# 15th Regional Meeting of Small Arms and Light Weapons Commissions

CONFLICT ARMAMENT RESEARCH
07 JULY 2022

10 ANNIVERSARY 2011-2021 CONFLICT ARMAMENT RESEARCH

# CONFLICT ARMAMENT RESEARCH

- Monitor
- Identify
- Document
- Trace
- Secure

itrace European Union Funded

german cooperation DEUTSCHE ZUSAMMENARBEIT

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# Objectives

- Arms Diversion—the Challenge
- Countering Diversion: Experiences
- Measures & Approaches

# Arms Diversion: The Challenge

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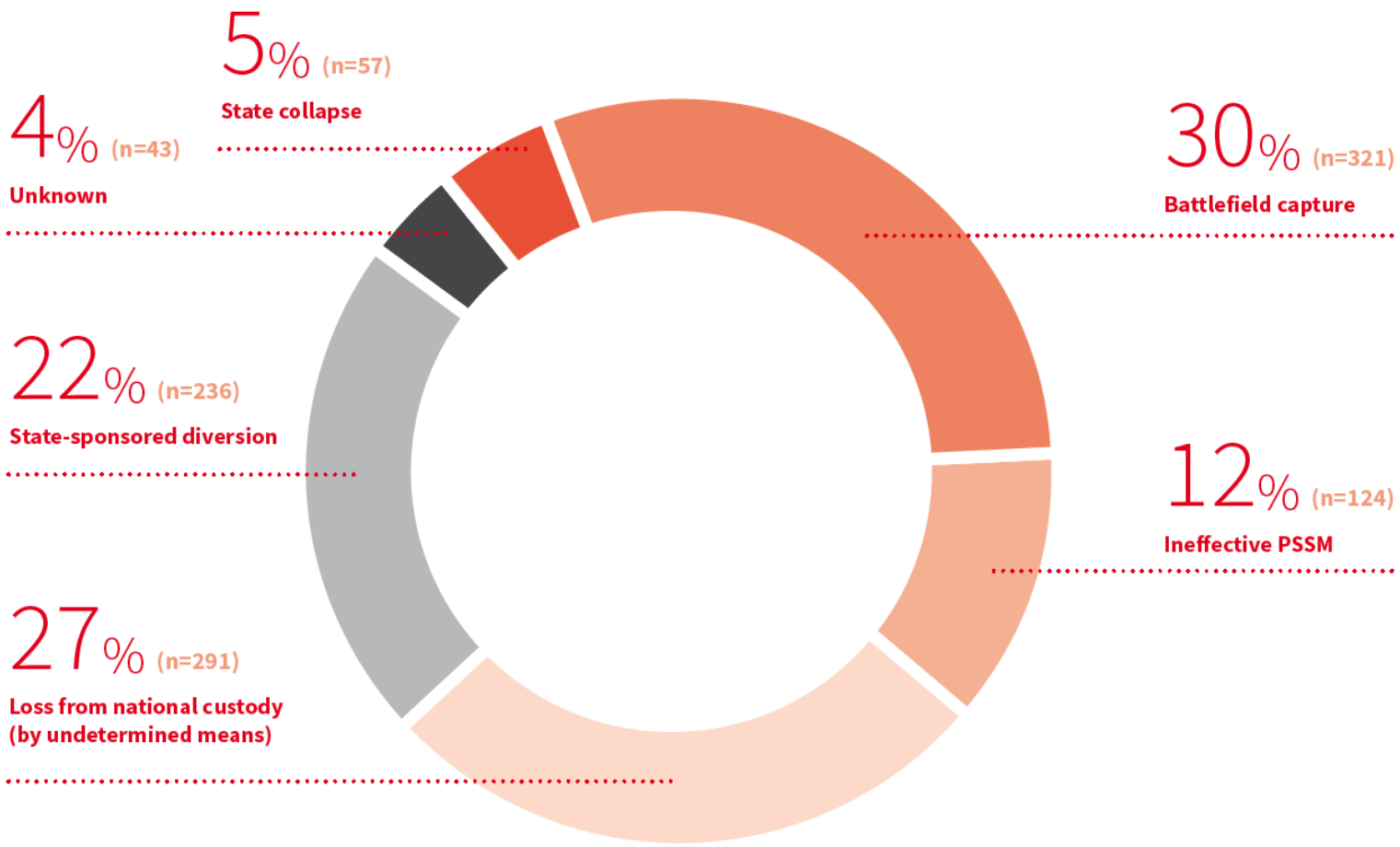
# Typology of diversion

**Diversion typology: incident points throughout supply chain security stages**

| *Incident points* | *Stage 1 Manufacture* | *Stage 2 Before the transfer* | *Stage 3 During the transfer* | *Stage 4 Post-delivery storage (physical security and stockpile management)* | *Stage 5 End use/disposal* |
|---|---|---|---|---|---|
| Diversion from manufacture | X | | | | |
| State-sponsored unauthorized retransfer | | | X | X | |
| En route | | | X | | |
| Capture | X | X | X | X | X |
| Breakdown of active forces | | | | X | X |
| Fraudulent actions | X | X | X | X | X |
| State collapse | X | X | X | X | X |
| Ineffective physical security and stockpile management | | | | X | X |
| Leakage from private actors | | X | X | X | X |
| Non-regularization | | | | X | X |
| Cross-border trafficking | | | | X | X |
| Unclear | X | X | X | X | X |

*Source: Diversion Typology, GGE/PACAS/2020/3*

# Diversion: Field Evidence



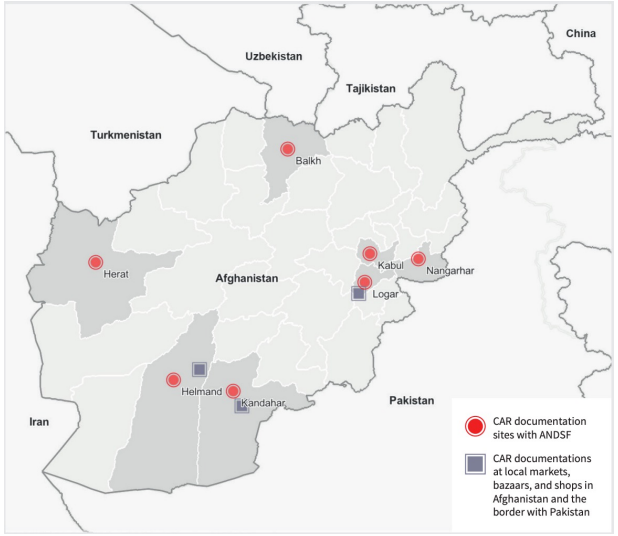

*Source: Conflict Armament Research, 2018, Diversion Digest 1*

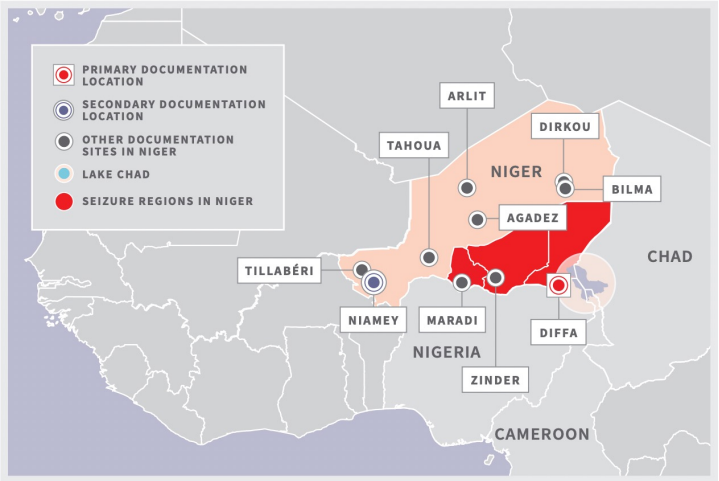
# Spotlight: Inadequate Stockpile Management

**Problem:**
Accidental and/or deliberate diversion (loss, leakage) from national stockpiles

**Vulnerability points:**

- Pre-transfer: Inadequate diversion risk assessment
- Post-delivery: Lack of import oversight
- PSSM: Lack of physical security & stockpile management capacity
- Monitoring: Lack of diversion monitoring capacity



# Spotlight: Unauthorized Re-Transfer

**Problem:**
Re-transfer of ammunition in violation of end use/r agreements

**Vulnerability points:**

- Pre-transfer: Absence of assurance for prohibition of re-export
- Transfer: Violation of no re-export clause
- PSSM: Inadequate recordkeeping & oversight
- Monitoing: Lack of diversion monitoring capacity

**A Bulgarian 9M111MB-1 ATGW missile tube exported to the US Army on 12 December 2015**

*Documented by a CAR field investigation team in Al Khalidiyah, Iraq, February 2016*

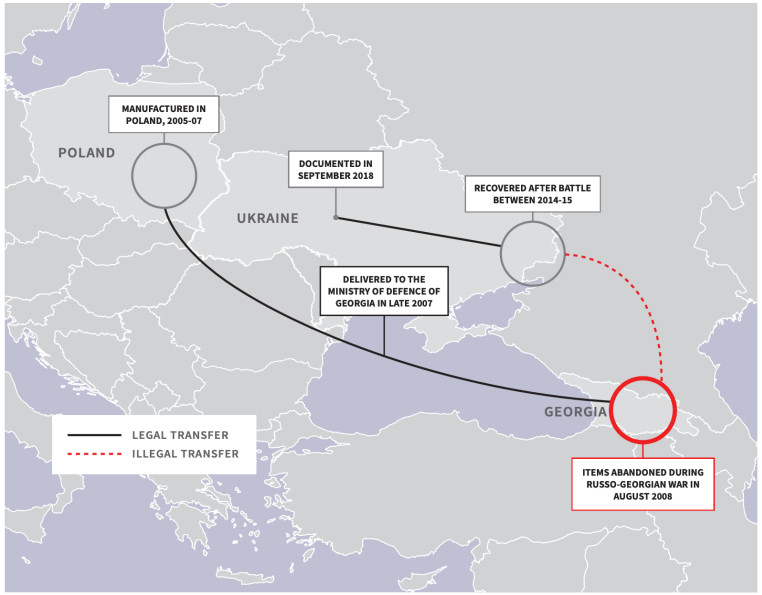
# Spotlight: Battlefield Capture

**Problem:**
Items change hands frequently in conflict

**Vulnerability points:**

- Pre-transfer: Lack of diversion risk assessment on potential battlefield losses by recipient
- PSSM: Insecure stockpiles
- Monitoring: Lack of diversion monitoring capacity

GROM E2 MANPADS supply chain



# Countering Diversion: Experiences

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# Exporter Experience: Switzerland

## Diversion ID & Response

| Context |
| --- |
| 1. Support to defense & security needs of a recipient State |
| 2. Item recovered from hands of unauthorized end user in Third State |
| 3. Diversion via unauthorized re-transfer |

| Key Response Measures |
| --- |
| 1. Establishment of a joint investigation committee |
| 2. Strengthened non-re-export declaration in end-user documents and in national legislation |
| 3. Introduction of on-site post-shipment verification |

> *If there is an increased risk in the country of destination that the war materiel to be exported will be passed on to an undesirable end user, the licensing authority may stipulate that it has the right to verify compliance with the non-re-export declaration on site. For large-scale exports, a non-re-export declaration in the form of a diplomatic note from the country of destination is required.*
>
> **Switzerland Ordinance on War Materiel, Article 5a(3).**

# Exporter Experience: Switzerland

## Verification in Practice

| Post-shipment verification: key features |
| --- |
| ▪ Physical verification of all exported materiel. |
| ▪ A commitment to allow on-site inspections is included in transfer documentation for all end users in countries deemed at increased risk of diversion. |
| ▪ 5–10 physical verification checks per year. |
| ▪ Verification is focused on finished products rather than components. |
| ▪ Verification visits take approximately six months to organise. |
| ▪ The involvement of embassy staff, particularly defense attachés, is encouraged to build confidence with partner authorities. |

# Importer Experience: Somalia

## Diversion ID & Response

| Context |
| --- |
| 1. Support to defense & security needs of a recipient State |
| 2. Partial lifting of UN arms embargo since 2014 |
| 3. Need to ensure supplied materiel do not get diverted into wrong hands |

| Key Response Measures |
| --- |
| 1. Establishment of a Joint Verification Team |
| 2. Centralization of end use/r documentation & Recordkeeping |
| 3. Introduction of on-site post-distribution checks & reporting |

7. *Reiterates* its request to the FGS, with the support of international partners to establish a joint verification team which would conduct routine inspections of government security forces' stockpiles, inventory records and the supply chain of weapons, and *requests* that any such group provide its findings to the Committee, for the purposes of mitigating the diversion of arms and ammunition to entities outside of the security services of the FGS;

**UN Security Council Resolution 2182 (2014)**

# Importer Experience: Somalia
## Verification in Practice

### Joint Verification Team (Post-distribution) : key features

- Physical verification of available stocks (spot checks)
- A commitment to undertake JVT nationally owned but supported by international partner
- Reporting to UN Security Council on findings
- Verification includes review of import data; On-site visits; documents of distributed materiel
- Verification visits often take place twice a year (ongoing activities)
- Challenges include: awareness; access; coordination on deliveries; record; verifying materiel in operational context; resourcing of post-delivery activities

# Measures & Approaches

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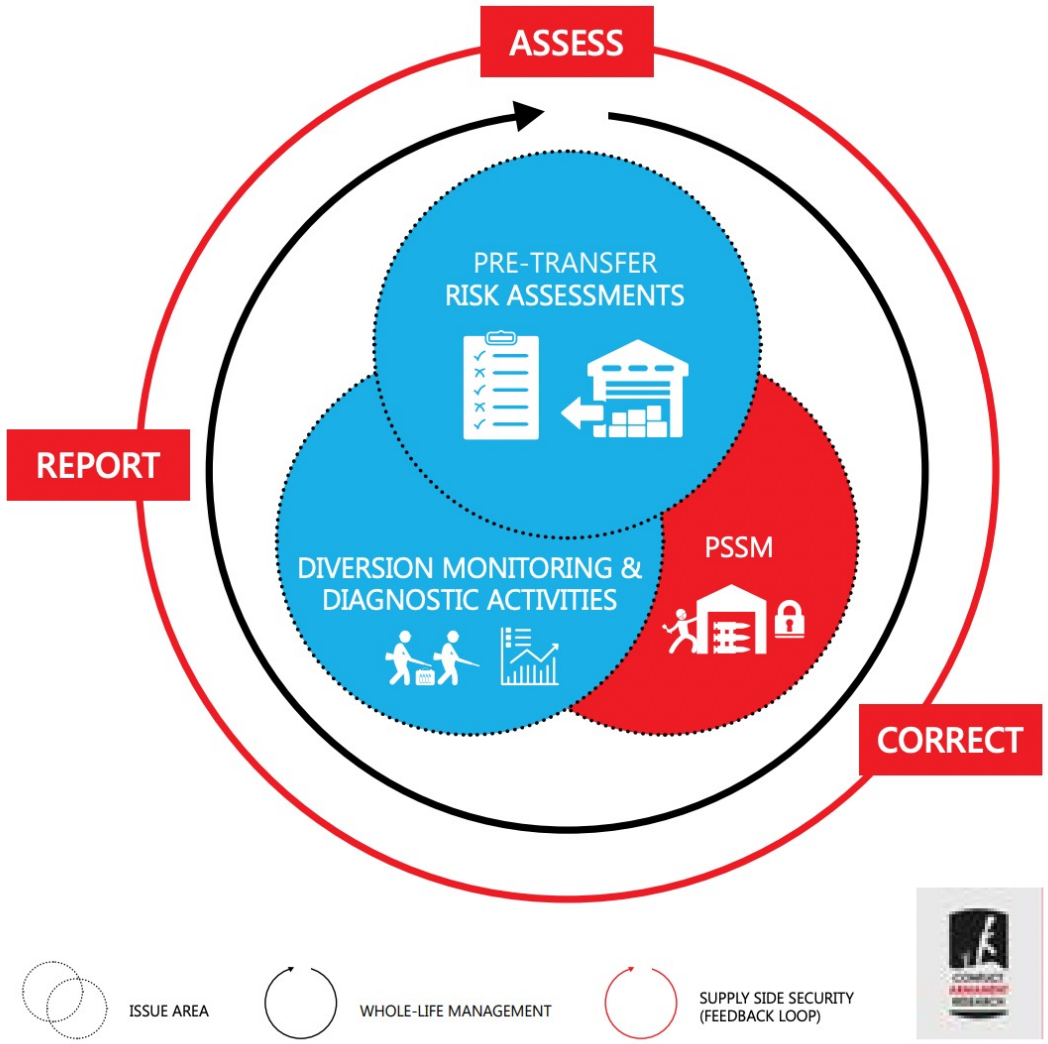
# COMPREHENSIVE APPROACH



# Upstream Prevention Downstream Response

## Safeguards & Mitigation Measures

### Weapon and ammunition security

- **Weapon and ammunition marking & tagging mechanism:** Introduction & integration of solution into weapon and ammunition supplies delivered to Ukraine, which helps track weapons and loose ammunition and identify points of diversion.

### Risk Assessment & Assurances

- **End use/r control & assurances:** Safeguarding support to Member States on application of end user controls and assurances for materiel to be transferred.

## Accountability Measures

### Diversion Evidence Documentation

- **Boots on the ground:** Document diverted & recovered materiel.
- **Field forensic & investigation capacity support:** Provide capacity development support to Ukrainian authorities in weapon evidence documentation, exploitation & preservation.

### Monitoring

- **Sanctions monitoring:** Monitor violations of relevant sanctions relating to weapons and related military materiel, including sensitive technologies and dual-use items.

### Post-delivery on-site support

- **On-site inspection/verification:** Support EU & Member States in on-site inspection at post-delivery stage.
- **Tracing diverted equipment:** Support tracing of diverted weapons and ammunition recovered from wrong hands.

**Upstream:**
**Pre-Transfer**

**Downstream:**
**Post-Delivery / In-Country**

# SPOTLIGHT: DIVERSION RISK ASSESSMENT

- Identify
- Verify
- Authorize
- Monitor assurances
- Facilitate post-delivery cooperation

# RISKS AND CHALLENGES

- **End Use/r Documentation:**
  - **Not verified** by exporting State (information **missing** or **not checked**)
  - **Not authenticated** by importing State (**Forgery** risk)
- **Sensitivity:**
  - High risk **items**
  - Sensitive **locations/context**
- **Capacity:**
  - Exporting State capacity to **monitor and verify**
  - Importing State lack of adequate system **oversight, accountability and physical management**
- **Reliability of entities involved in the supply chain**
- **Post-delivery monitoring:**
  - **Assurances ignored** by importing State
  - **Adherence to assurances not monitored** by exporting State
  - **Inadequate diversion loopback mechanism** (**Tracing**)

# RED FLAGS: EXAMPLE CASES

| | |
|---|---|
| Falsified end use/r documentation | Physical security concerns of Recipients |
| Unable to verify end user | Unauthorised or excessive stockpiling |
| Unreliable/unresponsive end user | Unlicensed party seeking purchase |
| Unauthorised third party involved in transfer chain | Indication of potential or actual diversion |
| History of unauthorised retransfer / re-export by recipient | Sensitive item, at-risk location |
| Unreliable / fake intermediary | Unusual logistic chain in-transfer |
| Recipient or entity in transfer chain refusal to cooperate | End user or other party in transfer listed on sanctions / watch list |

# POSSIBLE MONITORING APPROACHES

- **Desk research, open source investigation**
- **Check against watch-list & sanctions list/database**
- **Consult host government officials and law enforcement agencies**
  - Verify bona fides, ask for additional information/context
  - Verify documentation
- **For sensitive items, location or end user: Possible site visits**
- **Regional or multilateral information exchange & consultation**

# KEY TAKEAWAYS

**CAR is:**

- **Continuing to build typology of diversion**
- **Cataloguing diversion risks**
- **Enhancing knowledge on post-delivery cooperation**
- **Available to engage on operational cooperation & assistance for risk assessment, monitoring & post-delivery activities**

# THANK YOU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