Seventy-second session
Item 91 (b) of the provisional agenda*
Reduction of military budgets: objective information on military matters, including transparency of military expenditures

Group of Governmental Experts to Review the Operation and Further Development of the United Nations Report on Military Expenditures

Note by the Secretary-General

The Secretary-General has the honour to transmit herewith the report of the Group of Governmental Experts to Review the Operation and Further Development of the United Nations Report on Military Expenditures, established pursuant to General Assembly resolution 68/23.

* A/72/150.
Summary

The Group of Governmental Experts to Review the Operation and Further Development of the United Nations Report on Military Expenditures, mandated by the General Assembly in its resolution 68/23, has submitted the present report, which contains recommendations for improving the operation of the United Nations Report and ensuring its further development and continued relevance.

In its report the Group of Experts stresses the continued importance of the United Nations Report on Military Expenditures as an instrument for promoting transparency and building confidence on military matters among States, and includes a comprehensive review of the issues affecting its operation. In particular, the report identifies possible causes for the recent decline in reporting by Member States and emphasizes the need for strengthening efforts to promote the report and to encourage the annual submission of national reports by those States that do not have a history of reporting to the instrument. In this context, the Group of Experts has developed a questionnaire (annex I) aimed at enhancing the understanding of the reasons for the decline in reporting.

The Group of Experts considered that the existing forms for reporting military expenditures remain adequate and do not warrant alteration. In addition, the Group recommended the adoption of a new form that would allow each Member State to report its total annual military expenditures as a single, non-disaggregated figure.

The Group made recommendations for strengthening the work of the Office for Disarmament Affairs of the Secretariat in support of the operation and further development of the report, with special focus on activities to promote reporting by Member States and to further improve the functioning of the online reporting tool and database maintained by that Office.

The Group recommended that a determination on the future review of the United Nations Report on Military Expenditures be made by the General Assembly on the basis of the results of the questionnaire contained in annex I to the present report.
Foreword by the Secretary-General

In 1980, the General Assembly established a mechanism for promoting greater transparency in military spending, reasoning that it would decrease uncertainty regarding the military intentions of Member States and help to build trust and reduce the likelihood of conflict.

Efforts to enhance transparency in military expenditures are especially critical at the present time, since, after having plateaued for more than a decade, global military spending has begun to increase.

Since the inception of the United Nations Report on Military Expenditures, 124 Member States have reported at least once, although reporting by many Member States has not been consistent and the overall level of reporting has declined over the past decade.

The present report contains important recommendations for improving the operation of the United Nations Report on Military Expenditures, and for ensuring its relevance and further development. I thank Ambassador Ion Jinga, Permanent Representative of Romania to the United Nations, and all of the members of the Group of Governmental Experts who worked in the preparation of the report to the General Assembly.

I encourage Member States to translate the political support manifested in their unanimous support of the resolution on the United Nations Report on Military Expenditures into a commitment to submitting their national reports on an annual basis.
Letter of transmittal

[26 July 2017]

I have the honour to submit for your consideration the report of the Group of Governmental Experts on the Operation and Further Development of the United Nations Report on Military Expenditures.

The list of the members of the Group of Experts, whom you appointed pursuant to General Assembly resolution 68/23, is as follows:

**Angola**
Mr. Márcio Burity
Third Secretary
Permanent Mission of Angola to the United Nations
New York

**Argentina**
Ms. Mariela Fogante
Minister Extraordinary and Plenipotentiary
International Security
Nuclear and Space Affairs Department
Ministry of Foreign Affairs and Worship of Argentina

**China**
Mr. Ma Shengkun
Counsellor, Arms Control Department
Ministry of Foreign Affairs

**El Salvador**
Colonel Federico Ezequiel Reyes Girón Canales
Chief, Financial Unit, Ministry of Defence

**France**
Mr. Jean-Michel Oudot
Ministry of Defence
*(1st and 2nd sessions)*
Mr. François Devoucoux du Buysson
*(3rd session)*

**Islamic Republic of Iran**
Mr. Khodad Seifi Pragou
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Mr. Kentaro Minami
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Lithuania
Ms. Inga Anuškevičiūtė
Director of the Department of Finance and Budget
Ministry of National Defence

Pakistan
Mr. Khalil Ur Rahman Hashmi
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(1st and 2nd sessions)
Mr. Usman Iqbal Jadoo
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Romania
Ambassador Ion Jinga
Permanent Representative of Romania to the United Nations
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Russian Federation
Mr. Vadim V. Sergeev
Second Secretary
Permanent Mission of the Russian Federation to the United Nations
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Spain
Mr. Fernando Juste Borredá
Expert, Office for Non-Proliferation and Disarmament
Ministry of Foreign Cooperation

Tunisia
Brigadier General Boujah
(2nd session)
Mr. Sami Mhamdi
Chef du Cabinet
Ministry of Defence
(3rd session)

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Ms. Debora Fisher
Senior Adviser
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Department of State
(1st and 3rd sessions)

Mr. William B. Malzahn  
Senior Coordinator for the Arms Trade Treaty  
Office of Conventional Arms Threat Reduction  
Bureau of International Security and Non-proliferation  
Department of State  
(2nd session)

Sharing information on military expenditures is an important confidence-building measure that fosters transparency and helps generate trust among States. For almost four decades now, the United Nations Report on Military Expenditures (formerly, the United Nations Standardized Instrument for Reporting Military Expenditures) has been the vehicle through which Member States transmit their national reports on military expenditures to the United Nations, which in turn makes them available to all Member States and to the public.

The Group of Governmental Experts, which I had the honour to chair, was tasked by the General Assembly to review the operation and further development of the United Nations Report on Military Expenditures.

The Group held three one-week sessions of work in Geneva and New York, during which it engaged in a comprehensive review of the operation of the report. The review built on the work of the previous Group of Governmental Experts, in 2011, but also addressed new areas and issues that the members of the Group considered to be pertinent to the sustained operation of the report and to ensuring its continued relevance and development.

The Group of Experts devoted special attention to the declining trend in reporting by Member States and sought to identify its possible causes. In this connection, the Group developed a questionnaire (annex I), which is aimed at engendering more clarity and enhancing understanding of the reasons why the number of reports submitted annually has decreased. The report of the Group recommends the circulation of the questionnaire among the States Members of the United Nations.

In addition, the Group recommends a set of measures for promoting the report and encouraging broader participation in its publication by Member States, facilitating reporting through improvements to the electronic reporting tool and database maintained by the Office for Disarmament Affairs of the Secretariat, enhancing the effectiveness of national points of contact, strengthening the support provided by the Office to ensure the effective operation of the report and capacity-building for requesting Member States.

I would like to thank the members of the Group of Experts for their constructive approach and for their contributions to the deliberations, which enabled the Group to fully discharge the task entrusted to it and to produce a substantive outcome for the consideration of the General Assembly.

On behalf of the members of the Group of Experts, I would also like to thank the Office for Disarmament Affairs of the Secretariat, not least Mr. António Évora, who served as Secretary of the Group, for the competent support and advice provided, and Mr. Pieter Wezeman for his indefatigable work and valuable contributions as technical consultant to the Group.

Allow me also to thank you, Mr. Secretary-General, for entrusting us with this important task, the results of which we hope will contribute to strengthening the United Nations role in promoting transparency and confidence-building among States on military matters.
I have been requested by the Group of Governmental Experts, as its Chair, to submit to you, on its behalf, the present report, which was approved by consensus.

(Signed) Ion Jinga
Permanent Representative of Romania to the United Nations
Chair, Group of Governmental Experts on the Operation and Further Development of the United Nations Report on Military Expenditures
I. Introduction

1. Pursuant to General Assembly resolution 68/23, the Secretary-General, on the basis of equitable geographical representation, established the Group of Governmental Experts to undertake a review of the operation and further development of the United Nations Report on Military Expenditures (until 2013 known as the Standardized Instrument for Reporting on Military Expenditures), taking into account the views expressed by Member States and the annual reports of the Secretary-General on the subject. In that resolution, the Assembly also took note of the need to improve the operation of and broaden participation in the compilation of the report in the light of changes since its introduction in 1980.


2. The Standardized Instrument for Reporting Military Expenditures, established in 1980, commenced operation in 1981, in accordance with General Assembly resolution 35/142 B, entitled “Reduction of military budgets”. In that resolution, the Assembly expressed its conviction that the systematic reporting of military expenditures was an important first step in the move towards agreed and balanced reductions in military expenditures and emphasized the value of the instrument as a means of increasing confidence between Member States. It also recommended that all Member States report annually on a voluntary basis to the Secretary-General their military expenditures of the latest fiscal year for which data were available.

3. The United Nations Report on Military Expenditures has evolved as described in detail in the report of the previous Group of Governmental Experts of 2011. In 1992 the General Assembly adopted resolution 47/54 B, the main objectives of which included the enhancement of transparency on military matters, increasing the predictability of military activities, reducing the risk of military conflict and raising public awareness of disarmament matters. In this framework, the focus of the report became transparency and confidence-building measures.

4. Since reporting began, in 1981, the General Assembly has made efforts to broaden participation through the adoption of a resolution entitled “Objective information on military matters, including transparency of military expenditures”. A recurrent feature of the resolutions has been the request for Member States to communicate to the Secretary-General the measures they have adopted to improve the flow of objective information on military spending and capabilities. In 1998, the Secretary-General, in his report to the General Assembly, recommended that Member States be encouraged to provide their views regarding obstacles to their participation and be provided with incentives to participate in the reporting system. Moreover, the Secretary-General recommended measures for enhancing the complementarity and cooperation among different international and regional instruments. In 2002, a simplified reporting form was introduced, with a view to enhancing the participation of Member States in reporting military spending.

5. The report of the Group of Governmental Experts reviewing the United Nations Report on Military Expenditures in 2011 included recommendations for: (a) improving the reporting forms; (b) introducing national points of contact for the report; (c) promoting the report in cooperation with regional organizations;

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2 The resolution is adopted by the General Assembly on a biennial basis: the most recent resolution is Assembly resolution 70/21.
3 A/53/218, paras. 43-47.
4 Ibid., paras. 49-51.
(d) overhauling the report’s electronic database; and (e) initiating a process of periodic reviews of the report.\(^5\)


A. General

6. The Group reviewed the data and information submitted by Governments under the United Nations Report on Military Expenditures, as well as views and suggestions by Member States, as reflected in the reports of the Secretary-General on ways and means to improve the operation of the United Nations Report on Military Expenditures and how to broaden participation. The Group benefited from information provided to it by the Office for Disarmament Affairs of the Secretariat, which included statistical data relating to the report and utilization of the reporting forms, an overview of the implementation of the recommendations of the previous Group of Experts, the activities of the Office for Disarmament Affairs to promote the United Nations Report on Military Expenditures and participation in its preparation and the preparation of related instruments. Representatives of the Organization for Security and Cooperation in Europe, the Stockholm International Peace Research Institute and the Union of South American Nations gave briefings on their efforts to collect, process and store financial statistical data in relation to military spending. The Group was also briefed by a staff member of the Office for Disarmament Affairs on information received from the International Monetary Fund on its collection of military expenditure data from Member States.

B. Importance of the United Nations Report on Military Expenditures

7. The Group of Experts discussed the continuing importance of the United Nations Report on Military Expenditures and, in this regard, noted that the resolution entitled “Objective information on military matters, including transparency of military expenditures” has consistently been adopted by consensus.

8. The relevance of the United Nations Report was considered in the light of increasing confidence between Member States, including in relation to the standard set out in Article 26 of the Charter of the United Nations.

9. The Group acknowledged that transparency in military matters, as an important element in building a climate of trust and confidence between Member States worldwide, has become the main focus of the United Nations Report. While reaffirming that reporting is without prejudice to the individual or collective self-defence, as set out in Article 51 of the Charter, the Group acknowledged that increased transparency of objective information on military matters, submitted on a voluntary basis, can help to increase confidence among Member States and relieve international tensions, thereby contributing to conflict prevention.

10. There was agreement that the voluntary nature and the relevance of the United Nations Report should be maintained. Its relevance is further underlined in the light of the many ongoing violent conflicts and the recent increase in military spending in the world. Regarding the latter, the United Nations Report contributes to highlighting the evolution in military expenditures and encourages the exchange of

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views and clarifications between Member States on the security concerns and other motives for their sovereign decisions regarding military expenditure.

11. There was agreement that transparency, and the United Nations Report for that matter, do not stand alone, and should be considered and used in synergy with other global and regional confidence-building measures. The Group observed that the utility of the United Nations Report is highest in more stable regions, with low levels of tension and conflict, where confidence has already been established and where there are mechanisms and organizations that can take ownership of and build on global and regional confidence-building tools. The Group considered the question of how the United Nations Report can contribute to confidence-building in situations where there are steep increases in military spending, in particular if these are uneven, among Member States.

12. The relevance of the United Nations Report on Military Expenditures was also considered in the light of its potential to assist Member States from different regions and subregions in effectively addressing their security concerns, as well as in the context of its interrelationship with other efforts undertaken by the United Nations in the field of arms control and disarmament. While discussing the United Nations Report, experts noted the interrelationship between military expenditures and other aspects of State policy in areas such as economics, security, finance and foreign affairs.

13. As regards the intended users of the United Nations Report, the Group considered that the data collected and presented therein are primarily aimed at informing decision-makers and policymakers. It was thus argued that its relevance is enhanced when its merits are well understood by the political leadership of Member States. Currently such ownership at the political level remains highly varied among regions and countries. It was noted that the United Nations Report and its related database are public and that this enhances its utility within the framework of raising awareness and informing civil society.

14. When discussing the usefulness of the United Nations Report, the Group called for efforts to ensure that data provided by Member States is accurately reflected therein and for efforts to facilitate the comparability of the data.

15. Given the engagement of military forces in a variety of activities, for example, disaster relief and support for the police, in a number of countries, the Group discussed the suitability of the current definition of “military expenditures”. The Group considered that a broad and flexible definition was likely to promote broader participation by Member States. It was noted that the United Nations Report was a voluntary reporting instrument, without related verification instruments. Differences in reporting due to the difficulties of adapting data from national accounts to the format of the United Nations report create challenges for the comparability of the data.

C. Participation at the global and regional levels and the goal of universality

16. The Group examined the rate of submissions for the entire period of operation of the military expenditures reporting system and discussed the possible reasons for the declining trend in participation. In accordance with the respective General Assembly resolutions, Member States are invited annually to submit national reports. The reporting rate has varied since the inception of the original reporting instrument. Since 1980, 124 Member States have responded with data for at least one year.
17. The Group noted that, on average, in the period 2012-2016, 54 Member States submitted information for the United Nations Report. It observed with concern, however, that participation in the report has decreased significantly since 2012 and that its analysis therefore differs significantly from that of the previous Group, which reviewed the instrument when participation was at its peak. It was acknowledged that the annual booklet issued by the Office for Disarmament Affairs on participation in the instrument is an important tool for monitoring participation levels and that should be continued.

18. The Group noted that during the period 2012-2016, since the report of the last Group of Governmental Experts was published, regional participation was as follows: 6 Member States from African States, 19 from Asia-Pacific States, 22 from Eastern European States, 13 from Latin America and the Caribbean States, and 19 from the Western European and Others States. The Group recommended that specific efforts be made to promote the United Nations Report on Military Expenditures in regions with low participation.

19. It was observed that many of the countries that are known to have the highest levels of military expenditure globally always, or frequently, submit information to the United Nations Report. Such participation strengthens the utility of the United Nations Report.

20. Most submissions arrive at the Office for Disarmament Affairs before the annual deadline of 30 April. The Group noted that, although some Member States have reported regularly to the instrument, many Member States report in some years and not in others. For example in the six-year period from 2011 to 2016, 25 Member States reported 6 times, 14 reported 5 times, 14 reported 4 times, 12 reported 3 times, 10 reported 2 times and 19 reported only once.

21. The Group noted that, for a majority of Member States, information on military expenditures is available from open sources, and that many Member States that do not submit information to the United Nations Report do publish data on military expenditures through other channels. The Group encouraged those Member States to consider the possibility of submitting such publicly available data to the United Nations Report and also discussed whether the low rate of response may have led Member States to resort to other sources of information for analysing regional or global trends and patterns in military expenditure. In this context, it was also argued that the increasing availability and accessibility of military expenditure information in the public domain could have an effect on the perceived relevance of the United Nations Report.

22. The Group concluded there is no firmly established causal relation between regional workshops and participation in the compilation of the United Nations Report. In the years from 2001 to 2010, several such workshops were conducted and, during that period, overall reporting levels increased. However, data show no direct relationship between conducting a workshop in a region and changed reporting levels in that region. However, it was noted that the lack of workshops in the period after 2010 was accompanied by a decrease in overall participation.

23. The Group agreed that the actual causes for the decreased number of submissions for the United Nations Report, and in particular how these may differ between countries and regions, have not been established on the basis of a thorough empirical study. Therefore it suggested that a survey among Member States be conducted, with a special focus on non-reporting Member States, to establish with greater accuracy the causes of the decline in participation. Based on their own experiences, experts exchanged views on the causes for the decreasing rate of participation. Such possible causes may include: reporting fatigue and different priorities towards other reporting obligations; challenges related to differences
between national accounting systems and the format of the United Nations Report and to technical aspects of its database; lack of confidence in the information in national reports owing to concerns about comparability, accountability and credibility; lack of perceived benefit or added value; and perceptions of the relevance of reporting when official military expenditure information is already available in the public domain. In addition, the evolving United Nations agenda may have had an effect on maintaining the political momentum of work on traditional instruments, such as the United Nations Report on Military Expenditures. It was also observed that although the instrument has been recognized as an established transparency measure, the sensitivity of the information is still a factor to be taken into account when assessing the causes of the declining participation. The Office for Disarmament Affairs has carried out outreach activities in order to increase participation. However, it faces challenges in maintaining an adequate and updated network of national points of contact.

D. Regional and subregional efforts

24. The Group noted the important role some regional and subregional organizations have played in the exchange of information on military expenditures through improved accounting for subregional realities and security concerns when exchanging information on military expenditures. The Group also noted, with interest, information on the existing regional and subregional agreements promoting transparency in military matters of the Organization for Security and Co-operation in Europe (OSCE) and the Union of South American Nations. The Group further noted that OSCE utilizes the formats of the United Nations Report at the regional level.

25. The Group recognized that reporting to both the United Nations and regional instruments is mutually reinforcing. Although approaches vary and different stages have been reached at the regional and subregional levels, it was recognized that regional and subregional organizations, where appropriate, have much to contribute in the way of promoting the objectives of the United Nations Report and encouraging further participation of Member States in its compilation.

E. The use of reporting forms

26. The Group analysed the use by Member States of the existing reporting forms. The Group took note that the electronic submission of reports by Member States significantly reduces the burden on the Secretariat. In past years, over 80 per cent of the submissions were electronic. In the case of Member States that do not enter data directly into the database, reports are scanned and posted to the website by the Office for Disarmament Affairs.

F. Access to data and information reported

27. The Group assessed the online database of the country reports on military expenditures, which the Office for Disarmament Affairs maintains. The database allows for the organization of data by year of submission, State or fiscal year. The Group noted the clarification from the Office for Disarmament Affairs that when Member States do not electronically report because of technical issues the process of data inputting is time-consuming, affecting the quality of the presentation and timely accessibility to the data. The Group welcomed the online reporting tool and electronic database developed by the Office and noted that some challenges remained to ensure their maintenance and continuous development, in order to
ensure their proper functioning and the timely and accurate dissemination of reports submitted by Member States. The Group invited Member States in a position to do so to consider providing voluntary contributions to the Office for Disarmament Affairs to ensure the maintenance and upgrading of those electronic tools. Upgrades to the electronic reporting tool and database could include features allowing for the easy copying and merging of data into the database and to make it easier for Member States to make corrections and revisions to data already submitted.

28. The Group noted that all the reports of the Secretary-General since 1981 are available in United Nations Depository Libraries while reports from 2000 onwards are available at the website of the Office for Disarmament Affairs in PDF format.

G. Activities of the United Nations Secretariat

29. The Group welcomed the consistent efforts of the Secretariat in promoting and supporting the operation of the United Nations Report in accordance with relevant General Assembly resolutions. This includes encouraging Member States to participate in the Instrument, drafting publications and developing procedural guidelines for compiling national reports, collecting yearly national data, compiling the Secretary-General’s annual reports, and maintaining and updating the database of military expenditures.

30. The Group also recognized the role of the Secretariat in increasing awareness of and familiarity with the report among Member States. The group recalled that between 2002 and 2010, with the financial support and cooperation of interested Member States, the Office for Disarmament Affairs organized regional workshops to promote the Report in Ghana, Namibia, Indonesia, Kenya, Thailand, Senegal and Peru. The workshops were an opportunity to underline the role of the Report as a global confidence-building measure and to promote wider participation of Member States. Whereas the Office for Disarmament Affairs was not able to conduct such workshops from 2011 due to budgetary restraints, the Group spoke in favour of resuming these activities and invited Member States in a position to do so to provide voluntary contributions to that end.


A. Increasing the importance and strengthening and broadening participation

31. The Group agreed on the need to increase efforts to broaden participation in the United Nations Report, in particular by raising awareness. The experts mentioned the potential role that high-level United Nations officials, including the Secretary-General, could play in promoting the Report by mentioning and highlighting it in official communications, including speeches, interviews and meetings with high-level officials from Member States. The Group discussed how improving the content of the United Nations Report could increase its importance, which in turn could encourage participation.

32. The Group noted that the provision of adequate resources for the operation of United Nations activities in the field of transparency in military matters, including the United Nations Report on Military Expenditures and the United Nations Register of Conventional Arms, would be an unambiguous signal to Member States
of the continuing relevance of these two pillars of United Nations efforts in the area of confidence-building measures.

33. The Group suggested that the Secretariat update, as appropriate, the informational booklet on the United Nations Report for dissemination among Member States and, in addition, develop an online training module. It was further suggested that the Office for Disarmament Affairs could organize technical workshops to train national points of contact and relevant national officials and address their questions. Implementation of such activities would depend on the availability of resources, including voluntary contributions.

34. The Group considered the value of periodic reviews of the United Nations Report in order to ensure its continued relevance and operation.

B. Promotion of the United Nations Report on Military Expenditures at the subregional, regional and national levels

35. The Group discussed the need for raising greater awareness among decision-makers and experts in order to promote the participation of Member States in the United Nations Report. The Group also discussed ways to encourage national points of contact to be actively involved in the promotion of the United Nations Report at the national level and in the regional context.

36. The Group discussed the need for increased cooperation between the Office for Disarmament Affairs and other relevant international, regional and subregional organizations as a good way of promoting the use of the United Nations Report.

C. Reporting method

37. The Group noted the practice by some Member States of complementing military expenditures with explanations of the submitted data, including notes on the coverage of the data, as well as providing additional information on military budgets for the following years and on defence planning. The Group suggested that Member States be encouraged to voluntarily provide explanations, where appropriate, of the submitted data.

38. The Group considered the existing standardized form and its simplified version. The Experts agreed to preserve the basic structure of the United Nations Report, arguing that a significant number of Member States might have developed procedures and practices in using the current matrix format over the years and that radical changes could be counter-productive to enhancing participation in the United Nations Report.

39. The Group discussed options for moving the annual deadline for reporting from 30 April to a later date. The Group stressed that while Member States should be encouraged to submit their reports before the deadline, any submission should be welcomed even if it is late.

National Points of Contact

40. The Group noted the utility of the current practice to request Member States to submit information on National Points of Contact as part of their reports. However, updated information on National Points of Contact is only available for those Member States that report on a regular basis, resulting in a low number of registered National Points of Contact. In this context, it was suggested that, in order to facilitate communication and encourage reporting, the Office for Disarmament
Affairs should proactively seek information on National Points of Contact from Member States, including approaching known national points of contact for other United Nations transparency instruments, and by sending requests for such information to Member States. It was also suggested that Member States could provide information on national points of contact at any time, and not only through national reports.

41. The Group discussed the possibility that Permanent Missions might appoint liaison persons in New York to provide information as an additional measure to facilitate communication with the Office for Disarmament Affairs. It was noted that Member States could have multiple points of contact, for example at the Permanent Missions to the United Nations in New York and at their capitals. This could help avoid situations in which the request for submissions to the United Nations Report failed to reach those who have access to the relevant data. In addition, for certain Member States, the New York-based person responsible for arms control issues is the national point of contact, by default, and a separate national point of contact has no added value.

D. Modifications to the reporting forms

42. The Group discussed proposals aimed at making the United Nations Report more recognizable and easier to use. It was suggested that possibilities be identified to simplify the report, in particular by cutting elements that Member States never use. To facilitate this work submissions from the 2012-2016 period were reviewed to identify which types of information on resource costs (rows in the standardized format) were seldom or never used. It was established that the columns on “strategic forces” (although related data has been submitted in the row “nuclear warheads and bombs”) and “other military forces” had never been used from 2011 to 2015.

43. It was suggested that default zeroes be removed in the standardized report database entry page to avoid misinterpretation and that they be replaced with empty cells or another indication of “non-applicable”, ensuring that zero is an option to indicate that spending is actually zero in a specific year.

Force groups (column headings)

44. The Group considered proposals aimed at adapting the reporting matrix to the current practices in the use and operation of military forces. The experts exchanged views on the different perspectives on the relevance of the column on strategic forces and the increasing resources allocated to cyberwarfare and autonomous weapons.

Resource costs (row headings)

45. The Group discussed the relevance of reporting spending for military pensions as a part of a State’s military expenditures. It was considered that military pensions are the result of past military activity and may account for a significant share of a State’s military expenditures. Their inclusion in the national reports would be needed to indicate that part of total military expenditures that has no relation to current military activities.

46. The Group also discussed proposals to introduce new elements into the United Nations Report, allowing Member States to provide, on a voluntary basis, information about the physical elements for which the resource costs were used. In particular, it was suggested that the option of providing personnel numbers for each of the columns under the rows that deal with personnel (1.1, 1.2, 1.3 and 1.4) be included. The rationale for this was to increase participation by providing countries
with an alternative to reporting on military expenditure if such reporting might be
too difficult due to inadequate financial accountancy systems. In addition, in cases
where resource costs and personnel numbers would be reported, the utility of the
United Nations report would increase in line with the General Assembly resolution
on objective information on military matters. On the other hand, it was argued that
the proposal could shift the objective of the United Nations Report, increase the
burden of reporting on Member States and possibly deter some Member States from
reporting at all. In addition, while in some countries this type of reporting would be
feasible, in regions where tensions and conflicts are rife it would be unlikely that
Member States could submit such information. It was suggested that Member States
could be encouraged, on a voluntary basis, to include information on personnel or
other physical military resources in the explanatory remarks in their reports.

**Simplified reporting form**

47. Some experts discussed the possibility of adding to the simplified reporting
form columns on personnel numbers and spending on strategic forces.

**The “other” format**

48. The Group discussed the importance of the “other” format, given that, for
some countries, national accountancy systems differ so much from the formats in
the United Nations Report that reporting in these formats is not feasible.

**Nil reporting**

49. The Group discussed the issue of the value of the nil reports and agreed on its
relevance. It was suggested that the text reading “that it possesses neither armed nor
military forces” be replaced with the words “that it does not possess military
forces”.

**Single figure for military spending**

50. The Group discussed the merits of introducing the possibility for Member
States to report only total military spending: the simplified format could be adapted
for this purpose; a new reporting form could be created; or the nil report form could
be transformed into a format where the total military spending is reported, including
the option to enter zero.

**Additional information**

51. The Group discussed the possibility of requesting Member States to include
any or all of the following: military spending as a share of gross domestic product
(GDP); military spending as a share of total Government spending; military
spending per capita; and military spending per serving military personnel. It was
suggested that some or all of this data could be provided using a new standard front
page for all the formats on which the date could be entered, on a voluntary basis.
However, at the same time, the Group considered the risk of complicating the
reporting by requesting Member States to provide additional data, such as that
mentioned above. This could dilute the purpose of the United Nations Report and,
moreover, discourage reporting. The Group considered as an alternative that
Member States could be encouraged to submit such data as part of the explanatory
comments.
E. Providing assistance to Member States to report military expenditures

52. The Group recognized that the Office for Disarmament Affairs has provided technical assistance to Member States, upon request, for compiling national reports on military expenditures.

53. The Group noted the importance of capacity-building for Member States in relation to reporting to the United Nations Report. In this regard, the experts recognized the usefulness of offering assistance to Member States, upon request, in order to remove technical impediments for countries lacking the capacity to report data. Such assistance and capacity-building could take many forms, such as training of the key personnel, online training packages and on-site support.

F. Enhancement of the database on military expenditure

54. The Group recognized the importance of preserving transparency of military expenditures as an effective confidence-building measure. This requires that the data provided by Member States are readily available and easily accessible to Member States and the public.

55. The Group also expressed the view that improvement of the database needs to be continued and that it needs to be made more user-friendly in order to facilitate timely and accurate data entry and to increase the accessibility and utility of the reported data.

56. The Group supported the idea that the database could provide Member States with the possibility of including electronic links to their publicly available information on military expenditure, such as relevant Government budget documents. This would contribute to further transparency, and would make the database more useful and easier to use.

V. Conclusions and recommendations

A. Conclusions

57. The Group concluded that maintaining and promoting transparency in military matters through the reporting of military expenditures by Member States has been the prevailing objective of the United Nations Report since the 1990s. Transparency in military matters is an essential element for building a climate of trust and confidence among Member States, which helps to relieve international tension and thereby contributes to conflict prevention. The Group underscored the importance of preserving the voluntary nature of reporting on military expenditures by Member States as an important element in encouraging their continued and broad participation.

58. The Group noted with concern the continued decrease in reporting over the last five years and stressed the urgency of halting and reversing this process, in order to advance towards the goal of universal participation for enhancing the effectiveness of the United Nations Report as a global confidence-building measure. The Group therefore stressed the need to achieve broader participation in the United Nations Report and to encourage Member States to submit data.

59. The Group noted the important role that regional and subregional organizations could play in broadening participation in the United Nations Report.
The Group called upon these organizations to encourage their members to submit information to the United Nations Report.

60. The Group concluded that the different reporting forms should be treated as being equally valid.

61. Noting in particular that some Member States which neither possess military forces nor have military expenditures had reported to the United Nations Report only once, or not consistently, the Group reaffirmed the importance of broadening participation in the instrument and encouraged those Member States to submit a “nil” report on an annual basis.

62. The Group agreed that a common definition of “military expenditures” for the purpose of the United Nations Report allows Member States to clearly specify the nature of these expenditures and provides for greater comparability of data submitted by Member States. The Group also believed that providing explanations and additional information, where appropriate, raises the value of such data.

63. The Group also recognized the role of points of contact in communication between Member States and the Office for Disarmament Affairs as well as the importance of providing details for points of contact, preferably at the same time as reports are submitted.

64. The Group recognized the importance of providing, upon request, technical assistance to Member States lacking the capacity to report data. Such capacity-building could take many forms, such as training of the key personnel, online training packages and on-site support. The Group invites Member States in a position to do so to support such activities voluntarily, including at the regional and bilateral levels.

65. The Group noted the central role of the Office for Disarmament Affairs in supporting the continued operation of the Report to enhance participation and achieve universality.

B. Recommendations

66. After extensive and in-depth discussions on the review and further development of the United Nations Report on Military Expenditures and the improvement of its operation, the Group of Experts arrived at the following recommendations.

67. For the purpose of reporting national military expenditures, the Group of Experts recommends the continued reference to the following common understanding of such expenditures: “Military expenditures refer to all financial resources that a State spends on the uses and functions of its military forces. Information on military expenditures represents an actual outlay in current prices and domestic currency”.

68. The composite elements of the United Nations Report remain valid and should be maintained. The Group of Experts recommends a new form for submitting only total military expenditures, called the “Single figure” form (the outline for the form is contained in annex II to the present report).

69. The Group of Experts also recommends that:

(a) Member States participate in reporting to the United Nations Report of Military Expenditures on an annual basis, with a view to broadening participation in that instrument, which could contribute towards enhancing transparency in military matters and to increasing confidence among Member States;
(b) Member States that possess no military forces be reminded of the importance of participating in the United Nations Report and contributing to the confidence-building by submitting a “nil” report annually;

(c) Member States be reminded to report by the annual 30 April deadline in order to ensure the timely dissemination of data and information submitted to the United Nations Report: in that connection, Member States should use, as appropriate, either the standardized reporting form, its simplified version, their own reporting format, the “single figure” form or the “nil” report form;

(d) Member States be encouraged to supplement their reports with explanatory remarks, as appropriate, regarding submitted data to explain or clarify the figures provided in the reporting forms, such as the total military expenditures as a share of GDP, military expenditure per capita and per soldier, major changes from previous reports and special circumstances, and any additional information reflecting their defence policy, military strategies and doctrines: in addition, Member States be invited to include, as appropriate, data on personnel and equipment numbers in the explanatory remarks;

(e) Member States be invited to provide information on their national point of contact for matters connected with the United Nations Report, preferably with the annual submission, on the understanding that this information will be held and updated by the Office for Disarmament Affairs and provided to Governments only;

(f) Member States, in particular non-reporting States, be encouraged to participate in the survey contained in annex I to the present report in order to contribute to determining with greater accuracy the causes of the decline in participation;

(g) Apart from providing support and assistance to the Office for Disarmament Affairs in carrying out the recommendations addressed to it, Member States may also consider providing, upon request, direct support to other Member States with respect to their activities related to the United Nations Report.

70. The Group of Experts recommends that the Office for Disarmament Affairs of the Secretariat undertake the following activities:

(a) Approach national points of contact to encourage them to submit national reports. In addition to the requests made in the note verbale sent to Member States annually inviting them to submit reports, the Office should send separate requests for submission of information on national points of contact;

(b) Continue to enhance awareness of the United Nations Report and to stress the importance of participation in it on an annual basis: in this regard, the regional centres of the Office should be utilized to the greatest possible extent and further engaged in promoting the participation of Member States in the reporting of military expenditures to the Secretary-General;

(c) Upgrade its electronic database to address existing challenges and ensure its continuous development and proper functioning, as well as the timely and accurate dissemination of reports submitted by Member States: until the database is upgraded, Member States that do not directly enter their data into the database should have their submissions scanned and posted on the UNODA website;

(d) Send a note verbale, with the reporting forms and the explanatory notes, to Member States by the beginning of each year as well as follow-up reminders, including electronic reminders, to national points of contact and the Permanent Missions of Member States to the United Nations in New York, where appropriate;
(e) Provided that adequate financial resources are available, and with support of interested Member States, the Office should aim to re-establish the practice of organizing regional workshops and seminars, update the existing informational booklet on the United Nations Report and develop an online training programme, including instructions and guidelines on how to prepare submissions, which should be disseminated among Member States and also posted on the Office’s website;

(f) Provide the General Assembly with the annual consolidated report of the Secretary-General containing data and information on military expenditures submitted by Member States.

71. The financial consequences of some of the recommendations of the Group of Experts to enhance the operation of the United Nations Report on Military Expenditures were noted. It was acknowledged that implementation of these proposals would be contingent upon the availability of funds within the existing resources of the Office for Disarmament Affairs or voluntary contributions.

72. With regard to the issue of establishing a periodic review, the Group of Experts recommends that, in order to ensure the continued relevance and operation of the United Nations Report on Military Expenditures, a review process should be considered. Taking into account the results of the survey, the General Assembly should decide on the timing of the next review and the value of establishing a process.
Annex I

Questionnaire on participation in the United Nations report on military expenditures

As described in the report of the Group of Governmental Experts, to which this questionnaire is annexed, since its inception in 1980, States Members of the United Nations have annually reported their military spending for the United Nations Report on Military Expenditures. However, since 2012, the number of States that report has declined to 24 per cent.


To gain a better understanding of the declining trend of participation, and the low reporting rate, the Group of Governmental Experts has initiated the circulation of the following survey among Member States in order to:

(a) Identify the priorities of Member States in relation to the transparency in military expenditures;
(b) Identify causes for non-reporting;
(c) Identify ways to promote reporting to the United Nations Report on Military Expenditures, including raising awareness;
(d) Identify ways and means of improving the operation of the report.

The Office for Disarmament Affairs of the Secretariat will compile the answers in a report, which is intended to provide empirical input into the continuing assessment of the functioning of the United Nations Report on Military Expenditures. That report will be annexed to the report of the Secretary-General to the seventy-third session of the General Assembly for its consideration.

Information acquired from the questionnaire will respect the confidentiality of all the data and will be used only for research purposes by the Office for Disarmament Affairs. In addition, there are no right or wrong answers in this questionnaire.

Participation in the questionnaire is of the utmost importance for the development of a reliable report on the operation and further development of the United Nations Report on Military Expenditures. Thank you for your collaboration.

Questions

2. Does your country report military expenditures to regional or subregional organizations? Yes/No
3. How would you assess the level of political attention and dedicated support in your country to report military expenditures?
   
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<td>Highly insufficient</td>
<td>Low</td>
<td>Somewhat sufficient</td>
<td>Sufficient</td>
<td>High</td>
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4. What are the preferred sources your country uses to monitor international developments in military expenditures?

5. If your country does not report, what are the reason(s) for that? Several answers are possible.
   • Because of the voluntary nature of the report.
   • Reporting fatigue.
   • Challenges to determine who would prepare the submissions among the relevant government institutions in your country.
   • Challenges to adapt national accountancy systems to the United Nations reporting template.
   • Lack of perceived benefits of reporting.
   • Security concerns related to publishing military expenditure data.
   • Technical reasons.
   • Others (please specify): _________

6. What are the proposals of your country on ways and means to improve the operation of the report?
Annex II

“Single figure” report on total military expenditures

The Government of ________, with reference to General Assembly resolution _____, hereby informs the United Nations that its total military expenditures in the fiscal year ____ were ________.

National currency and unit of measure: _________

National point of contact (for governmental use only):

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