

Methodology – Identifying sensitive destinations and exports of concern

Introduction

The granting of an arms export licence depends on two overall factors: the nature of the recipient and the level of sensitivity of the arms, goods or technologies being exported. Thus, each export licensing decision is a complex undertaking, requiring qualitative judgements about the general political, socio-economic and security context of the recipient state and region, as well as judgements about the equipment itself. The Consolidated Criteria, which amalgamate the EU Code of Conduct on Arms Exports (June 1998) with UK Government criteria (July 1997), provide the baseline for reaching these decisions in the UK, but do not indicate the practical tools for evaluating individual licence applications.¹

This section explains the practical tools (methodology and sources) used by Saferworld to identify and evaluate licences that are a cause for concern. First, to enable a consistent approach to different destinations, the assessment has been organised under the eight headings of the Consolidated Criteria. Second, for each criterion, one or more main sources have been selected (as appropriate) to serve as indicators of a country's sensitivity and, in most cases, the most sensitive categories of weapons and dual-use goods and technologies have been identified (based on assumed or inherent capabilities of individual equipment or the potential of specific mixes of weapons).

As a general rule, the most sensitive categories of equipment are those that are the most lethal (ie major conventional weapons and light weapons). However, since it is broadly accepted that a wide array of equipment is integral to the effectiveness of a country's armed forces, the question of sensitivity clearly has to be considered in the context of what is known about the importing state in relation to the eight criteria.

The nature of the Audit is such that at some point a line must be drawn and the decision taken not to include a recipient state in the country-by-country analysis, even though there may be concerns over one or more licences issued for exports to that recipient. It should not, therefore, be assumed that because a state is not featured in the country analysis section of the Audit, no exports to that country raise any concerns under the Government's criteria.

The UK Government's Consolidated EU and National Arms Export Licensing Criteria

Each of the eight criteria is outlined below (with a brief description of the official text in italics), followed by Saferworld's analysis of how the criteria should be applied in practice. It is recognised that this may not always concur with the Government's own interpretation and implementation of the criteria, but one of the aims of this Audit is to influence the development of a restrictive interpretation of the criteria.

Criterion 1: international obligations

Respect for the UK's international commitments, in particular sanctions decreed by the UN Security Council and those decreed by the European Community, agreements on nonproliferation and other subjects, as well as other international obligations

Embargoed destinations under this criterion are identified in Annex D to the 2003 Annual Report on Strategic Export Controls. Countries which are covered by such national or multilateral (UN, OSCE, EU or UK) embargoes will normally be refused an export licence for the specified classification(s) of controlled goods. Licences may still be granted, however, for less sensitive exports to such destinations.

Criterion 2: human rights

The respect of human rights and fundamental freedoms in the country of final destination

For the purpose of this Audit, a profile of the human rights situation in recipient states is drawn from²:

- US Department of State Country Reports on Human Rights Practices, 2003
- Amnesty International Annual Report, 2004

Both the Amnesty International and the US State Department reports cover the specific abuses referred to in this criterion during the year 2003 and the first half of 2004. Bearing in mind the

¹ Economic issues which may influence a decision to grant an export licence (such as foreign exchange and employment benefits, maintenance of a domestic supply base etc) should, in Saferworld's view, be treated as secondary factors to foreign policy concerns raised under the national assessment criteria.

² Other sources, for example Human Rights Watch reports and the FCO Annual Report on Human Rights, are used as appropriate.

difficulties associated with quantifying human rights abuses, Saferworld uses these sources to evaluate the level of human rights violations that occurred in a particular country during this period. In turn, this will help determine the exact level of export restriction imposed on a recipient. For the purposes of this Audit, UK Government arms export policy is assessed against a handful of countries where there are acute concerns with regard to the level of human rights abuses. These countries are categorised by Saferworld as experiencing either systematic or serious violations of human rights, as follows:

Systematic violations

Saferworld proposes that this should be interpreted to mean that where the internal repression and human rights abuses are severe and widespread (ie major and frequent occurrences of extrajudicial killings, torture, violent deaths in prisons, 'disappearances', etc) and/or institutionalised (eg as was apartheid in South Africa), a full arms embargo is justified.

Serious violations

Saferworld proposes that, in countries where serious violations of human rights are taking place, or are suspected of taking place (ie infrequent or localised occurrences of extrajudicial killings, torture, violent deaths in prisons, disappearances, etc), an export licence should be refused with regard to exports of police and military equipment which has obvious application for internal repression. This prohibition would usually cover:

- security, interrogation and anti-insurrection equipment (including water cannon, batons, riot control equipment, tear-gas and prisoner restraint equipment);³
- all categories of small arms and light weapons (and their ammunition); and
- spare parts, training and components used for upgrading the aforementioned equipment.

In addition, where there is evidence of other types of equipment being used for the purposes of internal repression, eg specific categories of major conventional weapons including armoured combat vehicles, military helicopters and ground attack aircraft, a prohibition should also be implemented against the transfer of such equipment and should cover spare parts, training and components used for upgrading this equipment. Where there is no evidence to suggest that such equipment has been used in internal repression, Saferworld would nevertheless argue that a presumption of denial should operate and that this should only be overcome if the proposed recipient can demonstrate that they have a clear defence need for the equipment and if adequate safeguards against misuse – such as provisions for end-use monitoring – are agreed and implemented.

Criterion 3: internal situation

The internal situation in the country of final destination, as a function of the existence of tensions or armed conflicts

Internal armed conflict

One source has been selected which provides an overview of armed conflicts around the world:

- *International Institute for Strategic Studies (IISS) Armed Conflict Database (ACD)*

This is a comprehensive global database which identifies three types of armed conflict: international armed border and territorial conflict, internal armed conflict, and terrorism. The ACD provides an estimate of casualties to each conflict during the year, which is used to inform Saferworld's recommendations for arms export control policy to the parties to those conflicts (see below). The most recent ACD information covers the calendar year 2003 and January to June 2004.

With regard to criterion 3, Saferworld proposes that, in order to avoid prolonging or intensifying intra-state conflict, there should be a selective embargo on the export of military and police equipment with an obvious application in internal repression to all end-users within countries identified by the ACD as being subject to internal armed conflict or, depending on the circumstances, terrorism, where more than 1,000 casualties occurred. In addition, there should be a presumption of denial over the export to such countries of all other categories of military and dual-use equipment that could be used to facilitate internal repression. Beyond this, for those internal armed conflicts where casualty figures ranged from 100 to 1,000 there should be a presumption of denial over the export of military and police equipment with an obvious application in internal repression.

There are, however, two possible exceptions. First, dual-use equipment, components, spares and maintenance equipment with predominantly civilian or humanitarian applications may be transferred (such as civilian transport vehicles and mine clearance equipment). Second, arms may be supplied to one party in a civil war, if that party is deemed by the international community to be the victim of unprovoked aggression, and provided force is being used in accordance with international legal standards.

Internal tension

Saferworld proposes that there should also be a strong presumption of denial of all categories of

³ Extra vigilance is necessary to ensure that all dual-use equipment and components which could be used for internal repression are prohibited. Past examples of supplies made on the margins of a prohibition include: firearms training systems to the Indonesian police; traffic control cameras used for internal security in China and Tibet; and computers used to automate pass-law enforcement in South Africa. See 'Memorandum submitted by Amnesty International UK' in evidence to Trade and Industry Committee, *Strategic Export Controls*, (HMSO), 2 December 1998, 12.

major conventional weapons, small arms and light weapons, upgrades, spares and maintenance for such weapons, and other such security, interrogation and anti-insurrection equipment to countries which have been involved in internal armed conflict in recent years or where early warning indicators suggest that tension is rising. Because internal warfare is fought primarily with small arms and light weapons, these categories of transfers should be subject to particular attention.

There are a number of clear examples where the export of small arms and light weapons to a country with specific characteristics would add to internal tensions. These include countries that:

- have recently demobilised large numbers of ex-combatants;
- present a clear risk of diversion, either deliberately or as a result of their inability to manage or
- contain existing state-owned stocks of weapons;
- suffer from high levels of corruption within government departments which have oversight of
- weapons control or distribution;
- are led by repressive regimes, or where small arms have been used for internal repression in the recent past; or
- suffer from crime and banditry because of fragile or weak government.

Under these examples small arms and light weapons should not be transferred at all (or only in small numbers and under closely monitored end-use conditions).

Criterion 4: international aggression and regional stability

Preservation of regional peace, security and stability

The regional threat posed by large-scale offensive operations with major conventional weapons is the key concern here, although transfers of dual-use goods and technologies and small arms and light weapons can also be destabilising in certain circumstances (as discussed below). In each case, an assessment will be required as to whether the proposed export of weapons or weapons technology is likely to introduce, or contribute to the build-up of destabilising military force in a region.

Regions of tension

The Audit proceeds on the assumption that regional stability is most at risk in existing 'regions of tension'. Two main sources have been used to identify regions of tension:

- *IISS, The Military Balance 2004/5*
- *IISS, through the Armed Conflict Database*

Countries directly affected by macro-regional tensions, including those identified by the IISS ACD, have been flagged up under this criterion, primarily if they are also recipients of exports which appear to exacerbate such tensions. Whether tensions are increasing or diminishing will be an important determinant in the licensing process under this criterion.

Major conventional weapons

In considering whether a transfer of major conventional weapons is destabilising in the regional context, it will be necessary to establish:

- the quantities and level of technology of the arms being transferred;
- the extent to which the transfers act as a force multiplier to existing production capabilities and holdings (ie do the transfers provide additional strategic capabilities, enhance force projection or introduce new technologies into the region, beyond that which is required for legitimate defence needs?); and
- the intentions of those who possess the weapons.

Each of these considerations is open to wide interpretation, however. Most modern armed forces are multi-functional, capable of executing a wide range of identified roles, including peacekeeping and humanitarian relief operations, for which they are specifically budgeted and designed. It is no easy task, therefore, to distinguish between armed forces/equipment designed for a high level of operational mobility (and which may include a tactical offensive capability) for use in regional and international peace support operations, and those armed forces/equipment configured primarily for reasons of offensive power projection (ie for external wars of conquest).

However, there are a number of indicators that can reveal an offensive or destabilising military posture:⁴

- the hostile political intent and primarily offensive strategic policy of the government (eg long-standing territorial claims against neighbouring states in recent political speeches and/or recent border clashes over disputed territory);
- the extent to which its force structure reflects this offensive potential (eg the maintenance of armed forces at excessive levels, and/or excessive concentrations of offensive elements – such as mobile air and land forces, long-range bombers and missiles, frigates, submarines and attack helicopters – within a particular force structure or located close to a border area).

⁴ For a more detailed discussion of this issue, see the non-binding paper agreed by the Wassenaar Arrangement Plenary, *Elements for Objective Analysis and Advice Concerning Potentially Destabilising Accumulations of Conventional Weapons*, WA PLM (98) RU 2 Revised, 3 December 1998.

Where hostile political intent is combined with offensive force structure, this should be sufficient grounds for a presumption of denial. Indeed, a strict interpretation of this criterion may well suggest that all transfers (to regions of tension) of those weapon systems that are most vital to offensive operations should be denied. The Conventional Forces in Europe (CFE) Treaty provides a useful reference point for such an approach (in that it specifically restricts weapons capable of surprise and large-scale attack).

Small arms and light weapons

With small arms and light weapons, the questions are even more finely balanced, and mainly concern assessments of the volume of equipment transferred in relation to existing stocks, and the likely spill-over effect across borders (either as a result of armed disorder or because of leakage from state armouries). In particular, the sudden presence of large quantities of light weapons that are outside of any formal security structure may aggravate problems of weapon flows in a specific region. In many regions of Africa, for example, the circulation and redistribution of existing stocks (by both licit and illicit means) is a key destabilising factor in several regional and sub-regional contexts. The introduction of new stocks into such an environment will also be destabilising, particularly when they accompany a rise in tensions.

Conventional dual-use goods and technologies

One key proliferation trend that now applies in the defence sector is that fewer major conventional weapon systems or platforms are being traded. Instead, the largest proportion of export licence applications are for components and equipment (frequently dual-use) which can be used to upgrade or repair existing weapon platforms or assist in the creation of an indigenous weapons manufacturing capability. Of course, often these components can also be used to upgrade or repair civilian equipment or assist in the development of civilian manufacturing capability. While the licensing authorities are able to ask questions about end-use, such information is unavailable to Saferworld. Nonetheless, there are two sets of circumstances where caution should be exercised, irrespective of declared end-use: transfers of 'sensitive technologies' and transfers which may contribute to 'destabilising accumulations' of military and dual-use equipment.

Sensitive technologies

In recognition of the different levels of sensitivity of technologies, the dual-use pillar of Wassenaar divides technologies into three categories: basic, sensitive (eg advanced machine tools and semiconductor manufacturing equipment) and very-sensitive (eg stealth technology and cryptographic equipment). The resulting controls over items on the basic list are moderate and left to national discretion. Exports of goods that appear on the sensitive list are subject to regular information exchange (post-delivery) and the circulation of denial notifications. For items on the very-sensitive list, there is a strong presumption of denial to non-members.

As a general rule, therefore, Saferworld proposes that exports of items on the Wassenaar sensitive and very-sensitive lists should be subject to the same line of questioning (ie do they provide additional strategic capabilities, enhance force projection or introduce new technologies into the region?) and, if appropriate, the same presumption of denial as recommended for major conventional weapon systems.

Destabilising accumulations

Very few individual transfers of dual-use goods and technologies are likely to breach this criterion.

However, if imported in large quantities, they may well act as a force-multiplier in a region or affect the regional military balance. Thus, individual exports need to be assessed in the context of the overall quantity and types of technologies being imported by a recipient state (including those obtained from other exporting states). Otherwise, as was the case with the arming of Iraq in the 1980s, it may be that individual countries will miss (or choose to ignore) upward trends in destabilising accumulations of dual-use goods and technologies.

Criterion 5: national security

The national security of the UK, of territories whose external relations are the UK's responsibility, and of allies, EU Member States and other friendly countries

No country has been identified as 'sensitive' by Saferworld under this criterion. Although clearly the Government does use this criterion to deny exports to very sensitive destinations, such as those covered by national embargoes, it is extremely difficult to extrapolate such considerations in relation to other countries. Export denials on 'national security' grounds will depend on the behaviour of the buyer country, as determined by the other export criteria or according to UK foreign policy goals. The nature of the equipment itself is largely a secondary consideration. Air-to-surface missiles (eg Exocet missiles used by Argentina in the Falklands War) and surface-to-air missiles (such as those used to threaten allied aircraft in the Gulf Wars) come to mind, but such weapons are already banned to existing 'rogue' states and it is difficult to identify future 'rogue' states (from among current friends and allies) with any degree of certainty. Ultimately, these are judgements that are beyond the scope of this Audit.

Criterion 6: terrorism and international law

The behaviour of the buyer country with regard to the international community, as regards in particular

to its attitude to terrorism, the nature of its alliances and respect for international law

This criterion addresses a range of issues relating to a potential recipient's interaction with the international environment. The threat from international terrorism has emerged as a major concern for the UK and other governments, and, indeed, it is not the intention of this Audit to question the UK Government's implementation of restrictions against entities that are suspected of supporting terrorist organisations. However, in respect of the 'war on terrorism', Saferworld believes that while this criterion should be interpreted to prevent defence equipment reaching terrorist hands and to discourage states from supporting terrorism or terrorists, the reverse does not apply, ie it is not appropriate to award licences on the basis that the recipient is on-side in this war. Rigorous implementation of this and all the other Consolidated Criteria should be undertaken regardless of the proposed recipient's policy in this regard.

International law

Exports of military equipment should be denied where the recipient is known to engage in, or have sponsored, grave breaches of the laws and customs of war as set forth in the Geneva Conventions of 1949, and additional Protocols of 1977, and other rules and principles of international humanitarian law applicable during inter-state or intra-state armed conflict.

There should also be a strong presumption of denial (of all categories of major conventional weapons, small arms and light weapons, upgrades, spares and maintenance for such weapons, and such security, interrogation and anti-insurrection equipment) to countries with a serial failure to sign, ratify and implement the relevant arms control and disarmament conventions (including any verification provisions) referred to in criterion 1. This presumption can be overturned if the proposed recipient is a democratically-elected government and/or a legitimate defence need can be demonstrated, providing there is no danger that the equipment will be used in breach of any of the other criteria.

Criterion 7: diversion and re-export (end-use controls)

The existence of a risk that the equipment will be diverted within the buyer country or re-exported under undesirable conditions

This criterion addresses the concern that equipment will be diverted or misused within the buyer country or re-exported under undesirable conditions. Rigorous monitoring of end-use certification is not an established procedure among many arms exporting states, and even where it is, much of the information is based on intelligence work (which is not in the public domain). Thus, this criterion is very difficult for Saferworld to quantify and assess, especially with regard to timeliness. It is to be expected that the UK Government has access to information that is not publicly available and that, in many cases, will know of diversion risks before such information is common knowledge. In this Audit, reliance is placed on past evidence of poor end-use controls, of re-export, or of clandestine exports. In addition, reported breaches of end-use assurances are also included. Examples are drawn from media reports and UK Government statements.

In July 2002, the Government introduced new export licensing guidelines to be applied to strategic components where it is known that they are to be 'incorporated' into a weapons system in the country of import for re-export to a third. These guidelines provide for the possibility that UK-made components will find their way to countries indirectly, with the advance knowledge of the Government, where direct exports would be prohibited. Saferworld believes that export licences should not be granted in such circumstances.

According to the Government, incorporation is likely to become increasingly commonplace in the defence industry and it is welcome that in the 2003 Annual Report and January–June 2004 Quarterly Reports the Government has published information on licences for incorporation for the first time. The Audit draws attention to incorporation cases of concern, however independent identification continues to remain extremely difficult as the Government does not provide information on the weapons systems the licensed goods will be incorporated into, nor on the country of final destination.

In the case of diversion or re-export which takes place without the knowledge and permission of the UK Government, it is the nature of the recipient state (rather than the capabilities of the military equipment) that is the dominant concern under this criterion. Nevertheless, an analysis of the types of controlled goods that are more likely to be the subject of diversion provides a helpful supplementary indicator of areas of concern. All types of controlled goods have the potential to be diverted to an undesirable end-user to some extent. But (in addition to anti-terrorist equipment) three classifications of equipment are likely to be of particular concern: ammunition; small arms and light weapons; and sensitive dual-use equipment, components and technologies.

Ammunition

This generally has a shorter shelf-life than do the weapons themselves, and it is consumed very rapidly in conflict. Thus, embargoed countries in conflict (particularly those that are dependent on foreign sources for their ammunition supplies) will often look to illicit supplies to satisfy their needs.

Small arms and light weapons

Often the weapons of choice for illicit users, they are typically highly lethal and yet are cheap, easily

portable and concealable, ready to use without extensive prior training and mostly require relatively little maintenance or logistical support. They are also widely available and tend to be subject to less rigorous monitoring and control than major conventional weapons.

Sensitive dual-use equipment, components and technologies

These will be sought by embargoed countries and other countries denied access to high-tech weapons and equipment, particularly if they are attempting to develop their own indigenous production capabilities. Dual-use goods and technologies associated with weapons and munitions manufacture (particularly machine tools) are likely to be prime targets for diversion (as was the case with Iraqi procurement in the 1980s).

Criterion 8: sustainable development/military expenditure

The compatibility of the arms exports with the technical and economic capacity of the recipient country, taking into account the desirability that states should achieve their legitimate needs of security and defence with the least diversion for armaments of human and economic resources

This criterion raises two distinct but related concerns: whether the proposed export would contribute to the excessive diversion of resources to defence needs (military expenditure) and whether it would seriously hamper the sustainable development of the recipient country (sustainable development).

In light of the controversy that surrounded the licensing for export of a military air traffic control system to Tanzania in 2001, concerns were widely expressed that the procedures to be followed when making assessments against criterion 8 were unclear and in need of elaboration. In March 2002 this was acknowledged by the Government when it was stated “that there is a need for clearer procedures within Whitehall for reaching decisions where sustainable development is an issue.”⁵ In September 2002, the Secretary of State for Trade and Industry, Patricia Hewitt, announced that although “[t]he Government’s policy on criterion 8 of the Consolidated ... Criteria remains as stated in the criteria ... [t]he Government has agreed a two-stage process for assessing the impact of relevant proposed exports on sustainable development as defined in criterion 8.

First, a non-exhaustive list of countries identifies those where sustainable development is most likely to be an issue. Second, in cases involving exports to those countries, the Government will look in more detail at the possible impact of relevant proposed exports on the economy or the sustainable development of the recipient country.”⁶

The list of countries ‘where sustainable development is most likely to be an issue’ is based on the list of (currently 81) countries eligible for concessional loans from the World Bank’s International Development Association (IDA).⁷ The statement also sets out a series of indicators which the

Government shall consider when assessing an individual licence application in detail. These include:

- relative levels of military and social expenditure and level of military spending as a percentage of GNP;
- aid dependency compared with the regional average;
- state of public finances;
- balance of payments;
- external debt sustainability;
- economic and social development, ie GNP/capita and Human Development Index (HDI);
- the status of any IMF- or World Bank-sponsored economic reform programme.

The statement goes on to identify a selection of sources of information, which will be used to quantify these indicators. These may include:

- *IMF Government Financial Statistics Yearbook*;
- *IMF Country Reports and Surveys*;
- *IMF/World Bank Annual Progress Reports on the Poverty Reduction Growth Facility*;
- *IMF Recent Economic Developments*;
- *World Bank World Development Indicators*.

These new procedures have been welcomed, as has the commitment to transparency demonstrated by their publication. However, in light of the fact that by the end of 2004 only one export licence is known to have ever been refused on the basis of criterion 8, it is unclear how these indicators are being used when individual export licence applications are under consideration. Saferworld acknowledges that, under the UK case-by-case licensing system, setting arbitrary benchmarks is problematic, however some indication as to figures or ratios that might be considered as ‘warning signs’ and hence signal a need for further analysis would be welcome.

Saferworld independently identified specific tools used to ‘flag’ countries as a possible concern under criterion 8, and the Government’s elaboration demonstrates some overlap with these tools.

However, while Saferworld has adjusted its assessment to incorporate some of these new indicators, the process followed in this Audit will inevitably differ from that of the Government.

⁵ Lord Sainsbury of Turville, *Official Report*, col 73, 4 March 2002.

⁶ Patricia Hewitt, *Hansard*, col 309W, 26 September 2002.

⁷ The list is available on the DTI Export Control Organisation website, <http://www.dti.gov.uk/export.control/policy/criterion8.htm>.

Saferworld's primary system of assessment is detailed below, but, as previously noted, in practice there is no alternative to establishing what is a reasonable level of military expenditure in the context of each particular case.

Military expenditure

Military expenditure as a percentage of national production provides a crude but useful benchmark as to whether an arms importing state may be directing excessive resources to its military. But this criterion requires a more refined tool in order to evaluate 'the recipient country's relative levels of military and social expenditure'. Therefore, this Audit (despite the difficulties in finding recent and reliable statistics in this area) draws on statistics on military, health and education expenditure from the UNDP *Human Development Report 2004*.

Saferworld has identified a number of these indicators as relevant to determining whether military expenditure might be excessive. These are the figures for public expenditure on health (as a percentage of GDP for 2001), on education (as a percentage of GDP 1999–2001) and on the military (as a percentage of GDP for 2002). Thus, when military spending by a country exceeds *combined* spending on health and education according to the above source, this has been identified as a 'red flag' under criterion 8. Although the figures for health and education are for 2001 and the figures for military expenditure are for 2002, in most cases the calculation will be accurate enough to provide a rough guide.

Sustainable development

In order to provide a measure of the level of development attained by importing states and the capacity of the respective economies to independently sustain their populations on an ongoing basis, this Audit draws on additional indicators from the UNDP and the World Bank, namely the UNDP *Human Development Report 2004* and the World Bank *World Development Indicators 2004*.

Figures from the 2004 World Development Indicators on external debt levels and aid dependency are included, while the following indicators for 2002, obtained from the *Human Development Report 2004*, have been used as a measure of 'quality of life':*

- real gross domestic product (GDP) per capita per annum; the figures are in US dollars calculated on a purchasing power parity (PPP) basis;
- average life expectancy at birth in years;
- adult literacy levels;
- the Human Development Index (HDI); this is a figure ranging from zero (lowest) to one (highest), designed to provide a comparative representation of human development based on a combination of the above three indicators; in 2002, Norway had the world's highest HDI (0.956), Sierra Leone the lowest (0.273); thirty-six states had an HDI of less than 0.500.

Having established that there is an initial *military expenditure* or *sustainable development* concern for a handful of countries, the equipment licensed for export will be assessed in the context of the various indicators and at the same time in the light of 'legitimate security' needs of the recipient state. Of course, it is no easy task for exporting governments to make such assessments, but as a general rule, there should be a presumption of denial for high-value major conventional weapon transfers to states where there are concerns under criterion 8. Where relevant, the Audit also takes into account patterns of defence expenditure in recipient countries (the Government, in its statement of September 2002, acknowledged the importance of taking into account the cumulative impact of all arms imports by a recipient state, and not just those from the UK, although further explanation is required on exactly how it does this).

The most productive way of dealing with the issues raised under this criterion is for suppliers and recipients to reach shared assessments of security needs. One of the core aims of DfID, for example, is to assist countries and regions to make reasonable judgements about the extent of the security threats they face, and the appropriate level of defence spending required to meet it. Thus, countries that seem committed to the security sector reform agenda (eg Uganda, which has been the recipient of assistance from DfID to strengthen the capacity of its civilian institutions to manage and monitor the security sector) should be afforded greater leeway under this criterion.

Saferworld's evaluation of arms export licences and deliveries

In order to assist the evaluation of the arms export licences and deliveries in 2003 and the first half of 2004, summary information on licences granted and refused for each highlighted country is provided. In addition, for the first time, the UK Government has published information on trade control licences⁹ and licences for incorporation. All this is presented in tabular form and gives information as to:

- the value of SIELs granted;
- the number of SIELs granted and refused/revoked;
- the total number of OIELs granted and refused/revoked with respect to the destination country;
- the number of incorporation SIELs granted and refused/revoked;
- the number of SITCLs granted;
- the number of OITCLs granted.

⁸ United Nations Development Programme, *Human Development Report 2003*, <http://www.undp.org/hdr2003/indicator/index.html>.

⁹ Data on Trade Control Licences is only available in the Quarterly Report April–June 2004.

Saferworld is a non-governmental organisation that works with governments and civil society internationally to promote and implement new strategies to increase human security and prevent armed violence.

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Saferworld
The Grayston Centre
28 Charles Square
London N1 6HT
UK

Phone: +44 (0)20 7324 4646

Fax: +44 (0)20 7324 4647

Email: general@saferworld.org.uk

Web: www.saferworld.org.uk

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