

DIVERSION DIGEST

Typology of Diversion

A statistical analysis of weapon diversion documented by
Conflict Armament Research

IN THIS ISSUE

EIGHT YEARS OF FIELD DATA

11,000 CASES OF DIVERSION

DOCUMENTATION FROM 23 COUNTRIES

TYOLOGY OF DIVERSION





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ABOUT

Conflict Armament Research (CAR) documents weapons, ammunition, and related materiel at the point of use in conflict zones and traces their supply chains back to the point of origin.

Established in 2011, CAR generates unique evidence on weapon supplies into armed conflicts in order to inform and support effective weapon management and control. Through formal agreements with national governments, CAR has secured unparalleled access to conflict zones around the world. CAR field investigation teams work in more than 25 conflict-affected states, with ongoing operations focused on Africa, the Middle East, and Central and South-east Asia.

CAR manages the iTrace® Global Weapon Reporting project. Funded by the European Union and the German government, iTrace® is a public database that provides policy-makers with the precise, verified information required to understand weapon transfers in detail and, thereby, develop effective, evidence-based weapon management and control.

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Design and layout by Julian Knott
(www.julianknott.com)

Copy-edited by Tania Inowlocki

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INTRODUCTION

Preventing the diversion of conventional arms and eradicating their illicit trade are critical objectives of the Arms Trade Treaty (ATT), which entered into force in December 2014.

Article 11 of the ATT directly addresses diversion, while many of the treaty's broader provisions also have implications for effective diversion control (UNGA, 2013). States parties to the treaty have made it a key priority to identify where and how diversion occurs, and what measures states can take to prevent and address it.¹ Policy-makers are more likely to develop effective guidance for states if they understand the dynamics that facilitate the diversion of weapons and ammunition at various points in the transfer chain.

Status of the Arms Trade Treaty

As of June 2018, 96 states have ratified or acceded to the ATT including five of the world's top 10 arms producers. Another 39 states are currently Signatories.

Since Conflict Armament Research (CAR) commenced operations in 2011, its field investigation teams have documented more than 500,000 units of weapons and related materiel.² These items comprise 11,093 cases of diversion in 23 conflict-affected countries.³

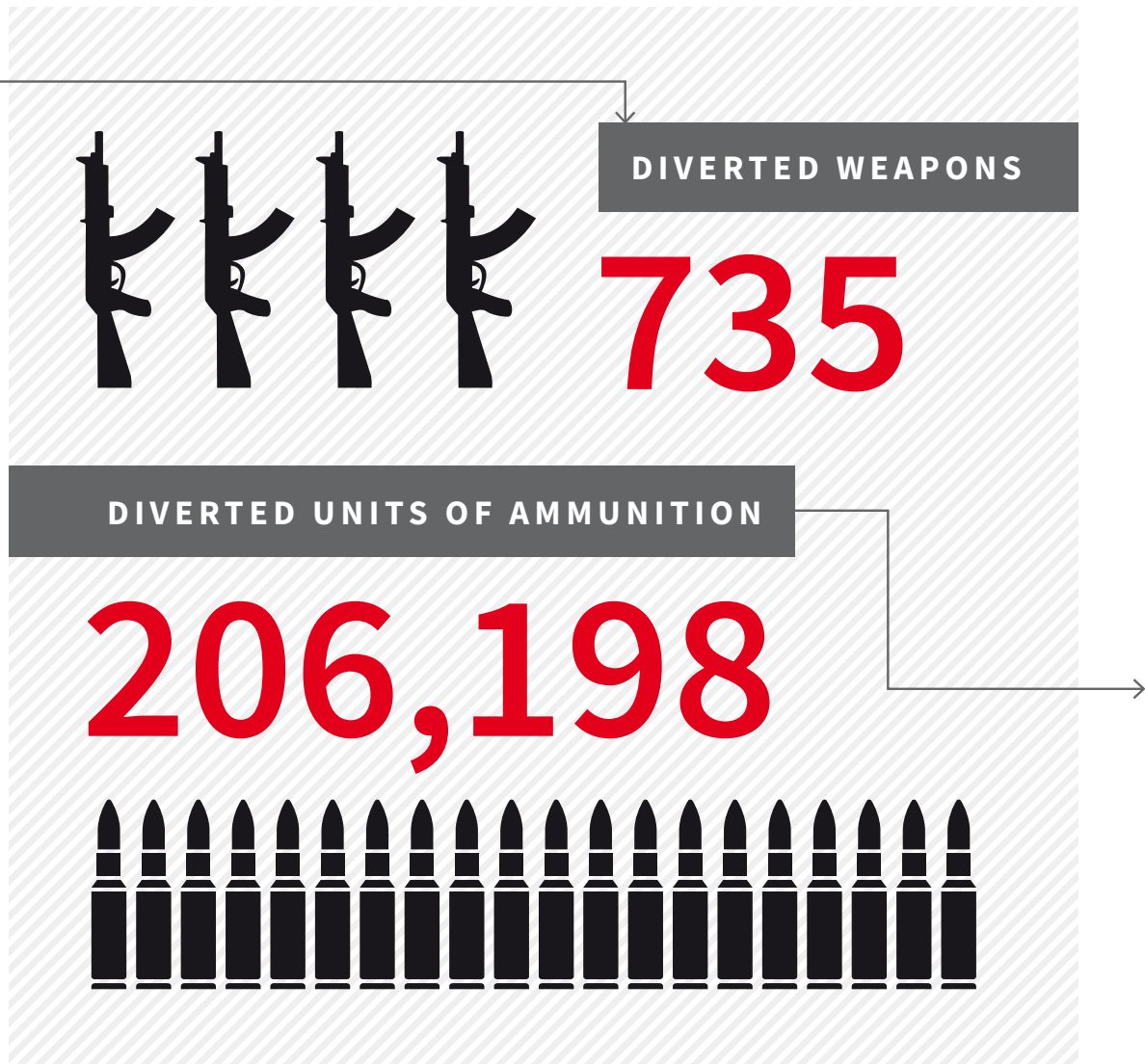
Although there is no internationally agreed definition of 'diversion', CAR uses the term to denote any loss of weapons or ammunition from state control and their resulting acquisition by unauthorised users, including insurgent and terrorist forces and other non-state armed groups.

CAR investigators work to understand the supply chain of documented items, with the aim of identifying



A CAR investigation team documenting weapons in Iraq, May 2017.

FIGURE 1: NUMBER OF ITEMS INVOLVED IN THE 1,072 DIVERSION CASES DOCUMENTED BY CAR



> each item's point of diversion and the actors responsible.⁴ In almost all cases, the point of manufacture (first custodian) and the point at which CAR documents the items (last custodian) are identifiable. However, it is often difficult to determine the precise point in the supply chain at which diversion occurs, typically because: 1) the item is so old that corresponding records are no longer available; 2) the transferring party may lack comprehensive transfer records; 3) the item lacks the types of marks that would allow it to be identified conclusively; and 4) the actors involved in the supply chain do

not respond to CAR's trace requests. The process of unpacking how, where, and when diversion occurs is often extremely complex. As its database grows, CAR continues to seek diversion-related information to fill remaining data gaps.

To date, CAR has been able to identify the specific point of diversion in an item's supply chain in 1,072 of the 11,093 cases of diversion in its database. These cases involve 735 weapons and 206,198 units of ammunition, all of which form the basis of the analysis presented in this report (see Figure 1).

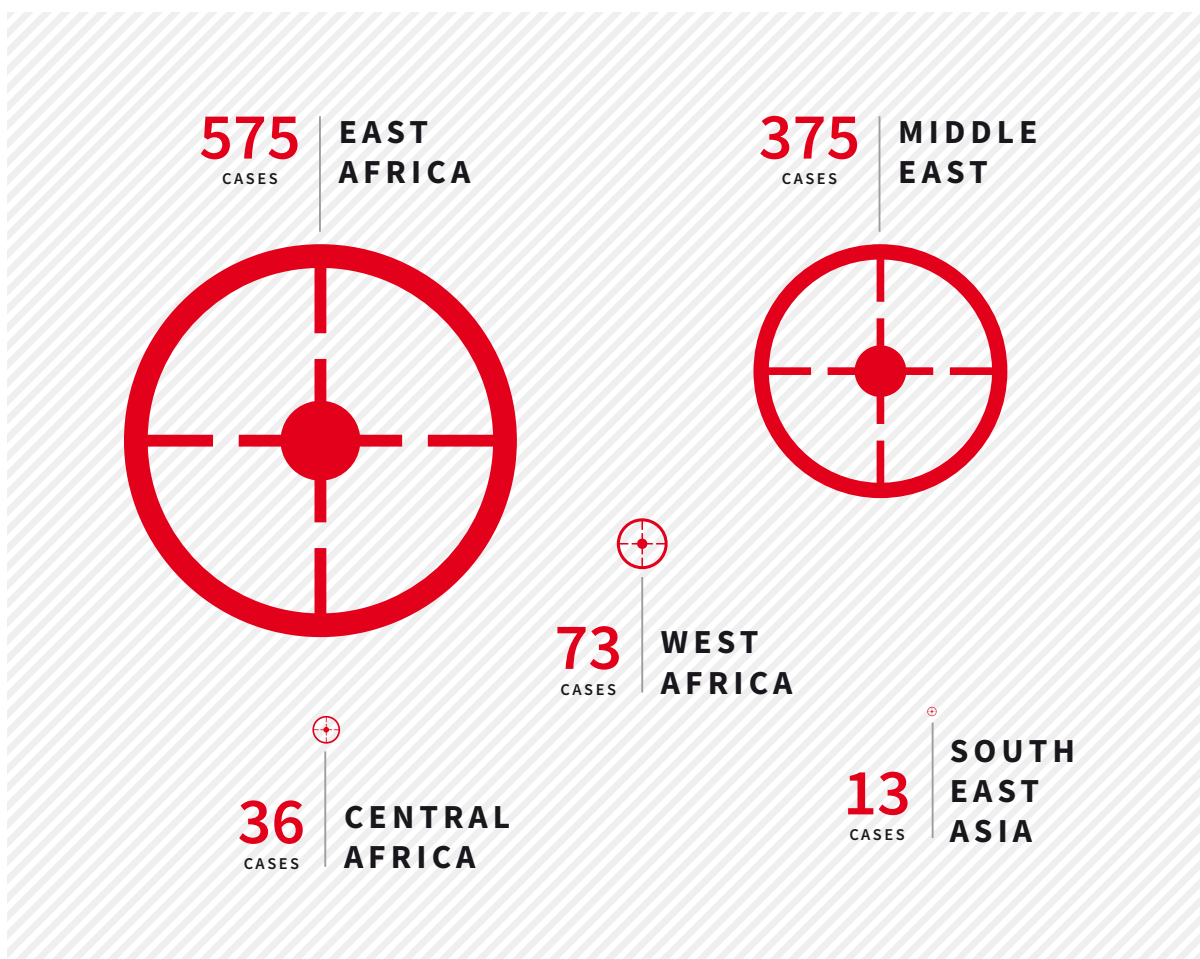
DOCUMENTING DIVERSION

CAR operates in conflict-affected countries clustered into five principal regions (see Figure 2).

The countries that are affected by the documented diversions of weapons and ammunition are not necessarily those in which the diversions occurred, as items were often diverted prior to entering the region or country where CAR eventually documented them.

All data presented in this report relates solely to weapons and ammunition that CAR field investigators physically documented. CAR's access to diverted weapons and ammunition is dependent on security conditions and cooperation with national authorities. Consequently, CAR gathers more data in some locations than others, and thus the data presented in this report does not provide a representative model of the overall diversion risk in any given region or country.

FIGURE 2: NUMBER OF CASES FOR WHICH A POINT OF DIVERSION HAS BEEN IDENTIFIED, PER REGION OF DOCUMENTATION (N=1,072)



IDENTIFYING LOCATIONS AND DATES OF MANUFACTURE

A total of 34 manufacturing countries account for the items in 1,043 of the 1,072 cases analysed in this report; in the remaining 29 cases of diversion, CAR is still seeking to identify the producers.

As of 31 July 2018, 16 of the identified manufacturing countries (47 per cent) were ATT states parties and another six were signatories to the treaty. However, in almost all cases of diversion involving these 22 states, the year of manufacture of the items in question predates December 2014, when the treaty entered into force.

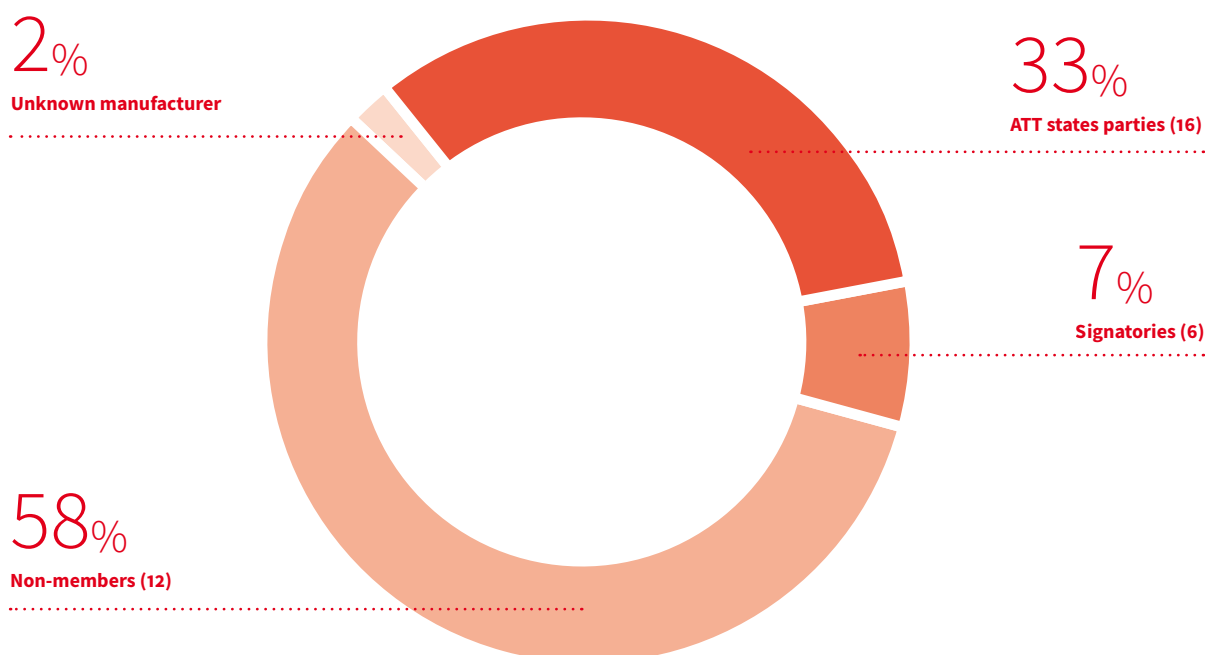
Origin of manufacture

All 16 of the ATT states parties that have manufactured items that were later diverted and subsequently documented by CAR investigators are European countries.

Since diversion most often occurs at some point between the middle and the end of a supply chain, it is important to note that only a very small percentage of items documented by CAR were diverted directly from the point of manufacture (see 'State-sponsored diversion', below). Throughout this report, references to manufacturing countries do not imply illegality or wrongdoing.

While ATT states parties and signatories make up a significant proportion of manufacturing countries in the cases of diversion documented by CAR, items in the majority (nearly 60 per cent) of cases under review were manufactured in countries that are currently not members of the ATT (see Figure 3).

■ FIGURE 3: CASES OF DIVERSION, BY ATT STATUS OF MANUFACTURING STATES (N=1,072)

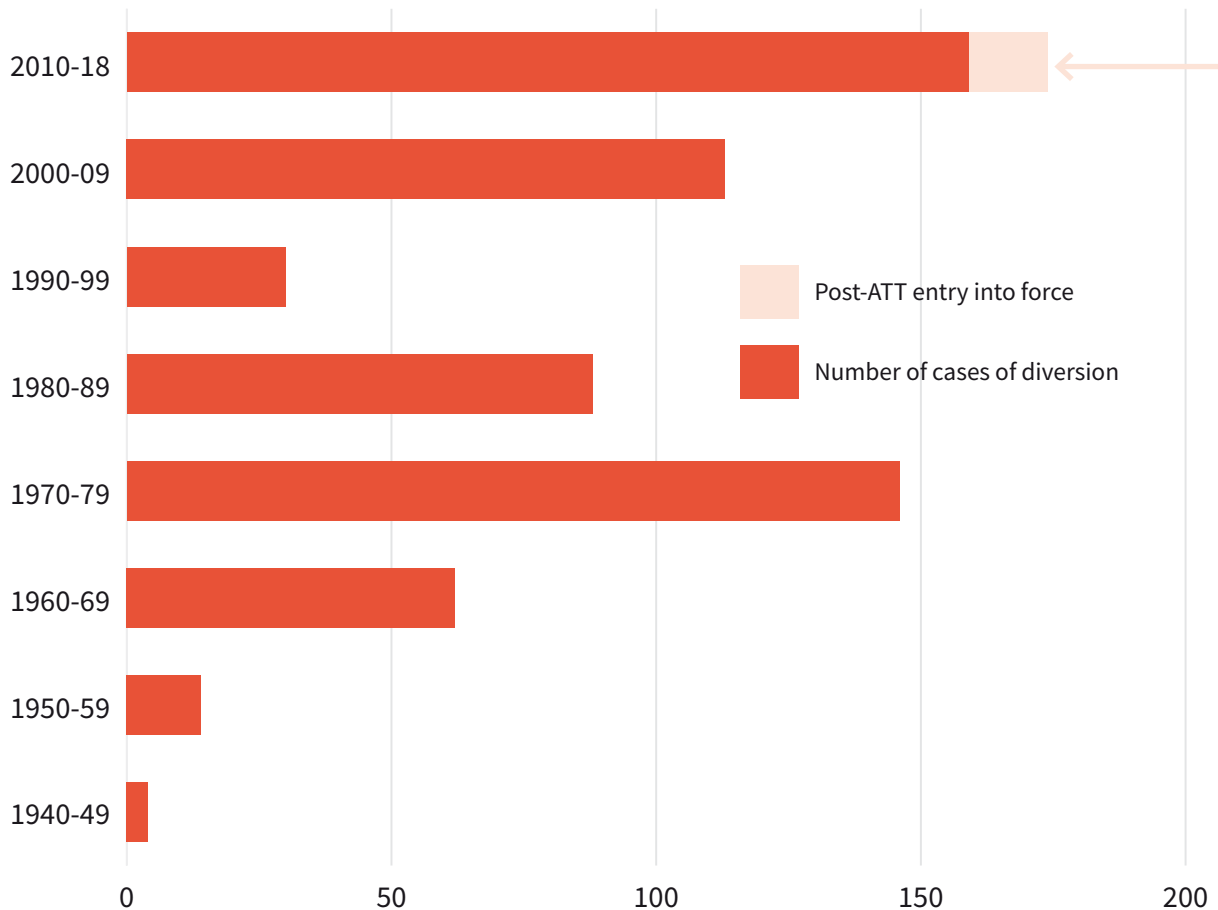


Weapons and ammunition may remain operational and in circulation for many decades after production. Indeed, this analysis shows that weapons manufactured as long ago as the 1940s were recently diverted. However, while CAR has not yet been able to identify the dates of manufacture of all the diverted weapons and ammunition, items that were manufactured as of 2010 actually make up the largest proportion of the documented cases (see Figure 4).

POST-ATT ENTRY

CAR has documented 15 cases of diversion of items that were manufactured after the ATT's entry into force in December 2014. Four countries manufactured these items, including two ATT states parties and one signatory. CAR has documented further cases of recently manufactured items that security forces recovered from unauthorised users; since CAR has yet to identify clear points of diversion for these items, they are not included in this analysis.

FIGURE 4: NUMBER OF CASES OF DIVERTED ITEMS, BY DATES OF MANUFACTURE WHERE KNOWN (N=616)



TYOLOGY OF DIVERSION

Diversion can occur at any point in the life cycle of a weapon or unit of ammunition.

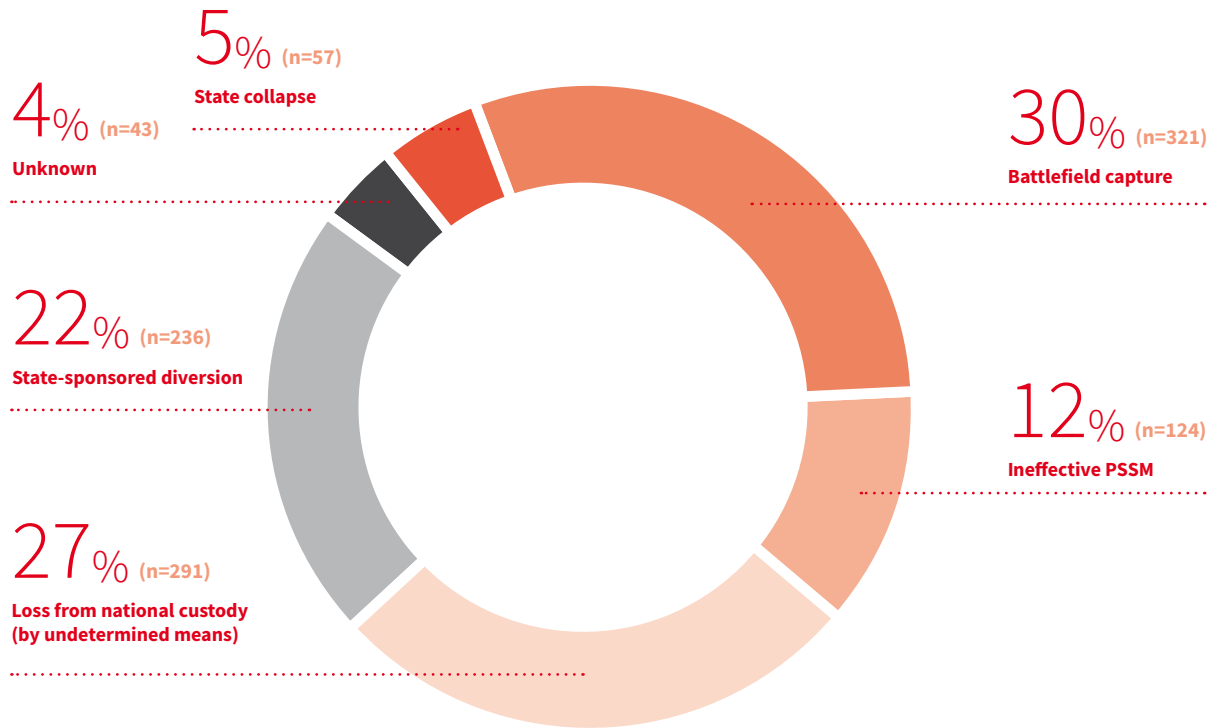
Table 1 presents CAR’s typology of diversion, which draws from its field-based documentation as well as from information that supplying states have provided in response to CAR’s formal trace requests. CAR will continue to develop this typology and further revise each circumstance of diversion as new information arises.

Figure 5 breaks down the cases of diversion that CAR has identified by type. CAR’s data suggests that the most common types of diversion are battlefield capture (30 per cent of cases), loss from national custody by undetermined means (27 per cent), and state-sponsored diversion (22 per cent). CAR will continue to revise these figures as it gathers new information. The following sections provide a basic analysis of each type of diversion, as identified by CAR investigators.⁵

TABLE 1: CAR’S TYOLOGY OF DIVERSION

Diversion Type	Description
Battlefield capture	Seizure from state forces by unauthorised users during fighting.
Leakage due to ineffective physical security and stockpile management (PSSM)	Accidental or deliberate leakage from national or civilian stockpiles as a result of insufficient security or accountability measures.
Loss from national custody by undetermined means	<p>Diversion of items that were last recorded in the custody of a national authority, but the precise cause of diversion remains to be identified. CAR makes this determination when:</p> <ul style="list-style-type: none"> » the items bear import or arsenal marks that were applied by an importing national authority; or » CAR has been notified of an end-user certificate (EUC) or other documentation that restricts the items’ use to an importing national authority.
State-sponsored diversion	<p>A process by which a state backs:</p> <ul style="list-style-type: none"> » a direct supply of items to unauthorised users from the point of manufacture; » a retransfer of imported items to unauthorised users, with or without an EUC; or » a retransfer of imported items to unauthorised users in apparent violation of an EUC.
Loss following state collapse	Partial or total collapse of a governing authority, resulting in the dissolution of security forces and loss or illicit transfer of their weapons.
Unclear	Diversion is confirmed at a specific point in the transfer supply chain, but the cause cannot be identified with any certainty.

■ FIGURE 5: **CASES OF DIVERSION, BY TYPE (N=1,072)**



Small-calibre ammunition documented by CAR following state-sponsored diversion in East Africa, December 2014.



BATTLEFIELD CAPTURE

CAR has identified battlefield capture as the cause of diversion in 321 (30 per cent) of the documented cases; these involve 183 weapons and 3,600 units of ammunition. Battlefield capture occurs when an unauthorised user seizes weapons or ammunition from state forces during fighting. Weapons and ammunition in this data subset were manufactured in 28 different countries.

Battlefield capture is the most prominent type of diversion and is significant in all of CAR’s operational regions. While this type of diversion can occur decades after an initial legal transfer, 16 per cent of battlefield capture cases documented by CAR were of items manufactured between 2010 and 2018—meaning that diversion occurred within a few years of initial export.

“ 16 PER CENT OF BATTLEFIELD CAPTURE CASES DOCUMENTED BY CAR WERE OF ITEMS MANUFACTURED BETWEEN 2010 AND 2018.”



A heavy machine gun captured in battle in East Africa and documented by CAR investigators in 2016.



INEFFECTIVE PSSM

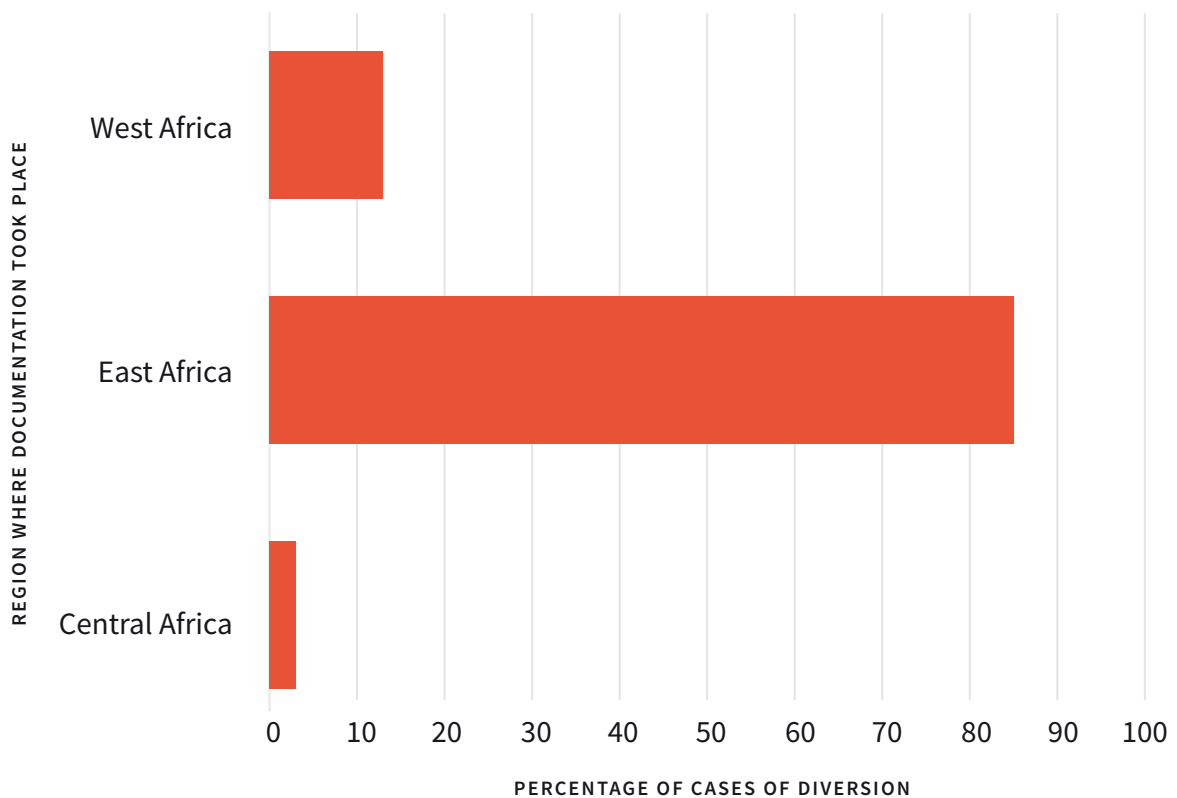
CAR has identified ineffective PSSM as the cause of diversion in 124 (12 per cent) of the documented cases. These cases are the result of deliberate or accidental leakage from government or civilian stockpiles; they are typically associated with lax physical security or ineffective accounting and record keeping measures.

This data subset relates to 125 diverted weapons but no diverted ammunition. The diversion of ammunition resulting from inadequate PSSM is extremely difficult to verify, primarily because states rarely maintain detailed inventories of

ammunition. They tend to record ammunition in bulk, by production lot, rather than by unique identifying numbers assigned to each round.

The 125 weapons that were diverted due to ineffective PSSM were originally manufactured in 11 different countries. CAR documented the majority of cases of diversion stemming from insufficient PSSM in East Africa (see Figure 6). The low number of weapons diverted as a result of ineffective PSSM suggests that the items were transferred in the context of small-scale diversion, which usually involves low-level, localised theft and resale.

FIGURE 6: CASES OF DIVERSION DUE TO INEFFECTIVE PSSM, BY REGION OF DOCUMENTATION (N=124)





LOSS FROM NATIONAL CUSTODY

In 291 (27 per cent) of the documented cases, materiel was diverted from national custody by undetermined means. These items may have been stolen from national stockpiles, captured in battle, retransferred to an unauthorised user, or diverted in some other way. While the diversion methods remain to be established, CAR has identified a national authority as the last known custodian in all of these cases. CAR is able to make such a determination based on evidence that:

- » an item bears an import or arsenal mark that is consistent with that of the country in which CAR documented the item;⁶ or
- » an exporting authority agreed to an EUC or other form of documentation with a recipient authority in the country where the item was subsequently documented by CAR.

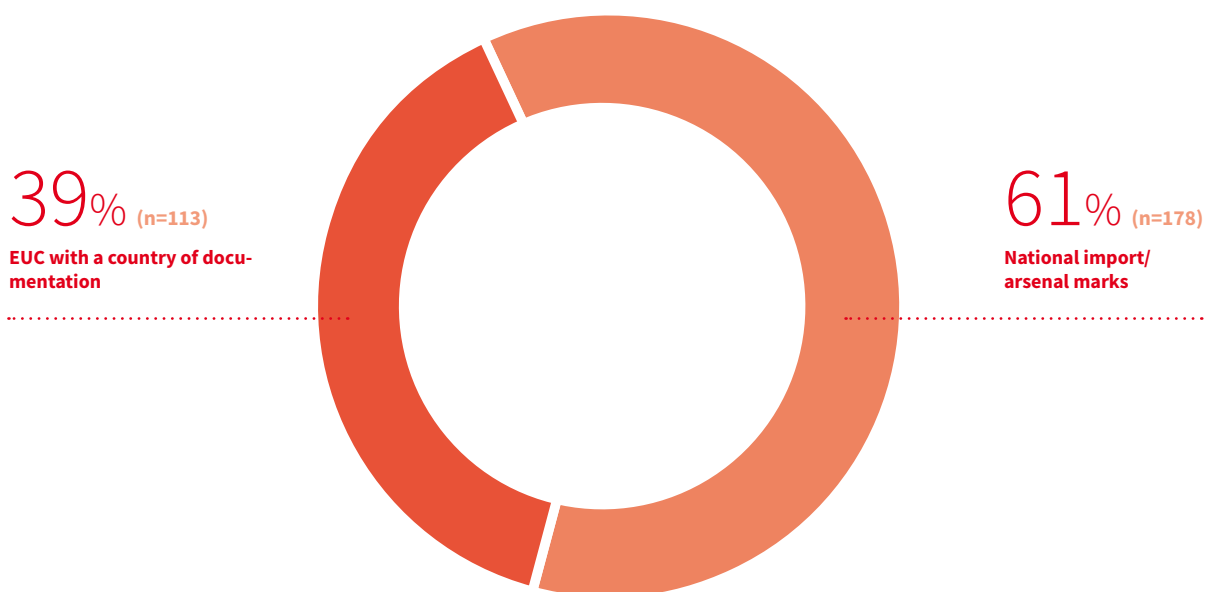
Import marks are important diagnostic tools, as they effectively ‘shorten’ the number of supply chain links that need to be consulted when tracing an item.

An import mark allows investigators to establish state custody of an item without having to start a formal trace process with the manufacturer.

In 178 of the 291 cases of loss from national custody, the diverted items bear import marks of national authorities in four Middle Eastern and West African countries; CAR determined that these weapons were diverted after the marks had been applied.

With respect to each of the remaining 113 cases, an exporting authority confirmed that an EUC had been signed with the same country in which CAR investigators subsequently documented the diverted items (see Figure 7). It is unlikely that items covered by these EUCs were retransferred without authorization. It is more plausible that the items remained in the custody of the same national authority until they were diverted through battlefield capture or ineffective PSSM. CAR documented these 113 cases in three countries, most frequently in Iraq and Syria.

FIGURE 7: CASES OF LOSS FROM NATIONAL CUSTODY, BY MEANS OF VERIFICATION (N=291)





STATE-SPONSORED DIVERSION

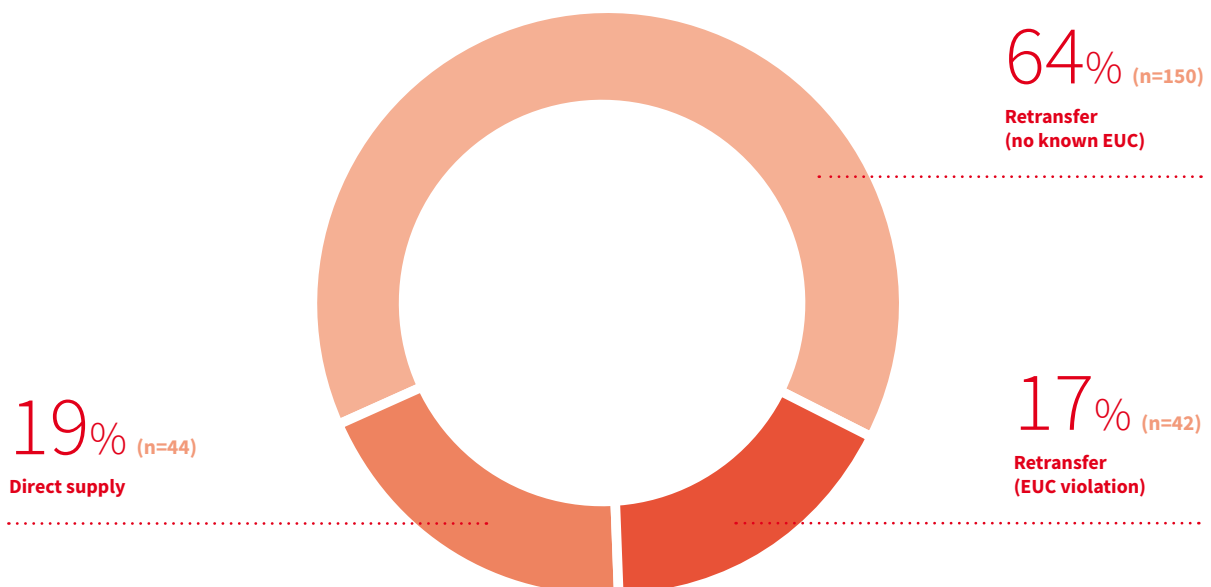
CAR has identified state-sponsored diversion as the cause of diversion in 236 cases (22 per cent) of the overall sample. Within this category, CAR has identified three main patterns (see Figure 8):

- » **Direct supply to an unauthorised user from the country of manufacture.** CAR has documented 44 cases of direct supply of arms and ammunition to unauthorised users. All cases involved the same country of manufacture; the supplies were delivered to two African countries.
- » **Retransfer of imported materiel to unauthorised users (no clear EUC violation).** CAR has documented 150 cases of illicit retransfer of imported materiel in which it is unclear whether a previous agreement between the manufacturing country and the initial recipient existed. In nearly all of these

cases, CAR submitted a formal trace request to a manufacturer but has yet to receive a response. All of these cases of diversion involve weapons and ammunition that were retransferred by one of two countries and subsequently documented by CAR in four different African countries.

- » **Retransfer of imported materiel to unauthorised users in apparent violation of an EUC.** CAR has documented 42 cases in which materiel was retransferred in apparent violation of EUCs. CAR has documented this type of diversion with respect to weapons and ammunition that were originally exported legally by six different countries. In their responses to CAR's trace requests, these countries collectively identified 11 states that appear to have retransferred materiel despite having signed EUCs.

■ FIGURE 8: CASES OF STATE-SPONSORED DIVERSION, BY SUPPLY PATTERN (N=236)





STATE COLLAPSE

CAR has identified state collapse as the cause of diversion in 57 (5 per cent) of the documented cases. State collapse represents the partial or complete withdrawal of control over national stockpiles by a central governing authority. Often connected to high-intensity armed conflict, state collapse occurs when state security forces dissolve and formal structures of centralised control are fractured, resulting in the loss or reappropriation of weapons.

The 57 documented cases of state collapse involve 43 weapons and 2,186 units of ammunition, which were manufactured in ten different countries. These cases cover items that were legally exported and subsequently diverted, following the collapse of a state during armed conflict.

MAP 1: A CASE OF DIVERSION DOCUMENTED BY CAR FOLLOWING STATE COLLAPSE IN LIBYA



CONCLUSION

This Digest presents a typology of diversion based on CAR's experience in conflict zones around the world.

Grounded in field-based documentation of weapons and ammunition at their point of use, CAR's significant body of data shows that diversion can occur at various points in the life cycle of an item and demonstrates the need for the development of targeted controls that effectively address the entire life cycle of weapons and ammunition.

Through its documentations and investigations, CAR has been able to identify five main types of diversion: battlefield capture, leakage due to ineffective PSSM, loss from national custody through undetermined means, state-sponsored diversion (sometimes involving violations of EUCs), and the illicit transfer of materiel in the wake of state collapse.

The ATT contains provisions that can help states to address and prevent the various types of diversion identified in this Digest. Article 11 of the treaty, for instance, outlines a range of actions that states can take at each step of the transfer chain, including assessing the risk

of diversion prior to export, exchanging information with importers, transit countries, and exporters, and jointly adopting mitigation programmes. Other articles highlight key interventions that can reduce diversion risks, such as regulating brokering activities (Article 10), maintaining accurate and regularly updated records (Article 12), and developing stockpile capacity-building (PSSM) programmes (Article 16) (UNGA, 2013).

The precise circumstances of diversion can be difficult to detect and reconstructing the supply chain of a diverted item is often time-intensive and dependent on the collaboration of multiple actors. In carrying out its investigations, CAR has been able to rely on dozens of governments and organisations, many of which have supplied information that has proved invaluable in identifying points of diversion. Equipped with this information, CAR provides evidence-based data to governments and works with them to address capacity gaps—and to develop policy tools to combat diversion. CAR intends to develop this typology further in future publications in order to provide more comprehensive analysis on the precise circumstances of diversion.



THE PRECISE CIRCUMSTANCES OF DIVERSION CAN BE DIFFICULT TO DETECT AND RECONSTRUCTING THE SUPPLY CHAIN OF A DIVERTED ITEM IS OFTEN TIME-INTENSIVE AND DEPENDENT ON THE COLLABORATION OF MULTIPLE ACTORS.

ENDNOTES

- 1 — See for example, ATT WGETI (2018).
- 2 — The vast majority of weapons documented by CAR are small arms and light weapons. CAR works to make all information publicly available on the iTrace® Global Weapon Reporting Database (CAR, n.d.a).
- 3 — CAR defines a ‘case of diversion’ as any instance whereby a CAR investigation team documents an item(s) that at one point in its supply chain had been in the possession of an unauthorised user. Each case comprises a minimum of one item, but may include multiple items, which derive from the same manufacturer and date of production.
- 4 — For more information on CAR’s methodology, see CAR (n.d.b).
- 5 — In some cases, the location where diversion occurred is confirmed, but the precise mechanism is unclear.
- 6 — When a significant period of time (such as decades) has passed between the import, marking, diversion, and recovery of a weapon, and when the country where CAR documented the weapon has experienced an armed conflict, it is possible that the item was diverted in the context of ineffective PSSM, battlefield capture, or another form of resupply.

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**Address**

CAR Headquarters
PO Box 74665
London
WC1A 9PE
United Kingdom

Telephone

+44 (0)20 3355 6575

Email

admin@conflictarm.com

Twitter

@conflictarm

Facebook

ConflictArm

www.conflictarm.com