
Introduction

THIS AUDIT AIMS to evaluate the strategic export licences granted by the UK Government for the calendar year 2003 and the first half of 2004, as set out in the Ministry of Defence, Foreign & Commonwealth Office, Department for International Development and Department of Trade & Industry, *Strategic Export Controls, Annual Report 2003* (FCO, May 2004) and *Quarterly Reports* January to March (FCO, July 2004) and April to June 2004 (FCO, October 2004).¹

Throughout the 18 months from January 2003 the UK arms export licensing regime applied the Consolidated EU and National Arms Export Licensing Criteria (Consolidated Criteria) set out on 26 October 2000.² These are therefore the benchmark against which this Audit assesses all licensing decisions in 2003 and the first half of 2004.

The central purpose of this Audit is to assess:

- whether the arms export licensing decisions made were in keeping with the Government's own criteria for exports;
- whether the Annual and Quarterly Reports provide enough information and in such a format as to enable a judgement on whether the Government was following its own criteria for exports (and to recommend improvements where appropriate); and
- where, in light of the operation of the Consolidated Criteria in 2003 and the first half of 2004, changes in their interpretation and implementation should be made.

This Audit also seeks to encourage the development of a restrictive interpretation of the criteria contained in the EU Code of Conduct on Arms Exports (EU Code). Operative provisions within the EU Code are designed to ensure that if one member state denies an export, its decision will not be quietly undercut by another member state supplying essentially the same equipment. A key aim of the EU Code, therefore, is for member states to reach a common understanding of what the criteria actually mean in practice and hence what material impact they should have on arms exports from the EU. However, experience suggests that the criteria are interpreted by different governments in different ways, or that a 'lowest common denominator' interpretation may prevail.

This Audit examines specific destinations, regions and exports, in order that a shared understanding and common practice may be achieved around a restrictive interpretation of the criteria. It is, however, by no means the last or the most definitive word on

¹ The first two quarterly reports are available online at <http://www.fco.gov.uk/Files/kfile/strategicexportcontrols2004JanMarreport.pdf> and <http://www.fco.gov.uk/Files/kfile/strategicexportcontrols2004aprjunreport.pdf> respectively.

² The Consolidated EU and National Arms Export Licensing Criteria, 26 October 2000, HC 199-203W, reproduced in Ministry of Defence, Foreign & Commonwealth Office, Department for International Development and Department of Trade & Industry, *Strategic Export Controls, Annual Report 2002*, (FCO, July 2003), Cm 5819, Appendix F, pp 498–501.

this subject. By circulating the Audit widely among governments and non-governmental organisations throughout the EU, Saferworld hopes to encourage debate on UK and EU arms export policy generally, and on the interpretation and implementation of the Code criteria specifically.

In pursuit of these aims, the rest of this document is set out as follows:

■ **Section 1: Developments in arms export controls**

This section examines recent and proposed key developments in arms export controls within the UK, within the EU, and then in terms of work by the UK Government to promote more effective export controls at the international level.

■ **Section 2: Developments in transparency**

This section examines developments in UK reporting since January 2003, addressing the changes that have been made, before listing a summary of ongoing concerns relating to the provision of information on strategic export controls. The section includes recommendations for how the UK can improve public transparency on this issue.

■ **Section 3: Export licences of concern**

This section provides a focused analysis of UK arms export policy on a criterion-by-criterion basis³, pinpointing particular countries – within each criterion – where UK arms exports have provided the greatest cause for concern. Each case identifies a core list of licences about which further questions need to be asked. Some of the questions reflect the need for greater transparency (eg for further information on quantities and end-users) and others relate to the interpretation and implementation of the Consolidated Criteria.

It should be noted that compared to previous Saferworld Audits, we have in this Audit taken a more focussed approach in our assessment of UK arms export policy, pinpointing those cases that give us the greatest cause for concern. The fact that we have concentrated on fewer examples, however, should not be taken as an indicator that our concerns regarding the Government's implementation of the UK Consolidated Criteria have abated.

³ Where the criteria are those set out in the UK Government Consolidated Criteria and the EU Code of Conduct on Arms Exports.