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Serbia: Choosing Between Profit and Security

HUGH GRIFFITHS

Introduction

Following the experience of disastrous wars and violent political change, official policy on surplus small arms, light weapons and ammunition, and their destruction remains a difficult and unpredictable issue for the Republic of Serbia.¹ Today Serbia still has a large surplus on its hands, numbering some 789,000–1.2 million firearms alone as of 2004. Its light weapons inventories include a man-portable air defence systems (MANPADS) arsenal estimated at 30,000–80,000 missiles. While some progress has been made towards surplus destruction, the prospects for further destruction are far from certain. Belgrade and foreign funders face difficult choices, choices that must be mediated through nationalist politics, military reform and economic incentives.

Serbia's small arms and light weapons (SALW) stockpiles are the largest of the states that once comprised Yugoslavia. Its excess inventories are increasing, thanks to a significant domestic production capacity and the downsizing of the Serbian armed forces.² In addition, the Serbian stockpile of conflict-sensitive items such as MANPADS, rocket-propelled grenades (RPGs) and anti-armour systems far exceeds inventory ratios traditionally found in former Warsaw Pact and post-Soviet states.³ Serbian SALW stocks also have one of the most troubled legacies in the wider region, with a history of illicit deliveries as well as on-going transfers to conflict zones and regimes with a track record of using small arms for internal repression.

SALW stockpile data continues to be regarded as a state secret within the Serbian Ministry of Defence, with contradictory and at times misleading statistics for the quantities of surplus sold abroad. Overall proliferation and illicit transfer risks are similarly hard to gauge accurately, as the country has only produced one annual arms export report covering the years 2005 and 2006.

While over 121,000 surplus weapons have been destroyed since 2001, with the exception of 6,200 MANPADS, surplus declared for destruction has been almost entirely weapons collected through amnesties or seizures from the civilian population and localised arms traffickers, then evaluated by the government agencies for retention or destruction (see Table 1). Stockpile and surplus delineation in Serbia partially resembles earlier dynamics in states such as Bulgaria and Ukraine with an emphasis on 'marketability' from sale and profit. Excepting one of the world's largest MANPADS destruction programs, currently all SALW declared as surplus from Defence or Interior Ministry stocks is designated for sale abroad, save for a smaller quantity of seized, damaged or obsolete weaponry.⁴ Profit motives continue to govern SALW surplus delineation in Serbia. By comparison to the money to be made through exports, the international funding current available for destruction

TABLE I
SMALL ARMS AND LIGHT WEAPONS DESTRUCTION IN SERBIA

Date	Quantity	Type	Source	Control	Sponsor
2001	52,000	SALW	civilian-paramilitary	MoD	United States
2003	27,530	SALW	civilian-paramilitary	MoD	NATO
2003	3,859	SALW	civilian-paramilitary	MoI	UNDP
2003	7,335	SALW	civilian-paramilitary	MoI	UNDP
2004	10,000	SALW	civilian-paramilitary	MoI	United States
2004	1,200	MANPADS	military	MoD	United States
2005	7,018	SALW	civilian-paramilitary	MoI	Germany
2006	7,918	SALW	civilian-paramilitary	MoI	Germany
2007?	5,000	MANPADS	military	MoD	United States
Total	121,860				

Sources: 'Republic of Serbia – Destruction of SALW (Phase 2)', SEESAC Activity Report AR/019, 6 October 2003, South Eastern Europe SALW Monitor 2006 (Belgrade and London: SEESAC and Saferworld, 2006). 'Arms Destruction in Serbia', SEESAC Press Release, 12 April 2003. 'Report of Serbia and Montenegro on the Implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in all its Aspects' (New York: United Nations, 2002, 2003, 2004, 2005).

simply looks second rate.⁵ SALW sales are set to increase, thanks to long-term, albeit secretive deals with Iraq's Ministry of Defence.⁶

Foreign sale is not without risk, since according to the United Nations, Serbian SALW and ammunition has been the subject of illicit diversion in the past and recorded interviews with senior Serbian government officials and arms-export executives indicate that stockpiled SALW declared as surplus for sale is exported to conflict zones in the Middle East and Africa, to states involved in regional conflicts or whose armed forces have an extremely poor human-rights record. While Serbia states that it adheres to all UN, Organization for Security and Co-operation in Europe (OSCE) and EU sanctions, the lack of transparency regarding stockpile, surplus and arms-export data provides little in the way of supporting evidence which is compounded by the fact that in 2004, 2005, and 2006, Serbia continued to export heavy weaponry to Burma (Myanmar), despite an EU embargo that both the Ministries of Defence and Foreign Affairs state Serbia adheres to.⁷

Serbian stockpiles are also of concern to United Nations agencies because of an increasing number of thefts, potential conflict relating to Kosovo and other regions, previously documented cases of large-scale corruption and accusations of abuse of office within the armed forces and Ministry of Defence combined with the more general prevalence of organized crime still found within the unreformed security and intelligence services as well as Serbian society today. The former Federal Republic of Yugoslavia (FRY) was the last country in the region to begin SALW surplus declaration and destruction projects. It also was one of the last countries in the region to enter the Partnership for Peace (PfP) framework for military reform. These two indicators are not unrelated. This chapter explains how an unreformed general staff engaged in a confrontation with NATO over Kosovo survived the downfall of Yugoslav strongman Slobodan Milosevic, blocking meaningful civil–military reform and earlier potential PfP membership for a number of years.

Competition between Serbian Prime Minister Zoran Djindjic and President Vojislav Kostunica, best known for stymieing earlier efforts to remove indicted war criminals, also hindered defence reform. Under FRY military doctrine, large SALW stockpiles were seen as an essential corollary for a reservist pool officially numbering some 400,000 as late as 2001 and comprising of some 125,000 active-duty soldiers as late as 2003. Surplus SALW declaration and destruction initiatives targeting MoD stocks, while recognized as essential by reform-minded civilian advisers within the Ministry of Defence from 2003 onwards,⁸ were effectively blocked by a combination of bureaucratic inertia within the General Staff and associated departments until 2004. Serbia's frequent elections and subsequent lengthy negotiations over coalition-forming together with the associated political uncertainty⁹ have further delayed MoD SALW holding surplus declaration and destruction initiatives.

Foreign actors remain essential to further progress. Virtually all surplus destruction resulted from foreign-initiated discussions, beginning with American efforts in 2001 to assist the Yugoslav Ministry of Defence to tackle large stockpiles. These included seized conflict-sensitive weaponry: rocket-launchers, machine guns and assault rifles from the Kosovo and southern Serbia conflicts with guerrilla groups such as the Kosovo Liberation Army (KLA). The United States played a key role establishing the legitimacy of surplus destruction as a practical solution, gaining support within circles of the Serbian officer corps and lower echelons of the General Staff receptive to Western concepts of security sector reform and SALW management.¹⁰

The stocks declared surplus and destroyed as a result of the 2001 US and later NATO Maintenance and Supply Agency (NAMSA) initiative mostly eliminated conflict-sensitive weaponry seized from rebel groups and insurgents between 1998 and 2000. Damaged or obsolete Yugoslav army stock also was included in these early destruction programs, including anti-armour rocket launchers, machine guns and assault rifles. Many of these were particularly vulnerable, lacking serial and tracing numbers to follow up in the event of theft.¹¹ Subsequent SALW destruction initiatives funded or monitored by the United Nations Development Program and Stability Pact's South Eastern European Small Arms and Light Weapons Clearinghouse (SEESAC) have followed in a similar dynamic in that the surpluses declared and destroyed have largely been those stocks held by the Ministry of the Interior (MUP) of mostly obsolete weaponry or that seized in raids or in amnesties in the wake of the assassination of Serbian Prime Minister Zoran Djindjic in March 2003. With the exception of the MANPADS destruction program resulting from bilateral cooperation between the US government and the Serbian and Montenegrin Ministry of Defence, the Serbian authorities have yet to declare any 'marketable' military stock as surplus for destruction.

At the time of writing, the Serbian Ministry of Defence was engaged in separate consultations with US State Department and NATO officials regarding a number of different SALW surplus declaration and destruction initiatives. Efforts to progress these negotiations in the latter half of 2007 were ultimately stymied by Serbian nationalist pressure within the governing coalition. Until 2008, through its office of Weapons Removal and Abatement, the US State Department is widely thought to

have one of the strongest relationships among Western governments with the Serbian Ministry of Defence. According to US officials in Belgrade, offers have been made similar to programs in the Ukraine, where a comprehensive SALW surplus declaration and destruction initiative will destroy more than 1.5 million small arms and light weapons, and hundreds of thousands of tons of ammunition.¹² Similarly, NAMSA is engaging in negotiations to destroy large quantities of surplus mortar ammunition and large numbers of rocket-propelled anti-armour systems, equipment with high risk of export sale. Whether anything comes of such possibilities depends on shifting attitudes in Belgrade and more nuanced understandings by foreign funders.

The Formal Surplus Decision-making Process

Within the Ministry of Defence, the formal surplus decision-making process remains largely unchanged since the days of Slobodan Milosevic. Surplus delineation is formally the prerogative of the General Staff. The General Staff logistics division (G-5) is responsible for surplus delineation together with the department (also known as the sector) for material resources. The department for material resources together with G5 is charged with secure storage, inventories and cataloguing. Surplus levels are in theory determined by a needs analysis that corresponds to the projected size of the armed forces, reserve forces and military doctrine. Equipment levels are said by the Ministry of Defence to be calculated on this basis by the General Staff in conjunction with the Assistant Minister for Material Resources together with the Minister of Defence. Final surplus delineation for sale requires the authorization of the Minister of Defence following certification by the General Staff on proposals submitted by G5 and the Department for Material Resources.¹³

Between at least 2004 and 2006, SALW designated surplus by the Ministry of Defence was subsequently offered for sale via a tendering process to various former state-owned arms companies such as SDPR Yugoimport, which held the necessary licences to sell surplus to foreign arms brokers or dealers.¹⁴ The other aspect of the surplus decision-making process focuses on weaponry seized from citizens or traffickers, or declared obsolete or damaged from Ministry of Defence and Ministry of Interior stocks.

Seized weaponry is automatically declared as surplus (*višak*). But in Serbia *višak* is most commonly understood to apply only to seized weaponry.¹⁵ The logistics division of the General Staff, the Department for Material Resources of the Ministry of Defence, together with the Ministry of Interior, delineate seized weapons as *višak* after they have been offered for destruction under foreign-funded programs.

The Ministry of Defence states the armed forces determine their requirements and surpluses by calculating future force levels in the Strategic Defence Review together with 'other factors', which include weapons to equip reserve formations to be raised in times of national emergency or regional war. Need also includes the total number of armed forces personnel, weaponry for reserve units, as well as a reserve stock of SALW which is meant to replace damaged small arms.¹⁶ However, no reserve

numbers or ratio calculation figures are available to determine the projected size of the reserve quantity of SALW required.

Serbia has no national SALW control policy influencing surplus decision-making processes as successive governments and parliaments have failed to ratify and implement draft policies based on best practice guidelines developed in conjunction with the United Nations and Stability Pact for South Eastern Europe. This has been blamed on the institutional stasis that affected State Union of Serbia and Montenegro¹⁷ structures until the Union's dissolution in June 2006.¹⁸ Yet, almost two years after the Union's dissolution, the Republic of Serbia has not ratified nor implemented a SALW control policy. This means that neither of the Ministry of Defence nor Ministry of Interior departments responsible for surplus delineation are subject to the draft policy that favours modern SALW stockpile management principles.

The Serbian Ministry of the Interior (MUP) is also known to control substantial stockpiles of SALW. The Serbian MUP could not provide information on their total SALW holdings;¹⁹ however, the Ministry of Interior have proved more willing to engage in SALW surplus and destruction projects funded by international donors for lower amounts than that sought by the Ministry of Defence. SALW declared surplus by the Ministry of the Interior falls under two broad categories: serviceable weaponry previously used to equip brigade-strength military-style units created during the Milosevic era and weaponry seized as a result of raids or criminal activity. MUP SALW has been sold to foreign buyers in Africa and the Middle East together with MoD stocks;²⁰ however, most of that declared as surplus by the MUP has fallen into the secondary category.²¹ Once such weaponry has served any prosecution or court-related purpose such as appearing as material evidence in a court case, the weaponry may be considered as surplus by the Minister of Interior acting on the advice of the material resources sector within the MUP. This MUP-related SALW surplus decision-making process has accounted for much of Serbia's SALW destruction in the past two years.²²

The Scale of Yugoslav and Serbian Inventories

In much of central, Eastern and Southeast Europe, large quantities of surpluses have resulted from the downsizing of Soviet and Warsaw Pact armed forces following the end of the cold war. In a number of cases, military secrecy combined with processes associated with transition make it extremely difficult to accurately chart the history of these large quantities of stockpiled weaponry as well as the means of disposal. Nowhere is this dynamic more in evidence than in Serbia, the largest constituent republic of the former Yugoslavia, where a culture of secrecy regarding stocks emerged from 1990 onwards, when Serbian stockpiles of SALW and ammunition were first used to covertly arm paramilitaries and proxy armies in Croatia (1990–1995) and Bosnia & Herzegovina (1991–1995) before overtly in Kosovo (1998–1999).

No reliable figures are available for the Republic of Serbia prior to the collapse of the Socialist Republic of Federal Yugoslavia (SFRY) and the reconstitution the armed forces, the Yugoslav People's Army (JNA). A conservative estimate of the stockpiles

police and army units under the control of the Milosevic regime and its proxies inherited by 1991 amounts to roughly 3–3.5 million of the small arms and light weapons that had belonged to the SFRY in 1989.²³ In addition to JNA stocks in the Republic of Serbia, large quantities of weaponry also were stockpiled for Serbia's territorial defence force (*Teritorijalna Obrana*, or TO). The latter were large reserve formations of citizens who had completed military service and were expected to wage partisan warfare according to traditional Yugoslav doctrine in the event of an attack by either Warsaw Pact or NATO forces.

Although it is difficult to assess the actual size of small arms stockpiles on the territory of the Republic of Serbia prior to 1991, some insights can be gained from the last figures for the former Yugoslavia as a whole. These give an indication of the quantities of arms available, most of which fell under Belgrade's control in 1990–1992.

According to a former JNA officer who later organized the training of the Slovenian armed forces, in 1989 the JNA controlled 2,320,000 AK-47 and SKS-type derivative assault rifles for active-duty JNA and TO reserve units, together with some 275,000 machine guns. The federal police held 260,000 assault rifles and machine guns and federal administration officials were also equipped with some 44,000 rifles and machine guns, while a further 200,000 surplus rifles and assault rifles were held as surplus by defence industry, comprised of state-run companies. Licensed civilians possessed 700,000 rifles, while 200,000 illegally held long-barrelled weapons,²⁴ many of which dated from World War II, were estimated to be in circulation.²⁵ A total of 2,110,000 hand guns were also held by the JNA, the MUP, the federal administration, defence industries, and licensed and unlicensed civilians, bringing to more than six million the number of SALW in the territory of the SFRY prior to the outbreak of hostilities in May 1991 (Table 2).²⁶

The Disintegration of Yugoslavia and the Disposition of its SALW

Control of the more than three million assault rifles and machine guns became increasingly important as federal structures were subverted by the republic-level

TABLE 2
ESTIMATES OF TOTAL YUGOSLAV SALW INVENTORIES, 1989

Year	Owners	Type	Quantity
1989	licensed civilian	rifles	700,000
1989	unlicensed civilian	rifles	200,000
1989	military and civilian	handguns	2,110,000
1989	military	automatic rifles	2,320,000
1989	military	machineguns	275,000
1989	federal police	various	260,000
1989	other agencies	various	44,000
1989	industry	various	200,000
		Total	6,109,000

Source: Milan Goranjc, 'Small Arms and Light Weapons and National Security', paper presented at a workshop on SALW and the Stability Pact for South Eastern Europe, Ljubljana, 27 January 2000.

regimes of Slobodan Milosevic in Serbia and Franjo Tudjman in Croatia. As Milosevic's state security service began the process of organizing and arming Serb paramilitary groups in Croatia, Croatia's republican police and nascent national guard became increasingly militarized. The JNA, headquartered in Belgrade, which served both as the federal and Serbian capital and officered mainly by Serbs,²⁷ was initially persuaded by Milosevic that their interests and that of Milosevic's party, the Socialist Party of Serbia (SPS), coincided. One result of this alliance which lasted until 1992, was that following a series of attacks by Serbian paramilitaries and Croatian police in Croatia, the vast majority of all weapons seized or held by the JNA between 1990 and 1992 were inherited by the Milosevic-controlled armed forces of the Federal Republic of Yugoslavia (FRY) and the Serbian Ministry of the Interior that emerged in 1992.²⁸

Thus, while some Slovenian and Croatian territorial defence forces managed to appropriate weapons from depots in these republics before the JNA seized control of them in 1990,²⁹ most of these TO stocks and nearly all of those held in Bosnia & Herzegovina fell into the hands of Belgrade-controlled forces.³⁰ In addition, while a number of JNA soldiers originating from Slovenia, Croatia and Bosnia & Herzegovina deserted,³¹ taking their weaponry with them, most left their arms behind.³² Much of the TO stock and surplus JNA weaponry resulting from the early period of conflict in Croatia and Bosnia & Herzegovina seized by the JNA was distributed to the Bosnian Serb Army (*Vojna Republika Srpska*, VRS) or the Croatian Serb Army (*Vojna Republika Srpska Krajina*, VRSK). At the beginning of 1993, the Yugoslav Army (*Vojna Jugoslavija*, VJ), which had inherited most of the JNA's SALW stocks and officer corps, was estimated at some 150,000 with 400,000 reserves.³³ An additional 110,000 troops were nominally subordinated to the Defence Ministries of the VRS and VRSK.³⁴ These forces, numbering some 150,000 during peak periods in 1994, were substantially equipped from republic-level TO stocks in Bosnia & Herzegovina and Croatia while Bosnian government forces (ABiH), Bosnian Croat (HVO) and the Croatian armed forces (HV) derived the majority of their small arms and ammunition from transfers shipped from outside the SFRY, in violation of United Nations arms embargo imposed from 1991 onwards.

SALW stockpiles in Serbia were used to militarize the police force from 1992 as part of an effort by the regime to counterbalance any potential threat from an aggrieved officer corps within the Yugoslav Army (*Vojna Jugoslavija*, VJ).³⁵ The VJ was the successor to the JNA, inaugurated in 1992 following a purge of communist-era general staff, army commanders, military intelligence and security officers. While the VJ continued to be based along pre-1990 doctrine and structure, the police came to resemble an army. A brigade structure was instituted, together with military ranks and training for officers. Numerous special-purpose anti-terrorist, special operations and paramilitary units were assembled and stationed in restive regions such as Kosovo and the Sandzak, while officers and men were also deployed in the territory of Croatia and Bosnia & Herzegovina. Every policeman in Serbia was thus given access to the newly manufactured M70 AK-47 derivative as well as new and surplus VJ stocks of heavy machine guns and rocket launchers such as the M80 *Zolja*, a hand-held 64 mm rocket launcher, effective against light armour. Heavier anti-armour and

anti-aircraft systems were also added to the MUP inventory. These were often mounted on armoured personnel carriers, of which the MUP held more than 150.³⁶ MUP forces coupled with VJ units relying on conscription totalled some 220,000 during much of the 1990s.³⁷ In addition to these forces, FRY military doctrine relied on a potential reservist pool of some hundreds of thousands of citizens who had undertaken military training through national conscription in the past decade. SALW and ammunition was stockpiled in Serbia to equip such a force in the event of a major attack.

In addition to this weaponry deployed with active duty formations and stockpiled for reserves, there existed a residue of SFRY stocks that had either been held on the territory of the Republic of Serbia or moved from TO or JNA depots when the JNA retreated from Slovenia and Macedonia, as well as regions of Croatia and Bosnia & Herzegovina. A relatively small quantity of this weaponry was stored in the Republic of Montenegro and some stocks were removed in 1997 when the Montenegrin government under then prime minister Milo Djukanovic began equipping police reserve and volunteer units as relations between Montenegrin and Serb political and business elites deteriorated.

The Croatian Serb forces, numbering some 55,000 men and reserves, subsequently lost their inventories thanks to the fall of their secessionist areas during a series of offensives by the Croatian army in 1995 known as *Operation Storm*. The Bosnian Serb army maintained force structures of some 80,000 men until the Dayton Peace Agreement (1995) and the subsequent down-sizing of this force in successive programs monitored by NATO forces in Bosnia and Herzegovina revealed a stockpile of 850,000 SALW in 2004.³⁸

The fluidity of the conflict makes even the rough distribution of post-war weapons inventories highly problematic. Weapons were lost to paramilitary and proxy forces and kept illegally when their owners returned to civilian life. State arsenals were rapidly sold abroad.

While military industries in the Republic of Serbia continued to supply Serbian proxy forces in Bosnia & Herzegovina and Croatia with officers and supplies such as fuel, spare parts and ammunition, little evidence of SALW transfers was uncovered by The Hague war crimes tribunal.³⁹ This suggests that stockpiles amassed by the Croatian and Bosnian Serbs between 1990 and 1992 made them relatively self-sufficient in weaponry; little in the way of SALW from Serbia was supplied following this period.⁴⁰ Serbian military analysts state that the number of police and VJ units, both active duty and reservist, available for duty remained largely static between 1992 and 1998; however, despite the vast amount of stockpiled weaponry, no surplus during this period was ever officially declared.⁴¹ JNA mobilization and high desertion rates in the conflicts in Slovenia, Croatia and Bosnia & Herzegovina contributed to the significant quantities of illegally held SALW, estimated at some 944,000 in the Republic of Serbia as late as 2004.⁴² The Milosevic regime also tolerated a peculiarly lax system of civilian SALW licensing, which allowed organized crime groups involved in state-sponsored paramilitary activities in Bosnia and Herzegovina to maintain SALW holdings of their own.⁴³

Serbian Arsenals after Kosovo and Milosevic

In 1993, SALW production in the Republic of Serbia was reorganized, allowing state-sponsored business producing SALW to act as brokering agents abroad, in defiance of UN arms embargoes (1992–1996, 1998–2000). State-sponsored smuggling of key sanctions-busting commodities such as oil, textiles, tobacco and other raw materials was systematized, as were arrangements for transferring arms and military equipment from Serbia.

Budget allocations dedicated to military expenditure rose dramatically for the financial years 1998–1999, preceding and during the Kosovo crisis, and the ease by which reserve formations were equipped during this period demonstrated the capacity of Serbia's SALW stockpiles to supply large numbers of reservists. The NATO air campaign saw considerable numbers of VJ reservists called up throughout Serbia to defend against any possible incursion via neighbouring states such as Hungary, Romania or Bulgaria, either members of NATO or Pfp. The MUP extended its force deployment in Kosovo through the call-up of reserve formations, such as the *Skorpions*, which were equipped with a variety of SALW, including mortars and 90 mm rocket launchers, illustrating the inventory of MUP-controlled stockpiles. Ammunition-intensive exchanges between MUP and VJ forces and Kosovo Liberation Army (KLA) guerrillas in 1998–1999 demonstrated the capacities of MUP and VJ stocks of SALW ammunition. Inventories were enough to frequently target many of the 100,000 buildings severely damaged in western and central Kosovo during 1998–1999.

The withdrawal of Serb forces from Kosovo in June 1999 did not result in any surplus declarations. Instead much of the equipment – including SALW and ammunition – was returned to stockpiles. A smaller quantity was distributed to Serbians in Kosovo, inflating illegally held SALW.⁴⁴ Warsaw pact-era military doctrine, which relied on large numbers of reservists, remained in place for the rest of Milosevic's rule (until October 2000) as conflict in the Presevo-Medejeva-Bujanovac region of southern Serbia justified keeping MUP and VJ units on heightened alert. No SALW surplus was declared during this period. The fall of Milosevic did provide an indication of the number of unauthorized SALW in Serbia; large quantities of weapons were gathered by pro-democracy groups in anticipation of violence before the massive opposition rallies on 5 October 2000 that secured the election victory of the Serbian Democratic Opposition (DOS) coalition.

Initiating Destruction: 'All These Weapons are Obsolete or Malfunctioning'

The Democratic Opposition victory did not lead to an immediate change in the military doctrine that supported the stockpiling of large quantities of SALW. No SALW surpluses were declared during the first 12 months of the pro-democracy governing coalition that replaced the Milosevic government. The Yugoslav army was formally under the control of Milosevic's successor, Yugoslav President Vojislav Kostunica, a conservative nationalist who supported a group of officers headed by Army Chief of Staff Nebosja Pavkovic, an indicted war criminal wanted by The Hague war crimes

tribunal for atrocities committed against Albanian civilians. Pavkovic had commanded the VJ forces in Kosovo and as such, was the only commanding general in Eastern Europe and the former Soviet Union to have directed attacks against NATO forces. His continuing command of the FRY armed forces prevented an early accession by FRY to PfP structures.⁴⁵

One consequence of Pavkovic's tenure was to block the FRY armed forces from declaring stockpiled weaponry as surplus, as the army was still wedded to the territorial defence doctrine, relying on the equipping of large numbers of the civilian population with stockpiled weaponry. In addition, the former communist, nationalist and conservative senior officer corps cultivated by Milosevic survived the latter's fall, making the VJ the most conservative bastion of the early post-Milosevic era. The general staff under Pavkovic remained closer in spirit to Moscow than Brussels or Washington and were suspicious of offers to help rid Serbia of some of its massive SALW stockpiles. Thus, the notion that military reform began with the fall of Milosevic is false. Pavkovic's command of the VJ signalled the clear intention of the Yugoslav President and Ministry of Defence to maintain not only a Warsaw Pact-era defence system, but the corresponding stockpile and military production capacity to sustain it.⁴⁶ Throughout the period of Pavkovic's command, the army security service (*Vojna Bezbednost*) acted in a manner contrary to armed forces under democratic civilian control: it arrested journalists, seized books deemed to contain 'military secrets', conducted surveillance on domestic politicians and arrested a Serb politician during a meeting with an American diplomat.

While the fall of Milosevic did not result in the immediate reform of state and military security structures that had supported his regime, it did signal an influx of foreign aid. Although neither the Ministries of Defence or Interior were willing to reveal the extent of their stockpiles, an awareness developed of the benefits of destroying weaponry considered surplus through foreign donor-supported programs. In July 2001 it was agreed to declare as surplus a considerable quantity of weapons seized from Albanian paramilitary groups and collected from the civilian populations during and following the conflicts in Kosovo and southern Serbia.

It should be noted that this surplus declaration resulted from an American embassy offer to fund the destruction of any surplus declared by the Yugoslav authorities. As a result of the offer, approximately 52,000 SALW were delineated and eventually declared as surplus for destruction at the state-controlled military-technical facility at Cacak in central Serbia between October and December 2001. The SALW destroyed in 2001 varied enormously in terms of age, type and functionality, ranging from World War II-era bolt-action rifles and submachine guns, through to more modern rocket-propelled grenade systems and AK variants, albeit many damaged or otherwise inoperable.

A number of important precedents were established during the negotiation and destruction process, precedents that would hamper later efforts to seriously tackle the stockpile problem. First, neither the surplus destruction program nor the negotiations surrounding the deal attempted to question the principle of 'marketability'. In this first case, the weapons destroyed were of no commercial value. Second, no attempt was made to provide for a more comprehensive survey or study of Serbia's

stockpile problem. The funds provided by the United States could have been used as leverage to enter into a wider discussion over the fate of Serbia's large and sophisticated SALW inventory which included thousands of MANPADS and rocket-propelled grenade systems. Thirdly, the 2001 program meant that within Serbian military and police circles, the term 'surplus' became associated with those weapons seized from paramilitary formations, criminals or as a result of amnesties amongst the civilian population. Finally, as a result of the 2001 foreign-funded surplus destruction program, such initiatives came to be seen within military-industrial circles as a means by which to subsidize loss-making elements of industrial plants such as the one at Cacak. The American project committed \$390,000 to fund the destruction of 52,000 weapons, an average cost of \$7.50 each. However, this amount was considerably higher than United Nations demilitarization projects in both Serbia and Montenegro with respective Ministries of the Interior.⁴⁷ As a result of this generous and well-meaning initiative on the part of the United States, the Serbian military and state-sponsored facilities came to see surplus destruction in the same light as stockpile sale – through the prism of 'marketability' – creating domestic expectations that future surplus for destruction would be through generously funded international initiatives.

The next public identification of surplus occurred in 2003, when the Serbian Ministry of Defence delineated 27,530 SALW as surplus for destruction as part of a program funded through NAMSA. NAMSA awarded the Ministry of Defence the contract to destroy the weaponry, using the same facility – the MoD technical repair bureau at Cacak – that had been used by the MoD-funded US embassy project. According to the final NAMSA report, 'Weapon demilitarization took place in the workshop that had been established for a previous project funded by the US'; however, despite the presence of the earlier US-funded project, NAMSA had to support a number of infrastructure and equipment improvements. The total cost of the NAMSA project was 375,000 euros. The cost of demilitarization at Cacak was 323,000 euros, giving an average cost of 11.7 euros per weapon. NAMSA stated that the weaponry destroyed was 'a combination of surplus military weapons and illegal weapons recovered by the authorities'; however, once again, the term 'surplus' applied by the Serbian MoD, which had selected the weapons, was applied only to that weaponry deemed damaged, old or obsolete.

Described as 'useless for sale', then Chief of the Armed Forces Branko Krga stated, 'All these weapons are obsolete or malfunctioning, therefore retaining them is no longer meaningful.' Krga went on to say, 'This does not affect our defence capabilities since [the] weapons are obsolete and we have sufficient quantities of light weapons for our own defense. There are pieces of foreign origin, collected in times of the conflicts in this region and during the state of emergency'.⁴⁸

Destroying and Resisting

In the absence of defence reform, the conservative officer corps and secretive Ministry of Defence officials responsible for selling stockpiled weaponry continued to view surplus destruction as another profit-driven exercise through the 'sale' of surplus for destruction rather than foreign 'use', which had been the sole payment method

until 2001. The hostility towards PFP evidenced by Pavkovic's continued tenure, together with that of the officers clustered around him, ensured that no NATO-supported military reform program could be introduced to facilitate the rationalization of defence budgeting and expenditure programs. Such assistance has proved useful in states such as the Ukraine, as advisors have been able to demonstrate the hidden costs of stockpiled SALW and associated ammunition. This often makes continued stockpiling in anticipation of foreign sale a less attractive financial proposition to finance and defence ministry officials charged with budgeting for defence reform and modernization.

Nevertheless, by 2002 the 'transformation and reorganization' of the Serbian armed forces was said to be 'currently underway'. These measures, stated as ongoing in 2002, were meant to have an impact on Serbia's stockpiles and decision-making process regarding surplus weapons. However, such statements, although now a matter of routine, have in fact hidden a process in which defence reform leading to greater transparency of stockpiles and surpluses is always imminent, while at the same time, foreign sales of surplus remains ongoing. For example, in 2002, the Serbian authorities stated that 'following the implementation of [defence reform] decisions . . . surplus stocks will be evaluated' and 'appropriate information on the numbers and types of weapons and ammunition that have been declared as surplus stocks will be available'.⁴⁹

Despite continuing sales of surplus stocks in 2002 and 2003, some of which were ultimately transferred to embargoed destinations such as Liberia, the Serbian authorities stated in their UN Program of Action report for 2003 that 'No analysis of surplus small arms and light weapons has been undertaken due to the ongoing reorganization and transformation of the armed forces of Serbia and Montenegro'.⁵⁰ Thus, one year after a statement announcing that a reorganization was underway to determine surplus levels, about which information would be made available, the authorities stated that no such analysis had been conducted. This despite the fact that the Ministry of Defence was continuing to sell SALW that it had delineated as surplus as a result of analysis, which they claimed had not been conducted. According to one statement, 28,000 rifles were sold in 2003.⁵¹

Within the units of the armed forces of Serbia and Montenegro, the authorities claimed in their 2003 Program of Action report that there 'are no surplus weapons or military equipment', which would appear rational, given that surplus ammunition and weaponry is stored separately from the inventories belonging to units on active duty. Surplus for destruction continued to mean seized from organized crime groups and the civilian population. On 12 April 2003, a total of 3,859 SALW, including AK rifles, rocket-propelled grenade launchers, and pistols were melted down at a cost of approximately US\$6 per weapon with UNDP/SEESAC support.⁵² These weapons had been seized during the state of emergency that followed the assassination of Serbian Prime Minister Zoran Djindjic by Serbian state security officers on 12 March 2003. A further 7,335 SALW collected as a result of an amnesty or seized during raids by the MUP were destroyed on 4 October 2003 at an average cost of US\$5 per weapon with funds made available by the US State Department and SEESAC technical support.⁵³ On 21 February 2004, another 10,000 seized SALW

delineated as surplus were destroyed by the Ministry of Interior with US State Department funding.

The Ministry of Interior, subject to varying degrees of reform in the post-Milosevic era, continued to receive foreign aid in the form of equipment and training programs of which financial support for surplus SALW destruction became a regular feature. The Ministry of Interior destroyed a further 7,018 seized weapons in 2005 and another 7,918 SALW in 2006 with funding from the Federal Republic of Germany.⁵⁴ However, the only surplus designated for destruction from Ministry of Interior stocks were seized or obsolete weaponry. More salvageable MoI weapons were delineated for sale abroad, although the MoI will not disclose the total figure. The Serbia and Montenegro Report on Small Arms to the United Nations for 2004–2005 inaccurately stated that ‘no small arms and light weapons were destroyed either by the military or police in 2004’. In reality, approximately 10,000 were destroyed in February of that year. Although the report stated that surplus destruction had not taken place because ‘no donor showed interest in subsidizing the enterprise’, this was not the case. The report noted ‘SEESAC projects are economically unattractive as subsidies are very low indeed’. However, the UNDP/SEESAC offers of support did cover basic destruction costs, but did not offer the Ministry of Defence the kind of profit margins available from sale. One Serbian army officer stated, ‘Why would the MoD accept \$5 or \$6 per weapon for destruction when they can get \$60 when they sell?’⁵⁵

In contrast to the refusal by the MoD to destroy further weaponry, the Ministry of Interior stated that it was satisfied with the amounts for demilitarization offered by the UN and other donors. Unlike MoD stocks, these MoI-controlled weapons had been seized or used in crimes or were in an unsafe condition. This made the foreign-funded destruction projects more financially attractive, at least to the MoI. Serbian demilitarization capacities were upgraded by these UN, NAMSA and US embassy-supported programs, and the potential for demilitarization projects in Serbia was further demonstrated through the anti-personnel mine (APM) project. The anti-personnel landmine destruction project was initiated following Serbia & Montenegro’s adherence to the Mine Ban Treaty in 2002. This joint project between NAMSA and the Ministry of Defence resulted in the destruction of more than 1.3 million anti-personnel mines at a Ministry of Defence facility constructed for the purpose with foreign funding at Kragujevac in central Serbia. The mines were destroyed at a cost of 1.6 million euros, at a rate of approximately 4,000 mines per day, illustrating how large-scale, labour-intensive demilitarization could be undertaken and implemented by the Ministry of Defence at relatively low cost.⁵⁶

The cost of mine demilitarization averaged less than \$1.5 per mine, once capacity-building and equipment costs were taken into account. Significant quantities of anti-personnel mines, such as the Prom-1 and PMR-3, involved relatively complex demilitarization techniques utilizing as much time and energy as that required for AK rifle derivatives.⁵⁷ The cost margin differential in terms of destruction between these mines and AK rifles was therefore negligible. Why such large-scale landmine destruction initiatives have been successfully implemented where comparable SALW projects have yet to be negotiated is because while Serbia has acceded to the Mine Ban Treaty prohibiting the sale of surplus APMs, stocks of SALW continue to be

delineated as surplus for sale.⁵⁸ Thus while the foreign sale of APMs is now illegal in Serbia, SALW sales remain relatively lucrative, given the \$40–\$60 per weapon price mentioned in contract discussions with arms-dealing entities.⁵⁹ The importance of the financial incentive dynamic in Serbia is further highlighted through an examination of the MANPAD destruction project, one of the largest of its kind in the world, which also demonstrates the capacities of the Ministry of Defence to implement large-scale SALW destruction projects when offered generous financial support from an influential and focused donor, such as the US Department of State.

Serbia's 2005 report to the UN gives the impression that the authorities were still in the process begun in 2001 (or earlier), counting the number of weapons in their possession, stating 'assessments of small arms and light weapons surpluses are underway'.⁶⁰ Surpluses would be defined by age and hence obsolescence but also by need, as briefly elaborated in the statement: 'outdated arms and equipment, as well as those unlikely to be used, are considered surpluses'.⁶¹ Despite statements to the contrary, at the time of writing, actual SALW surpluses in Serbia still appear defined by the 2002 definition as 'surplus stocks of small arms and light weapons are created by arms-and-weapons seizures in incidents of illegal crossings of the State border, illegal transport or sale and by seizures from organized criminal groups and individuals in the territory of Serbia and Montenegro (particularly in the Ground Safety Zone towards the administrative boundary line of the Republic of Serbia and Kosovo and Metohija)'.⁶² This implied that there were no surplus stocks of Serbian army SALW, only those seized from armed groups from either the United Nations-administered area of Kosovo or neighbouring regions of southern Serbia.

Defence reform, the original reason given for the lack of information on stockpiles and surpluses, remained 'underway' in 2005, and the authorities claimed to have provided information on stockpiles, stating that 'the major documents related to the assessment of unit number requirements and the existing stocks of arms and military equipment, have been published'.⁶³ However, neither of the documents cited as containing this information did in fact do so.

The 2005 report to the UN also provided information on what would happen to weaponry when declared surplus. 'Upon being declared surpluses, small arms and light weapons and ammunition will be treated as commercial goods or, depending on their condition, singled out for destruction'.⁶⁴ The implication was that the condition of the weapons condition would determine their fate, whether they were sold abroad or destroyed. The linkage between the 'marketability' of surplus stocks in sale condition remained firmly entrenched. In 2005, an army officer stated that 93,000 surplus SALW had been sold abroad in 2004.⁶⁵ Serbia's 2005 report to the UN made no mention of any stocks or surpluses held by the military, although documentary evidence shows that the sale of delineated surplus continued nonetheless.⁶⁶ According to one army officer, 300,000 surplus SALW were due to be sold abroad in 2005.⁶⁷ Conversations with arms industry executives in 2006 indicate that a sale of between 200,000 and 300,000 SALW was planned for that year.⁶⁸

Although estimates now posit the total number of SALW under Serbian MoD and MoI control at approximately 500,000–800,000,⁶⁹ diplomats state the true figure could

TABLE 3
ESTIMATES OF TOTAL MILITARY INVENTORIES

Country	Year	Total	Category
Serbia	2004	944,000	illicit military weapons in civilian hands
Serbia	2005	500,000–800,000	formal military
Serbia	2007	1,500,000–2,400,000	formal military
Bosnia & Herzegovina	2004	850,000	formal military

Note: The data here offers a snapshot view only. Large quantities have been transferred abroad or destroyed. Bosnia & Herzegovina included for comparison only.

Sources: Figures for Serbia: Zachary Taylor and Charlotte Phillips, *Living with the Legacy: SALW Survey Republic of Serbia* (London: Saferworld, 2005), pp. 14–16, and from interviews with western European and North American military attaches conducted by the author, Belgrade, April–June 2007. Figures for Bosnia & Herzegovina: ‘Dead on Time: Arms Transportation, Brokering and the Threat to Human Right’ (London: Amnesty International, May 2006), p. 46.

be two or three times higher.⁷⁰ Very little of this can find any legitimate domestic use. Current dynamics favouring surplus sale over destruction coupled with a lack of transparency over destinations have obvious consequences for potential proliferation. Surplus sales abroad are of concern because of a track record of Serbian surplus transferred to countries under UN sanctions, as well as to conflict zones, in addition to ongoing military equipment exports to countries under EU or OSCE embargo.

MANPADS Destruction

Immediately upon their introduction in the early 1970s, man-portable air-defence systems (MANPADS) became a vital element in the Yugoslav concept of territorial defence, with significant numbers of tactical units at battalion level specializing in their deployment. It was expected that these formations would defend Yugoslav military formations as they retreated to mountainous regions in the event of an invasion. These weapons were especially important in Yugoslavia, partially in reaction to the World War II partisan experience, when Yugoslav forces often lacked the heavy machine guns and cannon necessary to deter Axis fighter aircraft, leaving partisan forces in the mountains of Bosnia & Herzegovina and Montenegro continuously vulnerable.⁷¹

Various types of MANPADS were produced by the Yugoslav National Army military industrial complex at Valjevo in large quantities during the 1970s and 1980s. No official account of imports or domestic production has been made public. There appears to be considerable doubt among Serbian authorities about the totals in national inventories. Serbian officials have estimated total Yugoslav production through to the final disintegration of the country in 1991 as 30,000–80,000 MANPAD missiles.⁷² Production reportedly ceased in 1992–1993.⁷³

During the breakup of the former Yugoslavia, a majority of MANPADS were secured by JNA units for use by Serbian formations such as the Bosnian Serb Army (*Vojna Republika Srpska*, VRS) the Croatian Serb Army (*Vojna Republika*

Srpska Krajina, VRSK) and the Yugoslav Army (*Vojna Jugoslovenska*, VJ). Because neither the Bosnian nor Croatian armies possessed significant air assets, many MANPADS deployed in these conflicts were used in a ground attack role.⁷⁴ Such use, plus any subsequent production, makes totals for Serbia and the rest of the former Yugoslavia difficult to assess. As the threat of air attack receded, these weapons lost any credible military rationale. NATO aircraft in the 1999 Kosovo war avoided them simply by remaining above 5,000 metres, also the preferred minimum altitude for release of precision-guided munitions. Perhaps the biggest residual demand came from the Balkan black market, where missiles and gripstocks⁷⁵ reportedly have a clandestine value of up to \$100,000, a measure of how much they are sought after among regional organized crime networks.⁷⁶

The United States played a crucial role drawing official attention to the issue. Following American requests, in 2003 the Ministry of Defence began destruction of 1,200 SA-7 missiles. This was described as a goodwill gesture, contributing to its developing relationship with the United States. The initial project was completed in early 2004.⁷⁷ Later that year, the Ministry of Defence designated another 5,000 SA-7s for destruction, mostly improved Yugoslav-manufactured variant known as the 2M2J Sava but also some more advanced models.⁷⁸ In October 2004, then Defence Minister Prvoslav Davinic signed an agreement with the United States for the destruction of a further 5,000, to be carried out at the military plant where they were produced, the Krusik factory in Valjevo. Already, financial consideration had begun to complicate further agreement; American diplomats declined to provide financial details of the deal, concerned that this might encourage other states to 'shop around for the best deal possible'.⁷⁹ Serbian Ministry of Defence officials state that the MANPADS were being destroyed for approximately \$400 per missile, although those funds were not directly channelled to the responsible department.⁸⁰ When completed, it will represent one of the largest foreign-sponsored MANPAD destruction projects in the world.

American diplomats report entering into discussions regarding possible disposal of some 12,000 more Serbian MANPADS missiles and associated gripstocks, weapons they have tried to convince Serbian officials are 'excess' to Serbian needs under modernization programs and regional balance of forces arrangements.⁸¹ American representatives have offered to fund the destruction of another 5,000 MANPADS, part of a standing offer to eliminate missiles along with other small arms and light weapons. Nevertheless, the follow-on projects appear to have stalled. Difficulties associated with further MANPADS surplus delineation and that of other SALW has until recently been ascribed to inventory calculations, army down-sizing and other defence reform-related issues.⁸² These difficulties have been exacerbated by more recent Kosovo-related political developments within Serbia, which have forced the Ministry of Defence to downgrade and reduce on-going discussions over defence reform, including MANPADS negotiation.⁸³

Difficult Choices: Reform, Income or Nationalist Resistance?

Defence reform often results in large weapons surpluses, but not necessarily in their destruction.⁸⁴ Domestic politics and the prospect of greater profits through arms

exports continuously influence the prospects for destruction. After massive cuts made possible by the end of war with Croatia and Bosnia in 1995, the Serbian armed forces began a gradual reduction, a process that accelerated after defeat in Kosovo in 1999. By mid 2007, formal reorganization was scheduled to leave only 28,000 personnel. Conscription should end completely by 2010.⁸⁵ After years of decline, Serbian defence budgets are increasing, however. New funding is reportedly going not into new procurement but into the overhaul of old equipment and especially salaries, with the goal of matching salaries of regional neighbours.⁸⁶

Unwanted equipment has been immune to domestic politics, especially changes in government. Under President Vojislav Koštunica, who replaced Slobodan Milošević in October 2000, military reform was minimal, with Army Chief of Staff Nebojsa Pavkovic asserted the continuing importance of territorial defence and need for rapid mobilization of large forces. The situation began to change after the election victory of reformist Zoran Djindjic, prime minister from January 2001, facilitating the first NAMSA project.

In light of the numbers of surplus armaments in storage, this was only a tentative beginning. Serbian uncertainty was clearest in the choice of weapons for the NATO project, which the Serbs described as 'useless' and 'obsolete', not suitable for export. After Djindjic was assassinated in 2003, the willingness of the Ministry of Defence to cooperate with destruction projects declined rapidly. The government formed by Koštunica in 2004 expressed little interest in the issue and left decisions up to the still-resistant military. The exceptions are the Ministry of the Interior and MANPADS, where persuasion and financial support from Berlin and Washington have been instrumental, as shown above.

With defence reform on the Serbian agenda again, surplus material has become politically visible. As before, economic pressures predispose Serbian officials to favour selling off military property for additional income. While weapons exports receive the most attention internationally, controversial efforts to dispose of military real estate have provoked bigger scandals at home.⁸⁷ Whether the reform idea itself is enough to limit profit motives remains to be seen.

On top of such pressures, the effect of losing sovereignty over Kosovo must be considered. Small arms issues played no direct role in Kosovo's declaration of independence on 17 February 2008, immediately recognized by most Western governments, but the effects are potentially serious. The decision forces Serbia to choose between national identity and multilateral cooperation, between historical rhetoric and material interests. Cooperative programs with Kosovo's backers – Washington most prominent among them – are a natural potential casualty.

But such a turn is not inevitable or insurmountable. This may be another example where discreet handling facilitates sustained cooperation. Compared to issues like EU and NATO membership, small arms, light weapons and ammunition destruction rank low. As a classic example of low-visibility cooperation, it would not be surprising if multilateral destruction programs survived intense nationalist pressures. Although they are vulnerable to populist criticism, so far they have been insulated by their inconspicuousness. A major goal of UN and OSCE norm-building, as well as of previous destruction projects, has been to convince Serbian officials that such steps

enhance the country's self-interest. The knock-on effects of Kosovo's independence will test whether that message has been heard.

Serbia's Stockpiles, Licit and Illicit Transfers

Export sales remain the most likely alternative to destruction. So far, it has not been much of a choice. The Republic of Serbia is a small to medium player in the global arms market, but has a record of transferring surplus small arms that violate United Nations arms embargoes and other arms export relationships to conflict-ridden countries in Africa, South-East Asia and the Middle East.

The risk that weapons manufactured and stockpiled in Serbia may also be transferred to countries or entities under UN embargo is heightened by an arms-smuggling network, which has been involved in US Department of Defence weapons supply contracts to Iraq as well as trafficking and transfers to African states such as the Democratic Republic of Congo, Burundi, Liberia, and Rwanda.⁸⁸ Actors within this network are currently under investigation by the UN Sanctions Committee for Somalia. In addition to illicit deliveries involving this Serbia-based network, Serbia is known to have officially exported surplus versions of the AK assault rifle, other small arms surplus and corresponding ammunition or heavy military equipment.⁸⁹ Clients include Afghanistan, Angola, Chad, Cote d' Ivoire, Equatorial Guinea, Indonesia, Iraq, Israel, Sri Lanka, and Tanzania.⁹⁰ Shipments include transfers to conflict-sensitive destinations, such as large quantities of grenades to Rwanda and howitzers to Myanmar.⁹¹

Serbian-manufactured arms, ammunition and landmines have been discovered in significant quantities by UN peacekeepers in the Democratic Republic of Congo (DRC), which is subject to a UN arms embargo. Mortar shells and anti-personnel mines have been found in the Bukavu area, while assault rifles and cartridges have recently been found in the Ituri District of eastern DRC.⁹²

Between 1991 and 2000, Serbia and the State Union of Serbia and Montenegro's predecessor, the Federal Republic of Yugoslavia, were subject to an array of international sanctions, including a UN weapons embargo on the import or export of arms and military equipment.

The secretiveness of former Yugoslav President Slobodan Milosevic's regime, and the fact that weapons exports were banned under the UN embargo, meant that there was no official FRY arms export report submitted to the UN.⁹³ Nevertheless, surplus small arms and ammunition manufactured in Serbia have been documented as exported to Bosnian Serbs in neighbouring Bosnia & Herzegovina by the United Nations International Criminal Tribunal for former Yugoslavia, (ICTY), together with military equipment imports from Israeli companies; however, the full extent of sanctions-busting in terms of exports from Serbia during this period remains undetermined.⁹⁴

Although a lack of transparency hinders an accurate overview of the final destination of surplus small arms, light weapons and ammunition over the past decade, an indication of earlier lax arms export regulation can be seen from transfers of heavy weaponry and munitions from Serbia to countries under international arms embargoes. For example, Serbia has continued to allow heavy and other military equipment

to be sent to Myanmar since at least 2001. These transfers were in violation of the EU arms embargo and appeared to be at variance with repeated statements made by the post-October 2000 authorities in Belgrade that they were following the EU Code of Conduct.⁹⁵ According to Belgrade's own report to the UN Register of Conventional Arms, Serbia exported 54 Yugoslav and US-made 105 mm howitzers in 2001, and a further 36 105 mm howitzers in 2004 to Myanmar. Small arms and light weapons exports do not have to be declared.

The lack of Serbian submissions to the UN Register in 2002, 2003, 2005, and 2006 makes it impossible to determine how many more howitzers were transferred to Myanmar as part of the export program in the intervening years. However, customs data provided to the UN by the Serbian authorities in 2004 lists an export worth \$1,260,000, weighing 76,261 kg to Myanmar.⁹⁶ This is believed to represent a part of the sales of the 105 mm and 155 mm artillery to Myanmar. Additionally, the arms export report for the State Union of Serbia & Montenegro covering an 18-month period between 2005 and 2006 notes that two export licenses for artillery, ammunition, and aircraft spare parts worth \$16,857,280 were granted for Myanmar in 2005.⁹⁷

Instances of other types of Serbian surplus military equipment transferred by trafficking networks to states under embargo were exposed in 1997 when an Ilyushin 76T cargo jet crashed at Belgrade airport, carrying military equipment and jet aircraft parts bound for Libya, which was under a UN arms embargo at the time.⁹⁸ The aircraft was operated by Spair Air, a now-defunct Russian company. Two Spair Air Ilyushins were subsequently transferred to air cargo companies blacklisted by the United States Department of the Treasury⁹⁹ and the European Council¹⁰⁰ after being identified by United Nations Sanctions Committees as belonging to the world's most notorious arms trafficker, Victor Bout.¹⁰¹ According to witnesses and sources close to the Serbian Ministry of Defence, the military equipment being transported to Libya by Spair Air involved the FRY Ministry of Defence, SDPR Yugoimport and a freight-forwarding company, Interjug.¹⁰²

Serbian trafficking actors continued to utilize the growing number of Russian and Ukrainian air cargo companies operating from hubs such as Ostend and Sharjah airport in UAE for large-scale arms- and tobacco-smuggling activities.¹⁰³

Another documented case of trafficked Serbian surplus occurred in July 2002, when Aerocom, a Moldavian airline and Ducor International, based in Ostend, flew thousands of surplus assault rifles, grenades, rocket launchers, sniper rifles and millions of rounds of ammunition purchased as surplus by SDPR from Ministry of Defence stockpiles to Liberia using falsified End User Certificates.¹⁰⁴ Details of the Liberia shipments were published in the UN Security Council Report researched by the UN Sanctions Committee on Liberia. The report noted the involvement of SDPR in the arms shipment and the favoured freight-forwarding company, Interjug. Other Serbian nationals were later discovered to be involved.¹⁰⁵ Other destinations for arms shipped by this network included Congo, Burundi and Rwanda.¹⁰⁶

While the UN stated that the Serbian authorities had, in the main, cooperated with the UN investigators, the report highlighted Interjug's lack of cooperation and

transparency; it had refused to provide information to the United Nations sanctions committee experts.¹⁰⁷

It is impossible to quantify the precise number of stockpiled weapons declared as surplus that have been shipped from Serbia, as neither the Ministry of Defence nor the main licensed surplus SALW exporter, SDPR were willing to provide accurate information. Belgrade's report to the United Nations states that 'all tenders and sales of arms and equipment related to Iraq are coordinated through intermediaries, appropriately authorized by the US government'.¹⁰⁸ This statement appears optimistic, at best. The positions occupied by individuals identified as part of an arms-trafficking network to states under UN sanctions makes it only too likely that surplus arms shipments involving Serbian firms will find their way to countries currently under a UN arms embargo.¹⁰⁹

Licit Serbian shipments are now dominated by contracts supplying the government of Iraq. Reviving a relationship established during Saddam Hussein's regime, the Serbian state arms manufacturer SDPR negotiated a secretive deal with the Iraqi Defence Minister worth an unprecedented \$833 million before American and Iraqi concerns over the quality of the equipment and oversight reduced the transfer to a contract worth some \$236 million in March 2008.¹¹⁰ Building on earlier contracts to supply surplus SALW and ammunition to the Iraqi security forces in 2004, 2005 and 2006, the latest deal involves the transfer of SALW, including pistols, assault rifles, mortar shells and sniper rifles as well as conventional weaponry and equipment such as training aircraft, explosives and bullet-proof jackets.¹¹¹ Serbia's focus on SALW and related ammunition – both in terms of new product and stockpiles – will be further accentuated as a result of this deal, which is alone worth more than Serbia & Montenegro's entire controlled exports in 2005.¹¹² If Serbia continues to act as the main supplier of SALW and associated ammunition for Iraq's security forces, as envisaged by Serbian arms company executives, both the sale of newly produced weapons and stock will remain a central feature of Serbia's arms exports for years to come.¹¹³ Nevertheless, concerns over quality control and oversight remain,¹¹⁴ as corruption and sub-standard goods have become something of a hallmark of recent Balkan surplus SALW transfers to conflict zones in recent years.¹¹⁵

Conclusions

Cases of illicit delivery illustrate the very *raison d'être* of foreign-funded surplus destruction projects. In Serbia, foreign-funded surplus destruction has been used to cement better politico-military relations between the host nation and foreign donors as well as provide a useful practical function in terms of reducing the number of SALW stockpiled by the Ministries of Interior and Defence.

However, the underlying dynamics influencing Serbia's SALW surplus decision-making processes also illustrate a number of points and issues reflected in other states. The lack of any surplus destruction initiatives during the Milosevic period reflected a number of dynamics associated with the regime, including the use of stockpiles to fuel conflicts in neighbouring states, the militarization of the police together with a general

lack of democratic reform and modernization within the armed forces and society at large.

The post-Milosevic era witnessed the beginnings of a SALW delineation policy very much based around foreign initiatives and financial support. The role of the US Department of State was key to enabling more moderate elements within the Ministry of Defence to overcome objections and resistance from Milosevic-era appointees in the earlier stages of defence reform.¹¹⁶ Similarly, the MANPAD destruction program was the result of the positive working relationship between elements within the Ministry of Defence and the Serbian cabinet with officials representing the American government.¹¹⁷ Projects such as these and the NAMSA-implemented landmine destruction initiative have demonstrated the abilities of the donor community to work effectively with the Serbian Ministry of Defence to produce significant SALW destruction initiatives with capacity-building components.

Serbian SALW destruction projects have generally been signed with defence ministers belonging to the more western-orientated political parties such as the Democratic Party (2002, 2003) and G17+ (2004). This suggests that such projects tend to occur under less nationalistic leaders with fewer ties to Moscow, reducing the role of older military doctrines and the Ministry of Defence. Experience with foreign-sponsored projects has made officers within the General Staff and elsewhere in the government favourable towards further initiatives. The political orientation of the current group of politicians and advisors within the Serbian Ministry of Defence indicate that this trend will continue.

However, the case of Serbia also illustrates that the atmosphere surrounding military small-arms policy remains complex and unpredictable. Even positive developments wrought by surplus destruction projects also tend to reinforce opposite dynamics within Serbian decision-making. Where accepted, the surplus concept encourages export expectations. But acceptance of the idea of surplus remains uncertain. Correspondence from the Serbian Ministry of Defence to an international organization engaged in SALW management issues stated as late as January 2007 that Serbia had no surplus and all available weaponry was being sold to foreign buyers.¹¹⁸

This uncertainty has been reinforced by the relatively generosity of certain surplus destruction projects, such as the NAMSA-implemented initiative and the American-funded MANPADS program. High prices for destruction achieve short-term success at the risk of long-term failure, raising expectations among some officers and civilians within the MoD as to what constitutes a financially rewarding SALW destruction project. This has resulted in seriously designed destruction offers from the UN and others being refused. This is compounded by foreign sales of surplus to countries such as Afghanistan, Armenia, Azerbaijan, Georgia and Iraq together with African states, heightening the perceived market value of surplus weaponry.

When Serbia lags behind the region in delineating military stocks for destruction, one sees the combined effect of nationalism, military doctrine and the perceived economic value of SALW stocks. Economic value is largely about the international market, but it also is predicated on how much the Ministry of Defence believes it

can leverage in future surplus destruction negotiations. Past dynamics show that, with the exception of MANPADS, international actors have simply been funding the destruction of weaponry the Serbian authorities consider to be of no market value, while at the same time pricing some surplus destruction proposals out of the market through the generous and at times untargeted use of funds. Close coordination between donors and implementing organizations is essential to ensure that the Serbian Ministry of Defence views surplus decision-making in terms of overall defence reform.

NOTES

1. The Republic of Serbia is the successor state of the State Union of Serbia and Montenegro, dissolved on 3 June 2006, following a referendum in Montenegro. The Republic of Serbia inherited the international legal rights and obligations of the former State Union formed following the dissolution of the Federal Republic of Yugoslavia (FRY), and comprising of the Republics of Serbia and Montenegro from 1992–2003.
2. Estimates of the Serbian armed forces SALW inventory range from 789,016 to in the region of 800,000–1,200,000. The low estimate is from Zachary Taylor and Charlotte Phillips, *Living with the Legacy: SALW Survey Republic of Serbia* (London: Saferworld, 2005). Higher estimates are from military attaches, United Nations staff, and Serbian military analysts interviewed for this project. The Serbian armed forces are to be reduced to 38,000 personnel under the strategic defence review plan to be implemented by 2009. According to the latest figures, the Serbian army (VS) currently has about 28,000 members: 4,470 officers, 7,800 non-commissioned officers, 4,200 soldiers under contract, 7,200 soldiers who are doing regular military service, and about 4,200 civilian employees.
3. Serbian Ministry of Defence officials state that former Yugoslavia's larger MANPADS and RPG ratio was predicated on an official defence doctrine that envisaged defending the country from large-scale ground and air offensives by the Warsaw Pact and/or NATO. Author's interview with Colonel Marko Novakovic, Serbian Ministry of Defence Verification Centre, Belgrade, 7 June 2007.
4. *Ibid.*
5. Interviews with officers attached to the Serbian General Staff, documents, interviews with United Nations and NATO officials.
6. See Solomon Moore, 'Secret Iraqi Deal Shows Problems in Arms Orders', *New York Times*, 13 April 2008; 'Export Arrangement with Iraq to Revitalize Defence Industry', interview with Stevan Nikcevic, managing director of Jugoimport SDPR, Ivan Radak, *Danas*, 6 April 2008.
7. See Serbia and Montenegro Report to the United Nations Register of Conventional Arms for 2004 (exports) for examples, http://disarmament.un.org/NN_REGISTER.NSF.
8. Interview with Bojan Dimitrijevic, advisor to Defence Minister Boris Tadic, April 2003.
9. Reasons cited by US DoS and DoD interlocutors, June 2007.
10. Interview with Bojan Dimitrijevic (note 8).
11. See *Destruction of Small Arms and Light Weapons in Serbia and Montenegro, Final Report* (Luxembourg: NAMSA, April 2004).
12. Interview with Ian Campbell, First Secretary, Political Section, and Colonel David Chapman, Department of Defense, Embassy of the United States of America, Belgrade, June 2007.
13. Interview with Colonel Ljubisa Grbovic, Sector for Material Resources, Department for Defence Technologies, Ministry of Defence, Belgrade, 7 June 2007.
14. Recorded telephone interview with Marina Dragas, Yugo-Import Mont manager, March 2006.
15. Interview with Daniel Sunter, Director, Euro-Atlantic Initiative, May 2007.
16. Interview with Colonel Rasim Cirikovic, Department of Logistics, General Staff of the Army of Serbia (G5), 7 June 2007, Belgrade.
17. The State Union of Serbia and Montenegro was the entity that replaced FRY in 2002. It was a State Union between the republics of Serbia and Montenegro and represented the two republics in international fora, such as the UN until Montenegro declared independence following an independence referendum in June 2006.
18. Interview with Colonel Marko Novakovic (note 3).

19. Email from Serbian MUP official responsible for SALW, Natasa Markovic, May 2007.
20. MUP surplus has been supplied under contracts for Iraq and Tanzania, amongst others. Interview with Marina Dragas (note 14).
21. Interview with Adrian Wilkinson, Head, SEESAC, Belgrade, 5 July 2007.
22. With the exception of the MoD–US State Department MANPADS destruction project, all SALW surplus destroyed between 2005–2007 was as a result of decisions made by the Minister of the Interior.
23. Interview with James Lyon, International Crisis Group special advisor, Belgrade, April 2006.
24. A rifle is a long-barrelled weapon which has its barrel ‘rifled’ to make the bullet spin upon exit. Rifles can be single-shot, bolt action, semi-automatic or automatic. A long-barrelled weapon can be a rifle, a shot-gun, a sub-machine gun, a light machine gun etc, in short any infantry weapon which has a barrel longer than that of a pistol, which is termed a handgun, instead.
25. Milan Goranjc, ‘Small Arms and Light Weapons and National Security’, paper presented at a workshop on SALW and the Stability Pact for South Eastern Europe, Ljubljana, 27 January 2000.
26. The JNA numbered some 250,000 full-time personnel in 1990. Robert Niebuhr, ‘Death of the Yugoslav Peoples’ Army and the Wars of Succession’, *Polemos*, No. 7, 2004, pp. 91–106.
27. In July 1991, the officer corps there consisted of 57 per cent Serbs, 12 per cent Croats, 6 per cent Slovenes, 5 per cent Montenegrins, 4 per cent Yugoslavs, and 16 per cent other nationalities. Davor Marijan, ‘Smrt oklopne brigade’, *Naklade Zoro*, Sarajevo, 2002.
28. Interview with Milos Vasic, military analyst, *Vreme*, Belgrade, May 2006.
29. The most notable seizure of JNA weaponry by forces other than groups subordinate to the JNA, VJ or its proxies occurred in the Croatian town of Varazdin in 1991 with the surrender of the JNA’s 32nd Corps, resulting in the capture of thousands of assault rifles and other SALW together with 150 tanks and armoured personnel carriers.
30. *Ibid.*
31. Desertion rates prior to open conflict were high. In 1990, 25,000 out of 70,000 conscripts deserted the armed forces in that year alone. ‘Yugoslav Ground Forces’ Vego, Milan *Jane’s Intelligence Review*, 1 June 1993.
32. Interview with Aleksander Radic, assistant editor, *Defence & Security*, VIP News Agency, Belgrade, May 2007.
33. ‘Forces of the Federal Republic of Yugoslavia’, in *Final Report of the United Nations Commission of Experts Established Pursuant to Security Council Resolution 780* (1992), p. 25.
34. *Ibid.*
35. Interview with Dejan Anastasijevic, security analyst, *Vreme*, Belgrade, May 2006.
36. Aleksander Radic, ‘MUP Reforms’, *Defence & Security*, VIP News Agency, Belgrade, May 2001.
37. The post-1992 Yugoslav armed forces numbered some 200,000 personnel in 1992, falling to some 150,000 active duty and 400,000 reserves in 1993–1994. By 2002, they were reduced to some 125,000. MUP strength oscillated between some 80,000–120,000 active duty police and reservists for the same period. United Kingdom Ministry of Defence, Hellenic Resources Network, Globalsecurity.org, United Nations Department of Peace-Keeping Operations (DKPO) documentation.
38. *Dead on Time: Arms Transportation, Brokering and the Threat to Human Rights* (London: Amnesty International, May 2006) p. 46.
39. For SALW transfers between FRY and VRS recovered by ICTY related to ammunition re-supply, see 1st Krajina Corps and VRS General Staff documentation presented in *Prosecutor v. Slobodan Milosevic: Prosecution’s Second Pre-Trial Brief* (Croatia and Bosnia Indictments), 31 May 2002: ‘At the 50th Session of the National Assembly of Republika Srpska in April 1995, General Mladic provided a consumption review of weapons and other equipment used by the VRS from the start of the war until 31 December 1994. After initially obtaining roughly 40% of the infantry, artillery and anti-aircraft ammunition it was to use from another JNA stocks, the VRS received at least another 34% of the total amount of each of these items it consumed before 31 December 1994 from the VJ.’
40. Interviews with Bosnian Serb officials, August 2005.
41. Interviews with Dejan Anastasijevic, Aleksander Radic, Milos Vasic (*Vreme*), and Daniel Sunter, Euro-Atlantic Initiative, Belgrade, June 2007.
42. The estimated indicator for illegally held SALW in the Republic of Serbia was given as 944,000, in Taylor and Phillips (note 2), p. 16.
43. One example of this was evident from a March 16 2003 police raid on a house which belonged to deceased paramilitary leader Zeljko Raznatovic known as Arkan. An armoury containing thousands

of rounds of ammunition, arms and accessories was recovered following the assassination of Serbian Prime Minister Zoran Djindjic.

44. Interview with James Lyon, International Crisis Group special advisor, Belgrade, April 2006.
45. Interview with former Foreign Minister of the Federal Republic of Yugoslavia and Serbia and Montenegro, Goran Svilanovic.
46. 'In developing and equipping the Yugoslav Army with the means of armament and military equipment, all the available national resources of the state, especially of the special-purpose industry, will be of decisive influence. In our opinion, it was and ought to remain the bedrock of the further development and technical modernization of our army.' Nebosja Pavkovic, *Vojaska*, 22 February 2002, p.2.
47. In May 2003, the Montenegrin Ministry of the Interior in conjunction with the United Nations Development Program (UNDP), with financial assistance and verification carried out by SEESAC, destroyed 5,028 weapons at a cost of US\$5 per weapon, including transport and security costs. Future destruction costs were expected to be lower as capacity development has taken place and economies of scale will begin to apply. 'Support to the Republic of Montenegro Weapons Destruction', *SEESAC Activity Report AR/006* (Belgrade: SEESAC, 30 May 2003).
48. Goran Otasevic, 'Destruction of Light Weapons of SCG Military Has Started in Cacak', *Politika*, 23 October 2003.
49. *Report of Serbia and Montenegro on the Implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in all its Aspects* (New York: United Nations, 2002).
50. *Report of Serbia and Montenegro on the Implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in all its Aspects* (New York: United Nations, 2003), p.3.
51. *Defence & Security* VIP News Agency, SEESAC monitoring, 18 February 2005.
52. 'Arms Destruction in Serbia', Press Release, SEESAC, 12 April 2003.
53. 'Future destruction costs are predicted to again be lower as capacity development continues and economies of scale start to apply.' *Republic of Serbia – Destruction of SALW (Phase 2)*, SEESAC Activity Report AR/019, 6 October 2003.
54. *South Eastern Europe SALW Monitor 2006* (Belgrade and London: SEESAC and Saferworld, 2006) p. 98.
55. Interview with Colonel Marko Novakovic (note 3).
56. See *Landmine Monitor 2006* report on Serbia & Montenegro for further information.
57. Interview with Colonel Vlado Radic, Head of Department, Sector for Material Resources, Department for Defence Technologies, Ministry of Defence, Belgrade, April 2006.
58. *Ibid.*
59. Interview with Marina Dragas (note 14).
60. *Report of Serbia and Montenegro on the Implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in all its Aspects*, p. 2 (New York: United Nations, 2005).
61. Report of Small Arms and Light Weapons in Serbia and Montenegro for 2004 and 2005, submitted to the United Nations.
62. *Report of Serbia and Montenegro on the Implementation of the UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in all its Aspects* (New York: United Nations, 2002).
63. *Ibid.*
64. *Report of Serbia and Montenegro* (note 57).
65. *Defence & Security*, VIP News Agency, SEESAC monitoring, 18 February 2005.
66. 'At least once a week hundreds of cases of ammunition and weapons are being flown from the Golubovci airport near Podgorica to Iraq and other Middle Eastern countries. According to our sources, the transports include Kalashnikov assault rifles, hand grenades and ammunition produced by the Zastava factory in Kragujevac. All deliveries are destined for Iraq are being loaded into Russian Tupolev aircraft at the Golubovci airport. Trucks with Cacak licence plates are delivering the weapons to Podgorica airport. During the unloading and loading operations in Podgorica . . . According to unofficial sources, the weapon is being delivered to Montenegro from barracks in Serbia and the entire export and import deal is getting handled by the Montenegrin Jugoimport Media Mont company . . . Jugoimport Mont director Zoran Damjanovic has told Dan that this company indeed is involved in arms sales via the Podgorica airport. He pointed out that this is a legal deal and that he has all the necessary papers. "The goods are being sold by the state and

the state is behind the whole deal so there can be no doubts about that. We signed a contract with the Serbia-Montenegro Defence Ministry after winning an official tender. . . . He added that the state has decided to sell surplus weapons stockpiled in barracks to other countries. However, he refused to say what the final destination of the weapons shipments is.” ‘Tone oružja sa Golubovaca lete za Irak’, *Dan* in *BBC Monitoring*, 27 September 2005.

67. Interview with Colonel Vlado Radic (note 54).
68. Interview with Marina Dragas (note 14).
69. Taylor (note 2), pp. 14–16.
70. Military attaches speaking on an off-the-record basis.
71. Interview with Aleksander Radic (note 30).
72. Interview with Colonel Vlado Radic, April 2006.
73. Gordana Kucic, ‘Serbia Destroys One-Man Anti-Aircraft Missiles’, Reuters, 17 January 2004.
74. Interview with Colonel Vlado Radic (note 54).
75. A gripstock is that part of the MANPAD from which the missile itself is launched. The gripstock contains, the aiming device, trigger, handle and barrel.
76. ‘Strela MANPADS Smuggled in Albania’, *Defence & Security* VIP News Agency, SEESAC monitoring, 23 December 2004.
77. Kucic (note 68).
78. Interview with Colonel Vlado Radic (note 54).
79. Interview with Ian Campbell, First Secretary, Political Section, US Embassy Belgrade, June 2007.
80. Interview with Colonel Ljubisa Grbovic, Sector for Material Resources, Department for Defence Technologies, Ministry of Defence, Belgrade, 7 June 2007.
81. Interview with Ian Campbell (note 73).
82. Interview with Colonel Marko Novakovic (note 3).
83. Aleksander Radic, ‘Serbian Defence System Before Elections’, *Defence & Security*, VIP newsletter, Belgrade, April 2008.
84. This section is adapted from ‘Semi-automatic Process?’, *Small Arms Survey 2008* (Cambridge University Press, 2008), ch. 3.
85. ‘Serbian Reorganizes Army Reduces Number of Troops, Armaments’, *Vecernje Novosti* in *BBC Monitoring Service*, 26 July 2007.
86. ‘Financing the Army of Serbia’ and ‘Reorganization of the Army of Serbia’, VIP News Service, 2 August 2007.
87. *Ibid.*
88. According to a US Secret Service investigator, the United States Department of the Treasury, Office of Foreign Assets Control (OFAC) is undertaking procedures that will result in a number of individuals involved in this trafficking network being blacklisted on OFAC’s Specially-Designated Nationals (SDN) list. Email to the author, February 2008.
89. All arms transfers discussed in this section originated from stockpiles in the Republic of Serbia or newly produced weaponry exported following authorization from the State Union Ministries of Defence or International Economic Relations or successor Serbian Republican ministries in Belgrade.
90. Some of these shipments are listed in Serbia & Montenegro’s reports to the United Nations Register of Conventional Arms for 2002, 2003, 2004 and 2005. More data is derived from the United Nations Comtrade database; additional information obtained during recorded interviews with officials from the State Union of Serbia and Montenegro Ministry of International Economic Relations (MIER).
91. Airway bills and recorded interview with MIER Assistant Minister Ana Blagojevic, September 2006. An airway bill is an air cargo bill of lading, a document which details the type and quantity of cargo, exporter, shipper and recipient.
92. See *Democratic Republic of Congo: Arming the East* (London: Amnesty International, 5 July 2005).
93. There is no UN Comtrade documentation for Yugoslav arms imports and exports from this period and no reporting by Yugoslavia to the UN Register on Conventional Arms.
94. International Criminal Tribunal for the Former Yugoslavia, *Amended Expert Report of Morten Tor-Kildsen, Office of the Prosecution (OTP) Case No.IT-02-54-T*.
95. ‘Belgrade wants to approach in a comprehensive manner a family of nations comprising the EU and then join it.’ Yugoslav President Vojislav Kostunica, address to European Parliament in Strasbourg, 15 November 2001, quoted in ‘Yugoslav President Mentions Goal of Joining EU’, Reuters, 15 November 2001, and ‘Yugoslavia’s Major Foreign Policy Goal is to Adhere to European Norms and Eventually Join EU’, Reuters, 15 November 2001.
96. United Nations *Comtrade* database, 2004.

97. Myanmar was Serbia's third largest export destination. See Ministry of Economy and Regional Development (MERR), Republic of Serbia, *Annual Report on the Realization of Foreign Trade Transfers in Controlled Goods for 2005 and 2006*, pp. 51, 63, [http://www.seesac.org/export/Annual%20report%202005-2006%20\(2\).pdf](http://www.seesac.org/export/Annual%20report%202005-2006%20(2).pdf) (accessed 5 April 2008).
98. Chris Bird, 'Serbs Said to Ship Arms to Libya to Avoid UN Sanctions', *New York Times*, 7 November 1996; interviews with Serbian pilot and crash witness.
99. Office of Foreign Assets Control (OFAC), 26 April 2005.
100. Freezing of assets and funds: (b) Air Cess (*alias* (a) Air Cess Equatorial Guinea, (b) Air Cess Holdings, Ltd., (c) Air Cess Liberia, (d) Air Cess Rwanda, (e) Air Cess Swaziland (Pty.) Ltd., (f) Air Cess, Inc. 360-C, (g) Air Pas, (h) Air Pass, (i) Chess Air Group, (j) Pietersburg Aviation Services & Systems, (k) Cessavia). Address: (a) Malabo, Equatorial Guinea; (b) P.O. Box 7837, Sharjah, United Arab Emirates; (c) P.O. Box 3962, Sharjah, United Arab Emirates; (d) Islamabad, Pakistan; (e) Entebbe, Uganda. European Commission Regulation (EC) No. 2024/2005, 12 December 2005.
101. 'Report of the Panel of Experts Appointed Pursuant to Security Council Resolution 1306 (2000)', paragraph 19, in relation to Sierra Leone', United Nations S/2000/1195, 20 December 2000.
102. Recorded interview with eye-witness, Belgrade, May 2005, notes from source close to MoD.
103. The movement by Russian cargo jet of both cigarettes and arms into conflict zones is a favoured method of transportation given the relative weight, volume and value of both commodities during war, combined with the serious dangers long-distance overland transportation methods can present. As a result, the transportation by Ilyushin cargo jets of both cigarettes and arms has occurred in both the wars of the former Yugoslavia and in present-day Iraq, where air cargo freight-forwarding companies such as Speedex, based in Bulgaria, involved in US Department of Defense-sponsored contracts, solicit bids from Ilyushin-76 operators for cigarette runs into Kurdish areas of Iraq, as well as arms shipments on behalf of Pentagon contractors utilizing companies such as Aerocom, a company documented by the UN as smuggling arms to Liberia. Tomislav Damjanovic's business activities mirrored such a pattern, attempting to transport arms in violation of UN embargos and involved in the illicit movement of cigarettes into the European Union. See Hugh Griffiths, 'Smoking Guns: European Cigarette Smuggling During the 1990s', *Global Crime*, Vol. 6, No. 2 (May 2004), pp. 185–200.
104. See *Report of the Panel of Experts Appointed Pursuant to Paragraph 25 of Security Council Resolution 1478 (2003) concerning Liberia, S/2003/937* (New York: United Nations, 28 October 2003). End User Certificates are documents used in the arms transfer process to certify which state or entity is the recipient of the arms, ammunition or military equipment. Many states have export laws stating that an end user certificate must be produced in order for an export to proceed. End user certificates are among the most commonly falsified or abused documents in any clandestine or ultimately illicit arms transfer.
105. Recorded interview with Belgrade airport official Mirko Vujadinovic, May 2006; aircraft landing fee and handling charge receipts. The aircraft landing fee and handling charge receipts are documents which note the amount of money paid for a particular aircraft to land/take off from an airport, and the costs of loading that aircraft by airport ground staff. In this case the aircraft landing fees denoted the registration of the plane, the type of cargo it was carrying, its previous port of call and destination airport. The documents contain the signature of the man responsible for paying for and coordinating the flights as well as the destination of Liberia.
106. See Hugh Griffiths and Adrian Wilkinson, 'Guns, Planes, Ships: Identification and Disruption of Clandestine Arms Transfers', SEESAC, 2007; Amnesty International, 'Democratic Republic of Congo: Arming the East', 5 July 2005; Air cargo waybill; recorded interview with Assistant Minister for International Economic Relations (Serbia & Montenegro), Ljiljana Antonovic, June 2006.
107. 'Security Council Extends Sanctions Against Liberia Unit 7 May 2004. Unanimously Adopting Resolution 1478 (2003)', United Nations Security Council Press Release SC/7752, New York, 6 May 2003.
108. 'The defence industry of Serbia & Montenegro can produce goods for this market [Iraq] and all tenders and sales of arms and equipment related to Iraq are coordinated through intermediaries, appropriately authorized by the United States government. Even foreign intermediaries insist that purchases and possible deliveries of arms and munitions go through competent United States institutions in the region.' *Report of Serbia and Montenegro on the Implementation of UN Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in all its Aspects* (New York: United Nations, 2005).
109. See Nicholas Wood, 'For Balkan Shipping Agent, War is Good for Business', *New York Times*, 7 October 2007; Griffiths and Wilkinson (note 100).

110. Solomon Moore, 'Secret Iraqi Deal Shows Problems in Arms Orders', *New York Times*, 13 April 2008.
111. 'Serbia Seals Multi-million Arms Deal With Iraq', Associated Press, 28 March 2008.
112. In 2005, Serbia & Montenegro issued arms-export licenses worth a total \$176,450,000. See Ministry of Economy and Regional Development (MERR) Republic of Serbia, *Annual Report on the Realization of Foreign Trade Transfers in Controlled Goods for 2005 and 2006*, pp. 51, 45, [http://www.seesac.org/export/Annual%20report%202005-2006%20\(2\).pdf](http://www.seesac.org/export/Annual%20report%202005-2006%20(2).pdf) (accessed 5 April 2008).
113. 'Export Arrangement With Iraq To Revitalize Defence Industry', interview with Stevan Nikcevic, managing director of Jugoimport SDPR, Ivan Radak, *Danas*, 6 April 2008.
114. Moore (note 104).
115. See C.J. Chivers, Eric Schmitt, and Nicholas Wood, 'Supplier Under Scrutiny on Arms for Afghans', *New York Times*, 27 March 2008.
116. Interview with Daniel Sunter (note 15).
117. *Ibid.*
118. Letter on behalf of Assistant Minister for Material Resources, signed by Colonel Slobodan Markovic, Serbian Ministry of Defence to Lance Clark, United Nations Resident Representative in Serbia: 'Currently the Army of Serbia does not possess surplus small arms and light weapons that could be destroyed with the assistance of British government. All the weapons that have been selected as surplus stockpiles have been earmarked for sale, which is ongoing at the moment. While appreciating your good intention and having in mind the readiness and efforts of Serbia aimed at reduction and full control over SALW trade, as soon as SALW surplus stockpiles emerge in the process of transformation and downsizing of the Serbian Army, we shall contact you with a specific request related to the initiative in question.'