from the COARM reports by the Campaign Against the Arms Trade. The data were not validated as part of this exercise[51]. The interactive dashboard can be accessed online via the link provided above.
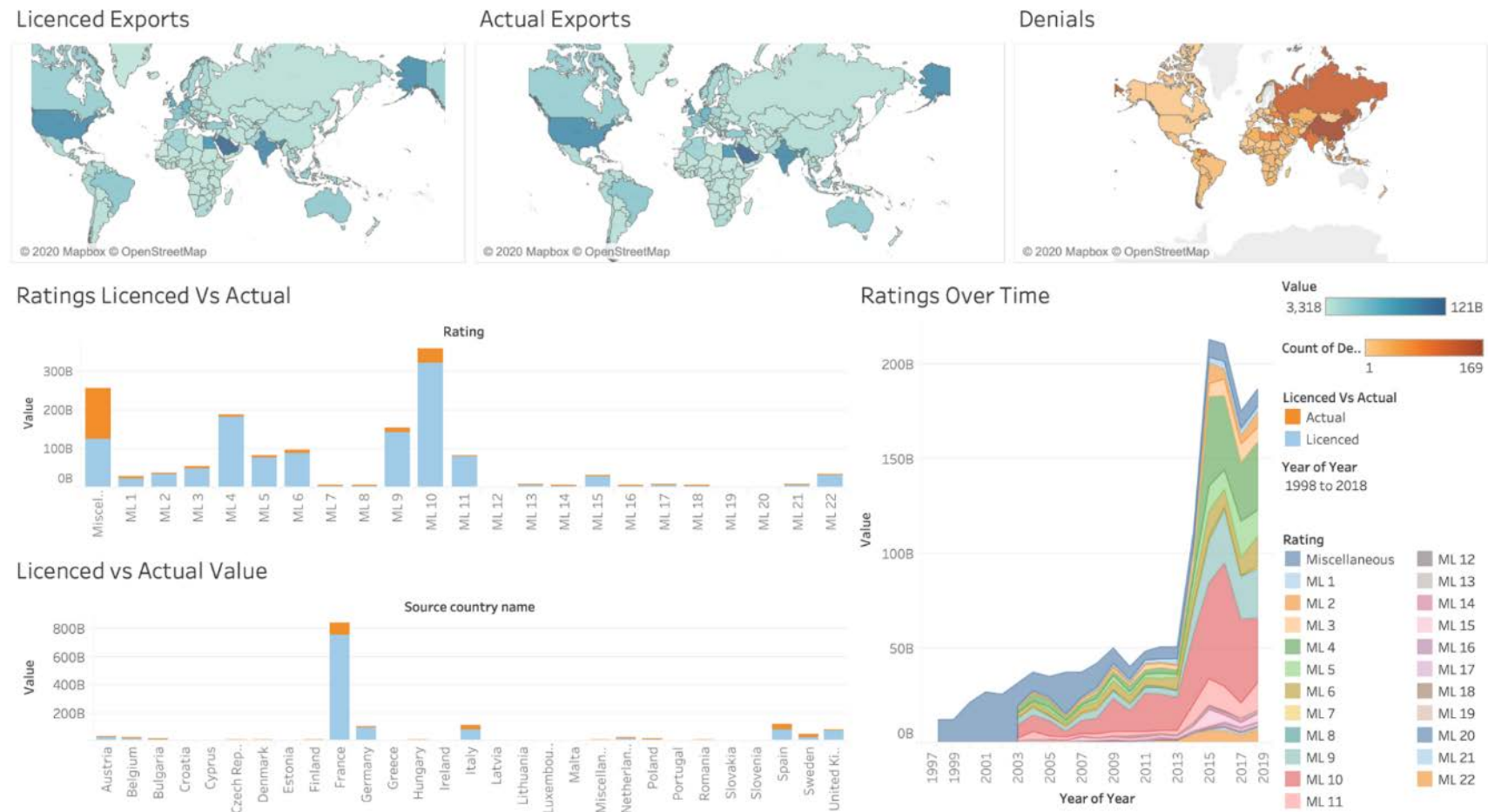
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[51] Campaign Against the Arms Trade, *EU Arms Export Data*, 26 November 2019, available at: https://github.com/caatdata/eu-arms-export-data (accessed: 11.03.2020).

7.4   Additional data fields

This final section deals with the question of which additional data fields could be added to the template and the feasibility of adding these. This section examines both additional data fields provided in some annual reports, as explored above, and fields that have been proposed by civil society or the EP, or otherwise identified by the author in the course of this work.

In the annual report, the following data fields are presented:

- Exporter
- Importer
- Military List category
- Number of licences
- Licensed value
- Exported value
- Number of refusals
- Value of refusals
- Year.

In the course of this paper, a number of potential additional data fields were identified and informally discussed with a small number of Member State representatives. Each of these fields can be of use in improving transparency. An overarching point made by at least one person interviewed in the course of this work is that it is important that the completion of the annual report does not become overly complex or burdensome due to the inclusion of too many fields. There is evidently a balance to be struck on this point. In practice, there are practical reasons that mean one or more EUMS will hesitate over each possible increase to the level of data used in reporting, even though EUMS are in principle supportive of increased transparency. The reasons for hesitation will vary depending on the data field but will generally include: 1) concerns about data privacy and commercial confidentiality, 2) concern when the data are not currently collected that introducing data collection would be time consuming and costly, and 3) concern that increasing the amount of data would increase the time required to compile the report.

The potential additional data fields explored as part of this paper as follows:

- Disaggregated information on denials: a number of EUMS already publish additional information on denials including country, criteria, end user and description of goods. Even if not all Member States provide these data, consideration should be given as to whether the COARM report could reproduce denial information published in national reports. **As such, recommendation A5 is that COARM discuss opportunities to publish disaggregated information on denials.**

- Categorise end users, i.e. governmental (armed forces, police forces), for industrial uses, to a defence contractor, to a peacekeeping force, and so on: Some EUMS publish these data and others are moving to do so. In discussions with EUMS, it appeared that at least some EUMS do not presently collect data for each licence in this way (i.e. as a multi-value field in the licence application form or similar). As such, one barrier to receiving this type of data would be that it might require changes to the licensing system in order to record these data in a reportable format.

- Information on revoked licences: While the COARM annual report currently includes aggregate data on licence denials, it does not contain data on revoked licences, despite the fact that some EUMS publish these data in their national reports. **Recommendation A6 is therefore that the EEAS request these data from EUMS in the same format as data on denied licences.**

- A description of the goods beyond the Military List classification: It would increase transparency to know if an export under ML1 was for a hunting rifle, for example, which could be achieved by including the free text description field from the licence application in reporting. However, it is generally not possible to compile free text fields in a statistical way, so it is not clear how such data could be incorporated into the annual report without greatly expanding its size. In this context, an approach used by some EUMS in national reports is to provide these extra data only in limited circumstances (i.e. when licences are refused). COARM should discuss circumstances in which it would be beneficial to ask EUMS to provide these extra data. It might make sense in relation to countries in a state of conflict, for example, to provide increased transparency about what types of assistance and military items are being provided to the country during the conflict.

- Details of the exporter: an assumption in the export control community is that details of the exporter should be a guarded secret and thus the names of exporters should not be reported. This results in some countries reporting in aggregate, as they have only one company manufacturing goods in a particular Military List category. It would thus be possible to work backwards to identify which company was responsible for the export. This paper did not seek to challenge the assumption that the details of exporters should be kept confidential. It was noted by several of the interviewees, however, that companies often themselves highlight the fact that they have won orders to export goods to specific countries – announcements that often contain both the value of the contract and an itemised count of the goods. No clear way of leveraging such public statements in the COARM process was identified in the course of this paper, however, other than to note that when analysing the COARM report it might be beneficial to look for announcements about export contracts to complement the details in the COARM report.

- Additionally, returning to the reporting format discussion examined above, the introduction of a requirement to describe the end user as 'armed forces', 'police', 'peacekeeping' or 'other' could result in submissions under the current COARM format being up to four times longer, depending on how it was presented (although in reality it would be shorter, as EUMS are unlikely to be exporting to all four categories in all recipient countries).

- Adding multiple fields would result in substantial complexity and a substantial elongation of the already long COARM report if all data were to be included. If COARM published a data visualisation along with the annual report, such data could perhaps be added to that visualisation without also being included in the annual report. This would however be a departure from existing practices for publishing all data in the Official Journal of the European Union.

7.5   Additional non-statistical data

The examination of national reports highlighted in particular the emphasis placed on narrative sections by several EUMS to convey important points that would not be apparent from the statistics alone. Presently, there are narrative sections in the COARM annual report, but these are generally limited in scope to provide a factual description of COARM's work.

There is scope to consider adding more information in narrative form in the annual report. A number of options were considered in the course of this paper. An important first question to be considered, however, is whether it is important for the COARM report to have the same information from all EUMS or whether the report could include information provided in narrative form by specific Member States. It would be possible for the EEAS to include sections from some specific national reports in the COARM report. However, given the lack of consistency in national reporting, these sections would not be available from all EUMS. An alternative suggested by one interviewee is for the EEAS to create a more complete portal on its site, housing both the COARM annual report and clear signposts to the more detailed information

available in some EUMS reports. The main rationale for this approach is that it leaves the COARM report as a universal measure of transparency, thus helping to drive convergence between EUMS.

COARM should also discuss what further information about its own work and discussions it could include in the annual report. For example, if the EEAS and EUMS felt it were appropriate to include a section on the issues that COARM had discussed in relation to a country such as Russia, this does not necessarily mean that COARM would have to provide narratives for its deliberations on all topics, despite the fact that this would aid transparency. It should also be noted that there is potentially a trade-off between transparency and promoting convergence. EUMS could become reluctant to discuss sensitive topics in COARM if it would become widely known that such discussions have taken place. **Thus, recommendation A7 is that the EEAS should also consider including a high-level overview of the *tour de table* process and the types of issues it addresses during the reporting period, while giving EUMS the opportunity to review this section before it is published.**

8   Recommendations for the European Parliament

This section identifies a number of recommendations and issues for the EP by drawing on the analysis in the previous sections. It would be for COARM and EUMS to enact these recommendations, but the EP could decide which, if any, of these to press COARM and EUMS to accept. Moreover, members of the EP might also consider how and whether they wish to request the allocation of resources in support of these recommendations.

The terms of reference for this paper specifically requested that a template, or series of templates, be proposed for improved and user-friendly reporting to the EU level by competent EUMS arms export services. A main recommendation of this paper, which the author believes is feasible and practical given that the EEAS is currently working to design the online searchable database, is that the database be designed with the following templates in mind. First, so that users can export data in the format shown in Figure 7. Second, so that users can produce visualisations as shown in Figure 9. Other specific recommendations include:

Comprehensiveness

A1. That the EEAS should report on iTrace any identified diversion of EU-origin goods as part of the COARM annual report.
A2. That the EP, the EEAS, and the European Commission consider options to promote commonality in approaches to transparency between arms export licensing and dual-use export licensing.
A3. That the EEAS request 'end user category' data from EUMS, perhaps grouped as follows: government other than police or armed forces; government armed forces; government police; defence contractor; peacekeeping; media; other.
A4. That collection and publication of data on pre- and post-shipment verification, which provide useful insights into the implementation of arms export controls, should be included, where possible, in the COARM report.
A5. That COARM discuss how best to publish disaggregated data on licence denials, including reproducing national denial data in a disaggregated way when published in national reports.
A6. That the EEAS include a section in the annual report for revoked licences, using the same approach as for licences issued and licences denied.
A7. That the EEAS provide a description of the *tour de table* process in its annual report, including a high-level overview of the types of cases discussed through the mechanism.

Readability

B1. That the EEAS publish the requirements set for its searchable database, including allowing for the structured export of data, requesting comment on these requirements, and committing to a timescale for launching the platform.

B2. That the EEAS explore involving the JRC in data presentation specifically with the purpose of developing tools to increase the readability and comparability of data.

B3. That the EEAS publish the underlying data as a structured data file (Excel, CSV or similar). This would allow civil society and other interested actors to build their own visualisations and analysis of the data without having to manually extract it from the PDFs.

B4. That COARM ask the EEAS to organise a competition for novel uses of the data. A number of international organisations have used this competition-based approach to bring innovation in terms of how data are used, and such competitions can increase engagement with the topic at hand.

Comparability

C1. That COARM clarify its definitions and EUMS be asked to provide a narrative describing the data they submit against these definitions.

C2. That the EEAS consider including visualisations, graphs and charts in its annual report.

9 Conclusions

The purpose of this paper was to make recommendations for a transparent and detailed reporting system on arms exports within the EU and to third countries. In the course of this paper, interviews were conducted with a number of national representatives, whose national reports were also reviewed, interviews were conducted with NGOs, previously published works were examined, and comparison was made with other relevant instruments including dual-use export controls.

The interviews completed in the scope of this paper revealed a shared support for increased transparency. However, the paper highlighted substantial variation in national reporting approaches that carry forward to COARM reporting. For example, few countries report on actual exports as compared to licensed exports, and the definitions of these terms as used by some EUMS mean the data are not directly comparable.

The paper also identified numerous opportunities to improve transparency when considered through the lens of comprehensiveness, readability and comparability. Numerous specific opportunities were identified in the last section. Important themes in the recommendations include: the importance of the narrative part of the report to tell stories associated with the data and thus make the data more accessible; the need to structure the data in a way that maximises their utility; and the need to examine novel approaches to presenting the data, including through visualisation. Some additional opportunities to ask for more specific information were also identified. However, at least some EUMS representatives saw practical challenges in enhancing transparency through the addition of more data. As such, it can be expected that increasing the level of transparency through the provision of more data by EUMS will be an iterative process.

Ultimately, data concerning arms exports will never be perfect. The EU already has a relatively robust system for transparency, which has evolved over more than 25 years. Iterative development of the reporting system can improve transparency further. However, it should be kept in mind that, as the paper highlighted, arms export licensing is a politically, diplomatically and legally sensitive topic and EUMS will approach the question of increasing data availability cautiously. Despite this caution, the EP is well positioned to advocate for and drive improvements.

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11   Interviews

Officials from the following EUMS were interviewed during this paper:

Austria, Belgium (Flanders), France, Germany, Latvia, the Netherlands, Romania.

Representatives of the following EU services were interviewed:

- EU External Action Service
- JRC
- EU DG Trade

Additionally, interviews were conducted with experts in the following non-governmental institutes:

- Conflict Armament Research (CAR)
- Stockholm International Peace Research Institute (SIPRI)
- University of Liege
- Flemish Peace Institute

12   Annex 1: Current Structure of COARM annual report

INTRODUCTION

I.   IMPLEMENTATION OF COMMON POSITION 2008/944/CFSP

    1.   Implementation of Common Position 2008/944/CFSP

    2.   User's Guide

    3.   Outreach

    4.   Political Dialogue meetings

    5.   Update of the Common Military List of the European Union

    6.   Arms brokering

    7.   Dialogue with stakeholders: European Parliament, civil society and industry

II.   ARMS TRADE TREATY (ATT)

    1.   Involvement in the ATT: Conferences of States Parties

    2.   The EU Implementation Support Programme under Decision 2013/768/CFSP

III.   PRIORITY GUIDELINES FOR COARM FOR THE NEAR FUTURE

A.I   EXPORTS AND LICENCE REFUSALS PER DESTINATION, PER REGION AND WORLDWIDE

A.II   EXPORTS TO UNITED NATIONS-MANDATED OR OTHER INTERNATIONAL MISSIONS

A.III   INFORMATION ON BROKERING LICENCES GRANTED AND DENIED

B.I   TOTAL NUMBER OF CONSULTATIONS INITIATED AND RECEIVED BY EACH MEMBER STATE

B.II   TOTAL NUMBER OF CONSULTATIONS PER DESTINATION COUNTRY

C.   INFORMATION ON NATIONAL IMPLEMENTATION OF COMMON POSITION 2003/468/CFSP ON THE CONTROL OF ARMS BROKERING AND COMMON POSITION 2008/944/CFSP DEFINING COMMON RULES FOR THE CONTROL OF EXPORTS OF MILITARY TECHNOLOGY AND EQUIPMENT

D.   INFORMATION ON EU OUTREACH ACTIVITIES

E.   INTERNET ADDRESSES FOR NATIONAL REPORTS ON ARMS EXPORTS