Arms: code of conduct on exports, point 8. 3rd annual report

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The European Code of Conduct on Arms Exports was adopted on 8 June 1998. It builds on the common criteria for arms exports adopted by the Luxembourg and Lisbon European Councils in 1991 and 1992 and establishes a mechanism for information exchange and consultation among the Member States. The Code sets high minimum standards for the management of, and restraint in, conventional arms transfers by all Member States. The European Union embarked on a process of convergence of national arms export control policies. Operative Provision 8 provides for an annual review of the implementation of the Code, progress achieved and issues outstanding. This document constitutes the third annual report and reviews the third year of implementation of the Code of Conduct. (Please refer to the two previous reports COS /2000/2012 and COS/2001/2050). The third year was marked by the achievement of most of the priority objectives identified in the first and second reports and the identification of new issues for consideration and action. At the same time, the number of notified denials and consultations has continued to increase, demonstrating not only an intensification of the dialogue on interpretation of the Code of Conduct at national level but also the Member States' growing confidence in this instrument, which contributes to convergence of the policies and procedures on arms exports applicable in the Member States of the European Union. Discussions have also been held on certain aspects of national policies with a view to being able to bring them closer together. Dialogue with non-member countries which have aligned themselves with the Code's principles, particularly the associated countries of Central and Eastern Europe, as well as Cyprus, Malta and Turkey, was stepped up during the third year as a result of new initiatives aimed at improving the application of the Code in these countries both at legislative level and in actual implementation by the operators concerned. Progress made in the remaining areas during the third year of implementation is as follows: - Essentially identical transactions : Member States have continued their discussion on this matter within the Working Party on Conventional Arms Exports (COARM), with a view to developing an understanding agreed by all the Member States, of the concept of an essentially identical transaction. Discussion has led to a common approach. - Common list of non-military security and police equipment : The COARM Working Party undertook to draw up a common list of non-military security and police equipment, the export of which should be monitored in accordance with Criterion No 2 of the Code "Respect for human rights in the country of the final destination". The Commission has now announced a proposal for a Community mechanism for controlling exports of non-military equipment which may be used for internal repression. Other work has been carried are regards the development of exchanges of information on national control of arms to certain countries or regions regarded as requiring special vigilance, harmonisation of the procedures implemented in the framework of the operative provisions of the code and harmonisation of national annual report on the application of the Code of Conduct.It should also be noted that efforts have been made as regards the coordination of the Member State's national positions in multilateral bodies dealing with arms export control issues (coordination within the EU was exemplary at the UN Conference on illicit trade in small arms and light weapons held in New York from 9-20 July 2001 and was the only group of States to submit an overall plan of action). Progress has been made on other issues such as the export of equipment for humanitarian purposes, Control of arms brokering activities (Member States have reached an agreement on a set of guidelines for controlling brokering that could be a basis for national legislation). Lastly, the report proposes a series of priority guidelines for the near future. Member States have thus identified the following guidelines: - Continue efforts to increase harmonisation of national reports and, consequently, to produce clearer, more transparent summary tables; - Agree on the definitive adoption of a system for controlling exports of non-military security and police equipment. - Continue proceedings in the area of arms brokering on the basis of the guidelines already approved. - Continue the proceedings on standardising the information to appear on the certificates of final destination. - Study the problem of manufacture under licence in non-member countries. - Begin proceedings on effective control by the authorities of each Member State of electronic

transfers of the software and technology associated with the equipment on the common list. The system for the control of exports of dual-use goods could serve as a model in this respect. - Continue efforts to promote the principles and criteria of the Code among non-member countries and international organisations, on the basis inter alia of the Declaration the European Union and the United States on the responsibilities of States and on transparency regarding arms exports. - Work towards greater involvement by the candidate States in the implementation of the Code of Conduct.