Leaders of some forty-six countries are anticipated to attend the North Atlantic Treaty Organization (NATO) summit in Prague, Czech Republic, on November 21 and 22, 2002. The trade in conventional weapons is not explicitly on the summit agenda, but it will be difficult for NATO to avoid addressing the subject, particularly in view of recent arms trade scandals involving Ukraine and Yugoslavia, two countries that are seeking closer ties to NATO.

These are not the only countries that deserve attention. The countries of Central and Eastern Europe—including many that have or are seeking membership in NATO—have long been a major source of weapons flows to human rights abusers, conflict regions, clients suspected of diverting weapons to unauthorized destinations, and even embargoed countries. The problem of poor weapons trade controls is widespread in the region and encompasses countries that joined NATO in 1999, are top candidates for NATO membership this year, or are seeking improved relations with NATO.

There has been recent progress to tighten controls in some of these countries, in part the result of pressure from NATO and its member countries and attention to these issues in the wake of the September 11, 2001, attacks in the United States. In response to heightened international security concerns, a number of Central and Eastern European countries recently have recognized the need to tighten controls over the weapons trade and have taken steps to improve controls. At the same time, the experience of the past year makes clear that irresponsible and illegal arms dealing from the region continues.

Weak arms trade controls in Central and Eastern Europe account for a number of serious problems. Key concerns include:

- Combating illicit arms trafficking: too often, arms traffickers are able to bypass lax laws to supply weapons to illegal destinations.
- The glut of surplus weapons: governments continue to sell surplus weapons from their arsenals to trouble spots around the globe.
- Irresponsible authorized arms exports: governments continue to export arms to destinations where the weapons risk fueling human rights abuses and armed conflict.

A fourth key topic, lack of transparency, cuts across these issue areas.

After providing context on the relevance of arms trade issues to the NATO summit agenda, this briefing paper addresses each of these issue areas in turn, arguing that each is intimately linked

---

1 This briefing paper does not address the trade in so-called dual-use goods, items such as certain explosives and machine tools that can have both civilian and military uses.
2 For a more detailed discussion, see Human Rights Watch, “Arms Trade, Human Rights, and European Union Enlargement: The Record of Candidate Countries,” A Human Rights Watch Briefing Paper, October 8, 2002. Some negative trends have also been observed, particularly as countries in the region follow the lead of the U.S. and Western European countries that have relaxed export control standards in order to provide weapons to allies in the war on terror. Ibid.
to NATO’s priorities as defined in the agenda for the Prague summit and that each warrants NATO attention. This briefing provides concrete examples in each area to illustrate the problems, and notes where progress has been achieved and where more remains to be done. It concludes with a full set of recommendations for how NATO and its partners can help make a difference in solving the problem of uncontrolled arms trading.

The upcoming summit provides an opportunity for NATO to spotlight key challenges regarding arms trade controls and for NATO to commit to address them more fully than it has to date. NATO has considerable leverage it can apply to push for needed arms trade reforms in the region. As it prepares to integrate new members into the alliance, as well as improve relations with other countries, it has the opportunity to raise topics of concern, secure commitments for change, and provide support for reform efforts. It also can take immediate steps to stem irresponsible and illicit arms trading by its allies and partners in Central and Eastern Europe. Finally, NATO member states should pledge to improve their own arms trade controls and to engage in the trade responsibly, so as to provide a positive example.

I. The NATO Summit Agenda

Action to tighten controls on the weapons trade from Central and Eastern Europe would be consistent with NATO’s stated priorities for the upcoming summit. NATO has announced that at the Prague meeting member states will consider four primary themes. These have been summarized elsewhere as “new threats, new capabilities, new members, and new relationships.”\(^3\) Arms trade controls are relevant to each of the issues under discussion.

**New threats**
NATO member states plan to strengthen efforts to tackle international terrorism and the spread of weapons of mass destruction. Greater attention to controlling the trade in conventional weapons (including small arms and light weapons, as well as heavy military equipment) would complement and strengthen these efforts. It also would help minimize the global security threat posed by the widespread availability and misuse of conventional weapons.

Uncontrolled arms flows facilitate violence against civilians in violation of international human rights and humanitarian law. They also contribute to lawlessness and insecurity in both supplier and recipient countries. Moreover, the activities of illicit arms traffickers, allowed to act with impunity, undermine customs and border controls, fuel corruption and cross-border smuggling, help finance criminal networks, and help fuel transnational organized crime. In short, an international weapons trade that permits anyone, anywhere to obtain arms—irrespective of the risks those weapons will be misused—is one that potentially poses a threat to everyone, everywhere.

**New capabilities**
NATO wishes to become more agile as a military alliance, more mobile, faster to deploy, and armed with the right equipment to meet anticipated threats. A new capabilities initiative expected to be adopted at the Prague summit is likely to call for specialization within the

---

alliance, which will inevitably require new weapons purchases. Member states and candidate countries have been encouraged to focus on obtaining new equipment to fill their anticipated role, and for many that will entail shedding other equipment deemed superfluous. Many Central and Eastern European countries already have huge stockpiles of aging Soviet-standard military equipment they no longer need. This is particularly true of those countries that are modernizing their militaries and reducing the size of their armies as part of a package of military reforms tied to their NATO aspirations. They are selling off their surplus arms to finance military modernization—and to save the expense of storing or destroying the weapons. The purchase of newer equipment replaces existing stocks, which are then added to the huge quantities of surplus weapons already available for export to conflict regions. This problem is discussed in more detail below.

New members
NATO is expected to invite up to seven countries to join the alliance. To varying degrees, the leverage afforded by the process of NATO enlargement has been used to promote reform in candidate countries. For example, NATO member states and candidates have confirmed that arms trade issues and even particular transactions have been raised in the context of enlargement discussions. However, as noted above, some of the countries expected to be invited to join NATO have not yet brought their weapons trading under reliable control. Therefore the dialogue on this issue must continue and be reinvigorated as newly invited countries work to prepare for full participation in the alliance, in line with NATO expectations.

New relationships
NATO also hopes to use the Prague summit to enhance relationships with its partners, and weapons trade concerns are a consideration in developing these relationships. For example, NATO and Ukraine have a “distinctive partnership,” which provides a framework for consultation and cooperation on a host of issues. The government of Ukraine has indicated that it wishes to join the alliance at some point in the future. NATO had intended to strengthen its ties to Ukraine at the Prague summit, but the intensification of this relationship is likely to be put on hold in light of tensions between NATO and Ukraine over arms transfers. At this writing talks at the foreign minister level were scheduled to take place but NATO pointedly declined to invite the Ukrainian head of state to the summit after the U.S. determined that Ukraine had breached the U.N. embargo on Iraq.

NATO has also been in discussions with Yugoslavia regarding its interest in becoming active in the Partnership for Peace program and signing a Membership Action Plan, considered the path to NATO membership. Yugoslavia too has been implicated recently in illicit arms transfers to Iraq. Both cases will be discussed below.

The Prague summit will also be the site of a meeting of the Russia-NATO council. Russia, with which NATO has been developing stronger ties, also has a troubling track record with respect to arms trade issues.

---

II. Combating Illicit Arms Trafficking

Many people view illicit arms trade as the purview of arms traffickers who operate in the shadows, but it is governments—through their willingness to unquestioningly approve arms deals and their failure to implement adequate controls—that permit the illicit trade to flourish. Where proper checks are not in place to detect false documents, verify the ultimate destination (end user), combat corruption, and check on the arms deliveries, arms smugglers are all too readily able to bypass controls. A major gap in arms trade controls has been that national laws generally do not cover the activities of arms brokers. Another key weakness is that the traffickers who arrange illegal arms deals, usually by masking the true destination of arms shipments, rarely face any consequences for their actions. Some countries have begun to adopt brokering rules and to take legal action against gunrunners, but much work will be needed to improve the region’s poor record on embargo enforcement.

There are many examples, including in recent months, of countries in the Euro-Atlantic region serving as the points of origin for arms shipments to embargoed governments or rebel groups. These include countries with existing or developing NATO ties. For example:

- In September 2002 NATO peacekeepers uncovered evidence that a state-owned Yugoslav company was party to an illegal deal to sell weapons components and repair services to Iraq and also sought to cover up the deal. The work was carried out by a company from Republika Srpska, the Serb entity in Bosnia-Hercegovina. In response, the Yugoslav government dismissed several officials, including a deputy defense minister and the head of the state-owned company, and announced it was opening an investigation. Several Republika Srpska officials were forced to resign.
- In October reports surfaced that the U.S. suspected Yugoslavia of selling missile technology to Libya, likely for Iraq. Yugoslav academics acknowledged having traveled to Iraq, but denied U.S. assertions that they provided missile technology.7
- Also in October, a Tonga-registered ship intercepted off Croatia’s coast was found to contain more than 200 tons of suspicious cargo, identified by the Croatian authorities as an explosive material used in the production of rockets and other munitions. Croatian police sources indicated they believed the cargo was destined for Iraq. The ship had departed from a Yugoslav port.8
- That same month a U.N. investigation revealed that more than 200 tons of weapons, most of them from Yugoslav army stocks, were sold by a private Belgrade-based dealer to Liberia, in violation of a mandatory U.N. embargo. The deals were arranged using documents falsely claiming the weapons were to go to Nigeria. The U.N. documented that six different illicit arms deliveries took place between June and August 2002.
- Also in October 2002, U.S. and U.K. investigators were in Ukraine to seek further information about an alleged transaction, personally approved by President Leonid Kuchma in 2000, to supply a sophisticated radar system to Iraq via a Jordanian intermediary. In

---

September, the U.S. government announced that it had authenticated a tape recording in which President Kuchma is heard to personally authorize the deal, worth $100 million. President Kuchma has denied this, rejected the tape as false, and stated that in any case the radar system was never supplied to Iraq. Ukraine has previously been identified by the U.N. as the source of arms supplied via intermediaries to embargoed rebels in Sierra Leone and to the embargoed government of Liberia.

- In November, authorities in Bulgaria announced that they had detected a scheme to illegally export spare parts for armored personnel carriers, but not before a consignment falsely labeled as “farm machinery” was exported to Syria. Syria has often been identified as a suspected transshipment point for weapons destined to Iraq. A U.S. firm based in Washington was implicated in the Bulgaria deal.9

- Another situation involving Iraq remains unclear, and Human Rights Watch was unable to confirm the facts, but it was reported that Iraq was able to obtain weapons from the Czech Republic earlier this year. According to Iraqi defectors interviewed by the British newspaper The Guardian, sales of anti-aircraft rockets, missiles, and guidance systems for long-range missiles to Iraq, including a shipment delivered in February, had been licensed for export by the Czech Republic to Syria and Yemen, with one defector claiming he oversaw the transfer of the cargo from Syria to Iraq.10 The allegation was hotly denied by Iraqi and Syrian officials. The Czech government, for its part, stated that it had not approved exports of such equipment to Syria or Yemen in 2001 or 2002, nor authorized any re-sale of equipment sold to Syria or Yemen. A senior Czech official, however, told the Boston Globe that a large arms shipment to Yemen in early 2002 roughly matched the description given by Iraqi defectors of the arms cargo headed to Iraq.11

- At times there has been action to disrupt arms trafficking networks suspected of breaking U.N. embargoes. For example, following a joint Czech-German-Swiss investigation, in August 2002 two Czech nationals were arrested in the Czech Republic and a Russian-born arms broker with Canadian citizenship was arrested in Germany. The three were accused of engaging in a criminal conspiracy to broker the sale of Russian and Bulgarian weapons to Middle Eastern countries beginning in 1999. Czech officials declined to name the destination countries for the weapons, but a Czech parliamentarian confirmed to the Christian Science Monitor that the weapons are suspected to have gone to Syria, Iran, and Iraq.12 They reportedly did not pass through Czech territory, but the sales allegedly were brokered through the Czech branch of a Canadian company. None of the deals were licensed by Czech authorities, as the company was only registered to conduct marketing activities.13

---

13 “Catalogue found on detained Czechs offers all Russian-made arms,” CTK News Agency (Prague), August 29, 2002.

5
Positive developments

- Some NATO member countries have stated that reliable control over the arms trade will be a consideration when evaluating membership bids. That has done a great deal to motivate needed reform in candidate countries.
- There is now much greater attention to regulatory checks. Several countries say they are reviewing documents more stringently, consulting with partners more, and issuing license denials when they have doubts.
- Also, the loophole that allows arms brokers to avoid scrutiny and national licensing is narrowing as more countries adopt controls. Sometimes but not always those controls apply on brokers organizing so-called third party deals that do not pass through their home countries.
- Prosecutions for sanctions-busting are exceedingly rare, but there has been some progress. For example, in the past year Romania convicted an arms broker and the head of a Romanian air cargo company, Slovakia opened a prosecution for an illegal arms deal involving Liberia, and Poland continued a long running prosecution for illegal arms sales to Croatia and Somalia in the mid-1990s.
- Moreover, recent arrests of arms dealers—in Belgium, the Czech Republic, Germany, Italy, Slovakia, and Turkey—offer hope that some arms traffickers might be brought to justice. However, many of the most notorious traffickers remain at large and some were believed to be protected by national governments. For example, a Tajikistan-born trafficker named in multiple U.N. reports made several appearances to do media interviews in Russia even after an international warrant had been issued for his arrest.

What remains to be done

Practical measures such as marking and tracing weapons can be useful to address illicit arms trafficking, but in our view they must be complemented by policy-level solutions. Three tools are especially important:

- Brokering controls, including extraterritoriality and covering transport.
- Strong end-user controls, including the careful evaluation of arms export license applications, the development of a common and difficult-to-forge end-user certificate, and the adoption of better systems for verification.
- Strict enforcement, including the vigorous prosecution of violators.

III. The Glut of Surplus Weapons

As noted, many Central and Eastern European countries have huge stockpiles of aging Soviet-standard military equipment they no longer need. This is particularly true for candidates for NATO membership, as well as members admitted in 1999, who are modernizing their armed forces in line with NATO guidelines. The discarded weapons are sold off to clients that can afford little else, usually unaccountable armed forces in areas of violent conflict in Africa and Asia. The proceeds from such sales help finance purchases of newer weapons, often obtained from European or North American suppliers. With these newer weapons in hand, Central and Eastern European governments are also able to dump onto the market military wares that had been in active deployment, thereby further contributing to the flood of weapons into areas of violent conflict. For example:
The Czech government announced in August 2002 that it would offer for sale nearly 200 surplus battle tanks and some fifty combat planes. In a response to a query from a Prague-based nongovernmental organization, the People in Need Foundation, the Czech defense ministry provided a list of the surplus arms it had sold from 1993. All told, it had sold off more than 95,000 small arms (including 30,000 pistols and 57,000 submachine guns) and over 650 heavy weapons (including nearly 550 tanks or armored vehicles). It said ninety percent of these were for the export market.

Poland too continued to shed its Soviet-standard weapons. In early 2002 it reportedly had some 800 outdated tanks and corresponding ammunition available for sale. It was seeking markets for its surplus weapons in Asian countries, including Indonesia. Germany has supplied weapons from its own surplus stocks to Poland and reportedly was to do so again in 2002.

Romania announced in 2002 that it intended to sell off quantities of surplus weapons, including ammunition and infantry weapons, because they were too expensive to maintain, and that the proceeds of these sales would be used to pay for the country’s military modernization drive. The U.S. has donated heavy surplus military equipment to Romania, contributing to the cascade of such weapons, and in 2000 and 2001 Germany supplied arms to Romania. In a welcome move, in late September Romania was set to finalize arrangements to begin a limited small arms destruction project with U.S. financial assistance.

In October 2001 the Bulgarian government announced its intention to sell off nearly 200 surplus tanks and other heavy weapons to finance procurement of NATO-standard equipment. With U.S. financing, Bulgaria destroyed considerable quantities of surplus small arms and ammunition, as well as some 100 surface-to-surface missiles. Bulgaria’s June 2002 submission to the U.N. arms register, however, indicated that it had designated nearly 200 large-caliber artillery systems for export.

Slovakia’s military modernization program was expected to generate further surplus weapons. For example, from 2001 to 2010, the country planned to reduce its military holdings by more than 200 tanks and more than 300 armored combat vehicles.

Ukraine was known to have vast quantities of surplus arms. In 1999, for example, it put on offer, among other items, 330,000 submachine guns and more than 35,000 machine guns dating from the World War II period or before, more than 57,000 more modern machine guns, and over 250 million rounds of ammunition. Much of this surplus

---

14 “Army going to sell 190 old tanks, 47 planes,” CTK, August 31, 2002.
16 “Germany seals deal with Poland to hand over surplus tanks and fighter jets,” Associated Press, January 29, 2002; “Romanian army decides to sell surplus hardware at home and abroad,” Rompres (Bucharest), via BBC Monitoring, June 12, 2002.
17 “Romanian army decides to sell surplus hardware at home and abroad,” Rompres, via BBC Monitoring, June 12, 2002; “Romanian Defense Min to Establish Agency to Sell Outdated Assets,” BizCity.ro (Bucharest), in Romanian News Digest, June 12, 2002.
19 Data compiled from a comparison of military holdings included in Slovakia’s entry in the U.N. Conventional Arms Register for 2001 and “SR Force 2010,” a 2001 publication of Slovakia’s Armed Forces.
20 “Firearms Available for Sale,” list of surplus Ukrainian arms available for sale, undated but from 1999, copy on file with Human Rights Watch.
equipment has been sold off to undesirable clients and more continues to be available for sale.

- **Russia** also has shed many surplus weapons by exporting them to undesirable locations, often in conflict regions in **Africa** and **Asia**. In recent years it has taken steps to destroy some seized and surplus small arms and light weapons. According to a Russian diplomat, Russia destroyed some 420,000 small arms from 1998 to 2000 and an additional 2,500 firearms in 2001.\(^{21}\)

- **Stockpile security** for both government and privately-help arms is a concern in a number of countries. For example, in March 2002 some weapons due to be exported from **Poland** went missing but were later recovered.\(^{22}\) In another example, authorities in **Ukraine** discovered that 227 firearms and some 10,000 rounds of ammunition were stolen from an army depot with the complicity of the guards assigned to protect the site.\(^{23}\)

**Positive developments**
There is good news to report.

- In various fora, including under the auspices of NATO’s Euro-Atlantic Partnership Council (EAPC), Central and Eastern European countries have committed themselves to improving the security of weapons stockpiles and to destroying surplus and seized small arms.

- They have also endorsed a November 2000 Organization for Security and Cooperation in Europe (OSCE) small arms agreement in which OSCE countries agreed to prioritize the disposal of surplus small arms through destruction, rather than export. It establishes that any export of surplus small arms must be done in accordance with minimum agreed standards, discussed below.\(^{24}\)

- International assistance has helped several countries move forward to implement their commitment to destroy surplus small arms, and here NATO has made important contributions. For example, a joint **Norway-U.S.** program has financed surplus small arms destruction. The Partnership for Peace also has provided a framework for needed assistance, and the expansion of the NATO landmines trust fund to help finance the destruction of small arms marks further progress.

- Several destruction projects have begun. A particularly difficult one is in **Moldova**’s breakaway Transdniestria region, where the OSCE is working to ensure the collection and destruction of an enormous stockpile of surplus weapons. Moreover, the government of Moldova announced late last year that it would suspend the sale of surplus weapons, after discovering “discrepancies” in arms data.

- NATO has facilitated funding for destruction projects in **Albania**, **Georgia**, **Moldova**, and recently **Ukraine**.

\(^{21}\)*Russia Destroys ‘Excessive’ Light, Small Firearms,” ITAR-TASS (Moscow), December 6, 2001.

\(^{22}\)*Shoulder-fired missiles go briefly missing from Polish train,” Agence France-Press, March 27, 2002.


What remains to be done

• The countries of Central and Eastern Europe must live up to their pledges under the OSCE agreement to dispose responsibly of surplus small arms, and they should adopt and implement the same policy with respect to other categories of surplus weapons.
• There is a need for greater financial support for the responsible disposal of surplus arms, and greater participation in available destruction programs. These should also cover heavy conventional weapons, not only small arms.
• NATO countries also should require the responsible disposal of surplus military equipment whenever they sell or transfer more modern equipment to partners and new allies. To prevent the anticipated next round of NATO enlargement from resulting in a further cascade of arms, the alliance should monitor transfers of surplus weapons and ensure that they are in compliance with agreed minimum criteria defined by the OSCE.
• Greater transparency about holdings of surplus weapons stocks would also make an important contribution. For example, reports prepared for the OSCE should be made public.

IV. Irresponsible Authorized Arms Exports

Governments often authorize exports in many cases when they should not—because the deals violate existing legal obligations under human rights and international humanitarian law, or contravene important international policy commitments and national policy statements.

Minimum agreed standards exist, including under criteria established by the OSCE in 1993 and reiterated in the 2000 OSCE small arms agreement. Many countries in the region have also promised to adhere to similar standards elaborated in a 1998 European Union (E.U.) Code of Conduct on Arms Exports. Under these criteria, these governments agree to exercise restraint in the arms trade and block weapons sales to, among others, human rights abusers, those who violate international humanitarian law (the laws of war), areas of violent conflict or regional instability, diverters of weapons, and terrorists.

A few examples help illustrate the extent of the problem:

• In September 2002 Romania released its first ever arms export report, which contained limited data for the 2000-2001 period. Sales to Africa accounted for 26 percent and 18 percent of Romania’s arms trade in 2000 and 2001, respectively. An overwhelming majority of Romania’s overall arms exports (70 percent in 2000 and 63 percent in 2001) were comprised of shipments of small arms, light weapons, and ammunition, the military equipment most likely to be misused in conflict regions in Africa and elsewhere.
• Publicly reported customs data from the Czech Republic shows that in the first nine months of 2002 the country exported small arms and “other firearms” worth more than $1.4 million to Colombia, although it remained unclear for what client.

• Czech arms dealing to Yemen continued in 2001 and into 2002, despite concerns that Yemen might divert the weapons to unauthorized clients, and both sides discussed the possibility of new contracts.

• Poland, too, engaged in the arms trade with Yemen, with confirmed exports in 2001. A 1999 shipment of Polish tanks to Yemen was diverted en route and reportedly delivered to Sudan, sparking an international scandal.

• The Bulgarian government reported to the U.N. arms register that in 2001 it sold weapons to the government of Chad. Among other problems that should have disqualified it as an arms client, Chad is suspected weapons diverter. In February 2002, for example, a U.N. report implicated the Chadian government in suspected illicit arms deliveries to Liberia.

• Yugoslavia, in a report to the U.N. arms register, stated that it sold U.S.-made arms to Burma in 2001. Burma is subject to a unilateral U.S. embargo and a multilateral embargo by the E.U.

• The government of Angola is an unsavory arms client responsible for gross and widespread human rights abuses and violations of international humanitarian law that is just this year trying to emerge from a brutal war that lasted more than twenty-five years. The U.N. arms register shows that since 1999 alone Angola received arms from Belarus, Bulgaria, the Czech Republic, Kazakhstan, Slovakia, Russia, and Ukraine. (Others have also contributed. For example, the United Kingdom approved licenses for exports of military equipment to Angola during the same period, sending an unfortunate signal that such sales are acceptable.)

• It is also revealing to look at patterns of arms trading by individual exporters. To cite just a few examples among many, and again drawing on confirmed data published in the U.N. register, in the period from 1999 Belarus has supplied arms to Algeria, Angola, Iran, Sudan, Uganda, and Yemen; Russia has exported arms to Algeria, Burma, Ethiopia, Sri Lanka, Sudan, Yemen, and Zimbabwe; and Ukraine has sold weapons to Algeria, Angola, Burundi, China, and the Democratic Republic of Congo.

• There have been numerous other sales that also raise questions of inconsistency with minimum arms export criteria, including those that restrict arms exports to areas of violent conflict and instability. To list some examples since 2001, Central and Eastern European countries that are current or prospective NATO members have supplied arms to, or negotiated arms contracts with, among others, Afghanistan, Algeria, India, Indonesia, Pakistan, Sri Lanka, and Zimbabwe.

Positive developments
The problem of irresponsible arms exports is a serious one but there have been some positive changes:

• The adoption of the OSCE small arms document in 2000 represented an important reaffirmation of minimum criteria. The document called for these criteria to be reflected in national legislation or at least national policy documents.

• We note that some countries have taken steps to emphasize their international obligations and commitments in national arms trade legislation. To different degrees, Poland, Slovakia, and Bulgaria have done so in recently adopted amendments to national arms trade laws.

• The preparation and public dissemination by the Czech Republic and Romania of annual reports on arms exports hopefully signal a regional trend toward greater transparency with
respect to arms trade issues that will one day meet the standard of “best practices” in Western Europe.

What remains to be done
Promises to follow criteria are important, but experience has shown that implementation can be uneven at best and disingenuous at worst. Action is needed to:

- Adopt strict arms export criteria on the observance of human rights and compliance with international humanitarian law. Incorporate those into national arms trade law so as to make them binding. Taking this step ensures that the standards are clear to everyone—from arms companies to officials involved in licensing decisions—and that they are required to meet these standards. Human Rights Watch endorses efforts to develop and strengthen regional codes of conduct and to negotiate an international code of conduct.

- Comply fully with the provisions of the OSCE Document on Small Arms and Light Weapons and any other applicable instruments defining minimum export criteria, such as E.U. Code of Conduct on Arms Exports, as well as the measures of restraint agreed in other fora, such as the Wassenaar Arrangement.

- Greatly enhance transparency. Laws defining arms trade information as secret—and that thereby make those who publicize such information vulnerable to intimidation or even prosecution—should be repealed. Governments should prepare and make public annual reports on arms exports, as many do.

We encourage NATO to promote greater transparency and encourage needed arms trade reforms among allies and partner countries to ensure respect for agreed export criteria. This requires work at the political and practical level. For the latter, one proposal would be to make assistance available to facilitate the review and reform of national arms control legislation. For example, outside experts helped Ukraine as it drafted legislation to control the arms trade, introduced in October 2002. To date, arms trade control measures are elaborated only in ad hoc presidential and cabinet decrees. Further efforts should be made to improve the draft legislation and ensure that it will provide for adequate control and transparency, as is direly needed in Ukraine, and that appropriate penalties are in place against violators.

V. Conclusion and Full Recommendations

The countries of Central and Eastern Europe have a history of supplying arms with no questions asked. These countries are increasingly being sensitized to the need to exercise greater restraint and responsibility in their arms exports, but further action is needed to address the problem of uncontrolled weapons trading. To address the full scope of the problem, the governments of the region must fight the illegal arms trade, curb the flood of surplus weapons, and strictly uphold minimum criteria when authorizing arms transfers. The past year has seen important progress in some countries and a shift in the debate on some of these issues, including within NATO and among member states and partners. Yet it is equally clear that key challenges lie ahead if these countries are to put an end to irresponsible arms trading and the impunity of illicit arms traffickers.
As NATO prepares to take in new members and develop relationships with partner countries, it should take on an enlarged role to address these challenges. The upcoming summit provides an important opportunity to encourage needed reforms of arms trading practices in the Central and Eastern European countries. NATO and its member states should make every effort to promote needed arms trade reforms by candidate countries, including in the context of preparations to integrate new members into the alliance. They also should make greater efforts to assist new members, as well as members admitted in 1999, as they confront the challenge of reining in the arms trade. Moreover, current NATO allies should do their utmost to themselves engage responsibly in the arms trade, in strict compliance with OSCE criteria. Finally, NATO and its member states should continue to monitor the arms trading practices of the countries it admits as members, as well as NATO partners, as a way to support the reform drive and prevent any backsliding. NATO is about to take on new members and new partners. As it spreads its reach, the alliance should also take on new responsibilities to ensure that the Euro-Atlantic zone ceases to be a source of uncontrolled weapons flows.

**Recommendations**

**To NATO and its Member States:**

- Promote the harmonization of arms trade controls within NATO to the highest possible standard. Actively encourage candidate countries and, once enlargement occurs, new members to undertake needed reforms to meet those standards. Take steps to facilitate their progress, including in the form of:
  - Practical assistance directed to improving legal controls and law enforcement capacity.
  - Efforts to improve information sharing, including with respect to intelligence information.

- Provide incentives, including financial assistance, for the responsible disposal (for example, through destruction) of surplus military equipment held by candidate countries and new members. Target heavy conventional weapons systems as well as small arms and light weapons. Make the transfer of newer military equipment to candidate countries and new members contingent on the recipient country’s responsible disposal of quantities of surplus weapons.

- Unambiguously identify responsible arms trading practices, including strict arms trade controls and the disposal of surplus weapons in conformity with human rights criteria, as a requirement for membership and the minimum standard expected of future NATO members.

**To All Arms Exporting States, including NATO Member States, Candidate Countries, New Members, and Partners:**

- Adopt strict arms export criteria on the observance of human rights and compliance with international humanitarian law. Incorporate those into national arms trade laws so as to make them binding. Work towards the development and strengthening of regional codes of conduct, which should be made binding, and the negotiation of a binding international instrument defining minimum criteria for arms transfers.
• Comply fully with the provisions of the OSCE Document on Small Arms and Light Weapons and any other applicable instruments defining minimum export criteria, such as E.U. Code of Conduct on Arms Exports, as well as the measures of restraint agreed in other fora, such as the Wassenaar Arrangement.
• Combat weapons diversion to unauthorized destinations by improving regulatory controls, with particular attention to controls on the ultimate destination (end user) of weapons shipments, as well as border, customs, and civil aviation controls.
• Carefully review arms export license applications, including with respect to the reliability of the prospective arms trading company.
• Regulate the activities of arms brokers and transport agents, and ensure that controls on their activities apply extraterritorially.
• Adopt and strictly apply controls on weapons transshipment.
• Dispose of surplus stocks in a responsible fashion.
• Improve legal accountability, including by enacting national laws that implement U.N. arms embargoes, by thoroughly investigating suspected embargo breaches and other arms trade violations, and by prosecuting violators.
• Combat corruption and conflicts of interest.
• Increase transparency and parliamentary oversight regarding the arms trade, including by preparing and making public a detailed annual report on arms transfers and providing advance notification to parliament of pending arms deals.
• Improve international cooperation with respect to arms trade issues, including by:
  o Providing legal assistance to support criminal investigations of international arms traffickers and their networks.
  o Working toward the development of a common and difficult-to-forge end-user certificate and better systems for verification of end-use.