

POLICY PAPER

by **Transparency International Deutschland e.V.**

CORRUPTION THREATS TO STABILISATION MISSIONS AND DEFENCE CAPACITY BUILDING

ESTABLISHING A BETTER POLICY FRAMEWORK

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The effectiveness of international interventions and defence capacity building programmes is at considerable risk from corruption threats in countries being supported. Corruption can not only reduce the chances of success of the mission, but can also lead to complete subversion of its intent. This paper discusses ways in which the international community can better recognise and address such threats.

The paper is based on recent original research by Transparency International UK's global Defence and Security Programme: an analysis of the preparedness of national military forces to address corruption threats on operations, case studies on assistance to the Malian armed forces and on stabilisation operations in Afghanistan, and insights from practitioner roundtables organised by Transparency International Deutschland in 2014.

The authors conclude with a proposed framework through which policy-makers can improve preparation for defence capacity building and interventions in the future. The framework is equally applicable to military and civilian institutions: the research indicates that corruption-related issues faced by both communities are similar and cooperation between them indispensable in contemporary stabilisation operations and security assistance.

Introduction

“Corruption – systemic graft – is at the heart of the state’s inability to respond to insecurity in general.” This was the conclusion of John Githongo, former Kenyan Permanent Secretary for Governance and one of the most experienced observers of state security in East Africa, following the 2013 Westgate attacks in Nairobi. Increasing recognition that corruption is at the heart of insecurity is also reflected amongst the governments of NATO member states. Philip Hammond, then UK Secretary of State for Defence and now the Secretary of State for Foreign and Commonwealth Affairs, pointed out at the Munich Security Conference in 2014: “Challenging institutional corruption ... is not just a moral imperative ... It is a practical imperative.”

The effects of corruption are twofold. First, it exacerbates threats to internal and international security. In conflict and fragile environments, the frequently occurring nexus of weak institutions, undeveloped economies, illegitimate governments and widespread corruption constitutes major challenges. If not addressed properly, it also poses a real threat to international security: a recent study by Transparency International Deutschland notes that corruption can fuel regional conflict and act as a key source of instability.¹ Twelve of the fifteen lowest ranked countries on Transparency International’s Corruption Perceptions Index 2013 are the scene of insurgencies or extremist activities.² Systemic, embedded corruption, combined with other governance shortcomings, is a central factor in such seemingly disparate events as the ‘Arab Spring’, the conflict in Ukraine, the failure of the Malian army in 2012 and of the Iraqi security forces in the face of the Islamic State in 2014.³

Second, corruption diminishes the ability of the state to respond to threats and makes it more difficult for others to offer effective assistance.⁴ Fragile, failing, and failed states usually have some degree of international involvement in security sector reform and capacity building. This may be through bilateral security assistance, usually in the form of training or equipment transfer, or through large-scale civilian and/or military operations under organisations such as the UN, African Union, or NATO. However, without awareness of the risks corruption can pose and without comprehensive anti-corruption measures, countries providing military technical assistance and contributing to stabilisation missions can unwittingly fuel the corrosive cycle of corruption and insecurity.⁵

The purpose of this paper is to put forward a policy framework through which defence capacity building and international mission support can be better prepared to tackle corruption threats and risks. To support this framework, the paper uses original research into the international community’s intervention in Afghanistan (2001-2014) and into defence capacity building in Mali prior to the 2012 coup, reviews how national military forces prepare for corruption threats in international operations,⁶ and incorporates practitioner insights from expert roundtables convened in 2014.⁷

The paper concludes that, despite posing a significant threat to the effectiveness of stabilisation operations and defence capacity building, corruption is rarely taken into account by civilian and military planners. Very few national militaries or key civilian actors prepare for corruption threats on operations and military assistance plans are not proofed against diversion and subversion enabled by corrupt practices. The recommendations of this paper include that the impact of corruption risks on the effectiveness of stability operations and defence capacity building becomes an integral part of overall risk assessment, that staff are trained in recognising and counteracting corruption risks, and that spending and monitoring procedures are adjusted to provide maximum transparency and minimum opportunity for corrupt practices.

1 Transparency International Deutschland e.V., *Corruption as a Threat to Stability and Peace*, Berlin 2014.

2 Carnegie Endowment for International Peace, *Corruption: The Unrecognized Threat to International Security*, 2014, p. 4.

3 Viola Gienger, ‘Corruption: Sleeper Threat to International Security’, United States Institute of Peace 3 July 2014, <http://www.usip.org/publications/corruption-sleeper-threat-international-security>, accessed 6 January 2015.

4 Pamela Dockins, ‘Corruption Worries Complicate Nigeria’s \$1B request to Combat Boko Haram’, Voice of America 18 July 2014, <http://www.voanews.com/content/corruption-worries-complicate-nigeria-request-for-1-billion-to-combat-boko-haram/1960643.html>, accessed 6 January 2015.

5 A generally lax attitude in developed states to ‘petty corruption’, such as bribery in law enforcement agencies or offices issuing driving licences, is also highly problematic as it can contribute to the facilitation of the activities of terrorist organisations. For a detailed analysis see Louise Shelley, *Dirty Entanglements: Corruption, Crime, and Terrorism*, Cambridge University Press 2014.

6 Transparency International, *Government Defence Anti-Corruption Index*, 2013, <http://government.defenceindex.org/>.

7 For a summary of the roundtable results, see page 5.

Corruption and stabilisation missions: lessons identified and military preparedness

Large-scale missions in conflict and fragile environments – often referred to as ‘stabilisation operations’ – are extraordinarily complicated. They typically combine the application of hard power to tackle enemy forces and criminal elements with reconstruction efforts to rebuild a country’s economy and political structures. Given that corruption, conflict and state fragility are highly correlated,⁸ such missions – both their civilian and military elements – are very likely to come into contact with corruption risks. If not addressed, corruption will waste aid funds and threaten mission objectives such as better governance and economic development, and will in the long-term worsen the security environment. It can also damage the legitimacy of the mission itself if international forces are seen to be engaging with and supporting corrupt actors. In counteracting corruption, stabilisation missions face a complex task as different types of corruption require different reform packages.⁹

The complexity of the issue, however, should not be a license to ignore it. As the example of Afghanistan suggests, entrenched corruption diminishes mission effectiveness and necessitates longer deployments. Transparency International research, based on in-depth interviews with 75 stakeholders who had been closely involved in the 2001-2014 international intervention (ranging from senior civilian policy makers and military commanders through to those involved at a more operational level), indicates that many of those involved in the ISAF mission in Afghanistan tended to see corruption as an inevitable part of the context in which the mission must operate. In interviews, civilian practitioners and military officers agreed that this approach led to corruption becoming more deeply embedded and increasing the likelihood of a failure of the international effort.¹⁰ However, at the time the issue gained little policy traction either at the national level or within NATO. Corruption threats played no part in international military thinking; officers responsible for planning early operations state that corruption was not discussed as it was not part of the mandate. The situation was similar among civilian decision makers and corruption was not a priority in civilian planning.¹¹ Lack of attention to the issue meant that, not only did the international community do little to tackle corruption, it also exacerbated the problem through, for example, paying provincial warlords to protect convoys and thus helping them consolidate control over local economies and political structures.¹² As of 2014, corruption – from district police chiefs buying posts to the appropriation of \$900 million in the Kabul Bank scandal¹³ – remains one of the top three concerns of Afghan citizens, with the level of concern still rising.¹⁴

Significant increase in ISAF’s attention to corruption only came in 2009-10 as more aid flowed in and troop numbers increased. Among other initiatives, the establishment of a dedicated task force (‘Shafafiyat’) and the independent Monitoring and Evaluation Committee in 2010 marked a more proactive approach centred on tack-

8 Carnegie Endowment for International Peace, *Corruption: The Unrecognized Threat to International Security*, 2014, p. 4.

9 Stabilisation Unit, *Addressing Corruption in Stabilisation Environments*, 2012, p. 1.

10 See Transparency International UK – International Defence and Security Programme (TI-UK DSP), *Corruption: Lessons From the International Mission in Afghanistan*, February 2015.

11 See TI-UK DSP, *Corruption: Lessons From the International Mission in Afghanistan*, February 2015.

12 Karen DeYoung, ‘U.S. indirectly paying Afghan warlords as part of security contract’, *Washington Post*, 22 June 2010, <http://www.washingtonpost.com/wp-dyn/content/article/2010/06/21/AR2010062104628.html>, accessed 20 October 2014; see also reports prepared by the Special Inspector General for Afghan Reconstruction (SIGAR), available at <http://www.sigar.mil/allreports/index.aspx?SSR=5>, accessed 20 October 2014.

13 Independent Joint Anti-Corruption Monitoring and Evaluation Committee, *Report of the Public Inquiry into the Kabul Bank Crisis*, Kabul, Afghanistan, 15 November 2012; <http://mec.af/files/knpir-final.pdf>, accessed 20 November 2014.

14 See for example Integrity Watch Afghanistan, ‘National Corruption Survey’, <http://www.iwaweb.org/ncs/>; IWA June 2014 survey, quoted by John Sopko (SIGAR): “The Afghans are also concerned with corruption. In June, Integrity Watch Afghanistan (an Afghan NGO) issued their latest national corruption survey. It found that corruption tied for second as the greatest challenge facing Afghanistan, after security. While 18% of respondents in the 2012 survey said they faced corruption within the last 12 months, 21% of respondents said they faced corruption in the 2014 survey.” SIGAR, *Remarks prepared for delivery*, Georgetown University, Washington, D.C., 12 September 2014. Accessed 25 September 2014.

ling criminal patronage networks, i.e. patronage systems adapted to criminal ends and aimed at capturing and subverting critical state functions and institutions.¹⁵

However, despite the imperative of addressing corruption risks on operations, very few national militaries, civilian departments or international organisations have put in place mechanisms which would enable them to do that. A 2013 Transparency International study on the level of defence corruption risk in 82 countries showed that, despite recent lessons identified on the significance of corruption in military operations (particularly in non-permissive security environments where the military contribution usually outweighs the civilian), in two-thirds of the countries assessed, there is no known training for military commanders to ensure that they recognise the corruption issues they may face during deployment.¹⁶ It is worth noting that, as of 2012, only two of NATO countries which contributed to the ISAF mission – the U.S. and Greece – had doctrine which addressed corruption on operations. Only one country – Spain – provided comprehensive training for commanders on corruption issues they may face on the ground. As a result, national officials and their civilian and military staff charged with leading, planning and implementing international missions currently mostly lack the training and skills required for tackling the corrosive impact of corruption issues on operational goals.

¹⁵ See TI-UK DSP, *Corruption: Lessons From the International Mission in Afghanistan*, February 2015.

¹⁶ Transparency International's Government Defence Anti-Corruption Index is the first global analysis of corruption risk in defence establishments worldwide. Each country (82 in 2013, more than 130 in 2015) is assessed by an independent researcher, using a questionnaire of 77 questions. The assessor scores each question from 0 to 4 and provides a narrative response to explain that score. These assessments are peer reviewed. Governments are also invited to review their assessments and provide further information. Based on these assessments, each country is placed in a band, from A to F, and given scores in five risk areas: political, financial, personnel, operations, and procurement risk. 70 per cent of governments studied have high to critical levels of corruption vulnerability, scoring in bands D, E, and F. Just two countries are placed in band A, demonstrating strong and institutionalised activity to counter corruption in this sector. See <http://government.defenceindex.org/>.

Lessons identified: insight from practitioner roundtables

With support of the Robert Bosch Foundation and in partnership with the Center for International Peace Operations (Berlin) and the 1 (German/Netherlands) Corps (Münster), Transparency International Deutschland convened expert roundtable discussions in 2014. Participants included members of Transparency International, EUPOL Afghanistan, EULEX Kosovo, the European External Action Service, NATO (SHAPE, JFCNP), the Allied Rapid Reaction Corps (Gloucester), the Dutch Ministry of Foreign Affairs, the Norwegian Joint Staff College and Norway's Center for Integrity in the Defence Sector (CIDS).

Roundtable conclusions fall into three groups:

- **Planning and mission mandates**

Tackling corruption should be a part of mission mandates and these mandates – including timelines – need to be adjusted to provide the lasting engagement often needed to address long-term issues such as corruption. Planning for anti-corruption measures should include a range of approaches, from prevention (i.e. training) to reaction (i.e. executive mandates) and from top-down (i.e. judicial structures) to bottom-up (i.e. civil society involvement). Anti-corruption measures should also be included in mission activities such as procurement, and provisions for tracking assistance provided should be put in place. Interdisciplinary planning teams trained through practical scenarios, such as those now piloted by the EU, should facilitate stakeholder cooperation.

- **Risk assessment**

Since corrupt practices can intensify conflict, they should be included in early risk analysis and mission planning. The impact of either not tackling or inadvertently reinforcing corruption through working with corrupt actors on perceptions of the mission should be taken into consideration, and subject matter experts should be on hand to provide advice. Stakeholders with which the mission engages should be vetted before any decisions on cooperation are made.

- **Coordination among stakeholders**

Contemporary stabilisation missions include significant numbers of actors, including the military, civilian planners and aid communities, police officers, international organisations and NGOs. Coordination, sharing best practices (e.g. financial monitoring in Liberia) and pooling information on local networks (e.g. organised crime in Kosovo) are indispensable if mission efficiency is to be increased. From planning and training through to execution, mission planners should consider not only working in joint civil-military teams but also including civil society organisations throughout the process. This requires an openness of both military and civil society actors to cooperation.

Corruption and defence capacity building: the case of Mali

In an environment shaped by war-weariness, limited resources and competing defence priorities, defence engagement and allied capacity building are likely to be used more frequently than stabilisation operations to achieve strategic priorities, enlist allies to cooperate on tackling common threats, maintain relationships, and protect international security and stability in particular.¹⁷ However, corruption threatens defence capacity building just as much as it threatens stabilisation operations and without comprehensive planning, oversight and safeguards, military assistance can have unintended consequences. Pouring financial resources and operational equipment into unstable environments can result in power shifts and internal developments that are detrimental to the recipient's political conditions, development and stability, as well as to the donor's goals. For example, experts and officials estimate that between 50% and 70% of the \$12 billion of post-2001 U.S. military aid to

¹⁷ According to the UK Government, defence engagement is defined as “the means by which we use our defence assets and activities short of combat operations to achieve influence.” UK Government, International Defence Engagement Strategy, 2010, p. 1.

Pakistan has been either diverted to non-agreed military goals or put to non-military uses by corrupt networks. As a result, equipment and training for troops performing counter-terrorist tasks – a priority goal for U.S. decision makers – remained sub-standard, civilian oversight of the military diminished and transparency of military budgets was further compromised.¹⁸

A similar story emerges from a Transparency International study of assistance programmes to Mali. This analysis is based on over 60 in-depth interviews with key stakeholders in the U.S., France and in Mali, and aims to identify the role that corruption and mismanagement played in subverting or wasting American and French assistance to the Malian Army.

“The weakness of the Malian army ... came as little surprise to anyone who had been watching the steady erosion of state institutions, largely as a result of wide-spread corruption.”

Andrew Lebovich, Foreign Policy, March 2013.

In order to counter the rise of terrorist networks in sub-Saharan Africa, the U.S. set out to build up the capacity of Sahel countries (including Mali) through programmes such as the ‘Pan-Sahel Initiative’ and the ‘Trans Sahara Counterterrorism Partnership’, culminating with the creation of the Africa Command (AFRICOM) in 2008.¹⁹ Alongside the U.S., the French Defence and Security Cooperation Directorate (DSCD) provided ‘structural’ assistance focussed on training and building up a peacekeeping capacity; programmes included an educational element focussed on preserving the rule of law and human rights. This was delivered through two educational institutions: the Military Administration School, which caters to officers with administrative and financial responsibilities, and the Alioune Blondin Beye School of Peacekeepers in Bamako, which trains officers from the entire African continent.²⁰

This case of U.S. defence assistance to Mali suggests that focusing solely on providing equipment and operational training, without recognising the corruption risks and structural deficiencies hollowing out the armed forces, is counter-productive. The French example, on the other hand, draws attention to the importance of the design of training programmes which, if not geared towards addressing structural weaknesses, do not help to shape a coherent, competent officer corps. Examining these cases of defence assistance provides some important pointers for doing it better elsewhere.²¹

The cohesiveness and performance of the Malian Army was detrimentally affected by sectarian divisions; nepotism and the absence of a transparent, merit-based system of promotion; weak management systems and opaque financing, which resulted in irregular salary payments and ample opportunity to divert funds; and widespread corruption compounded by alleged links to drug trafficking. Its shortcomings were part of a larger landscape of institutional weakness in Mali. The democratic transition that followed the military coup of 1992 focussed on economic liberalisation, decentralisation and procedural, particularly electoral, reform. It did not address more in-depth issues of institution-building, which allowed state structures – particularly the judiciary – to become hampered by inefficiencies, widespread bribery and petty corruption. Furthermore, international aid

18 Azeem Ibrahim, ‘U.S. Aid to Pakistan – U.S. Taxpayers Have Funded Pakistani Corruption’, Belfer Center Discussion Paper #2009-06, Harvard Kennedy School 2009, p. 22, 24; ‘Musharraf admits US aid diverted’, BBC News, 14 September 2009, <http://news.bbc.co.uk/1/hi/8254360.stm>, accessed 15 December 2014; Declan Walsh, ‘Pakistani military “misspent up to 70% of U.S. aid”’, Guardian, 28 February 2008, <http://www.theguardian.com/world/2008/feb/28/pakistan.usa>, accessed 15 December 2014; Lawrence Wright, ‘The double game’, New Yorker, 16 May 2011, <http://www.newyorker.com/magazine/2011/05/16/the-double-game>, accessed 15 December 2014.

19 For the ‘Pan-Sahel Initiative’ see <http://2001-2009.state.gov/s/ct/rls/other/14987.htm>; on AFRICOM see <http://www.africom.mil/>.

20 French Senate, Session Ordinaire de 2012-2013, ‘Rapport d’Information fait au nom de la commission des affaires étrangères, de la défense et des forces armées (1) par le groupe de travail « Sahel », en vue du débat et du vote sur l’autorisation de prolongation de l’intervention des forces armées au Mali.’

21 All findings in this section are based on the research carried out by Transparency International UK’s Defence and Security Programme – a stand-alone report on Mali will be published in 2015.

was diverted by those Malians referred to as “democracy millionaires”: elites that appropriated public money. This was accompanied by lack of civic ownership and custody of the country’s resources and institutions.²²

The Transparency International study indicates that the design of U.S. assistance and training programmes neither directly addressed nor alleviated these issues. Departments of State and Defence did not take into account the risks that corruption posed to the effectiveness of assistance. U.S. interviewees noted that the U.S. had no formal policies on disengaging or limiting contact with corrupt actors, and there was no requirement to task intelligence services to track, collect data or carry out network analysis on corrupt actors and their networks. One respondent noted that, informally and when possible, U.S. officials attempted to restrict contact with those they described as “extreme peddlers of influence”, usually individuals with ties to organised crime; however, it was usually impossible to exclude them entirely.

The focus of U.S. training programmes was operational and tactical and did not include a substantial institution-building component. Between 2009 and 2011, U.S. Special Forces teams trained the Malian Army in counter-terrorist operations but failed to build long-term engagement. This is a common problem as missions often start with short mandates that are then extended several times, which makes long-term planning difficult. Lacking ‘esprit de corps’, cohesion and long-term vision, the Malian Army was not able to absorb U.S. assistance and translate it into institutional strength or advantage on the battlefield.

The French training programmes, while usually longer-lasting, had other shortcomings. Due to lack of control over who would receive training, their effectiveness was curbed by the corrupt system of promotion in the Malian Army. The focus on individual officers also hindered the creation of ‘esprit de corps’ and translation of higher individual qualifications into better collective performance and stronger institutions.

In 2012, following a coup led by Amadou Sanogo (a graduate of a U.S. training programme), the Army disintegrated in the face of a Tuareg rebellion exacerbated by an influx of Islamist fighters from neighbouring states. Interviewees, including rank and file soldiers, confirmed that those sent to the battlefield in the North were the poorest, unable to buy an assignment in the South and “hide” in Bamako. An officer who did take part in the fighting claimed that soldiers had to cover their own food and health expenses. Furthermore, interviewees identified the corruption of high-ranking generals who had “eaten” the money as a central grievance of the putschists. Due to weak defence management procedures and almost no external oversight (including parliamentary), high-ranking officers would rarely be questioned on how they managed their funds. As a result, hardware and material required by the troops was lacking.

Malian armed forces: interviews

A serving Malian Major reported that the process of equipment procurement in the Armed Forces “was riddled with private deal making and profiteering”. Servicemen and Ministry of Defence personnel would routinely find ways of taking a private cut, either from the costs of a contract or through misappropriation of the items, and a series of middlemen routinely found ways to inflate prices when arranging contracts.

Experts stated that “Malian soldiers and officers were directly involved or complicit in cocaine traffic”, and that the U.S. Secret Service established a list of nine Malian generals involved.

²² Mali, one interviewee stated, “[did] not belong to one’s father”: in a society where fathers are traditionally responsible for property, this describes public resources and institutions up for grabs by private interests. See also Marie Cold-Ravnkilde, War and Peace in Mali: Background and Perspectives, Danish Institute for International Studies 2013, http://www.diis.dk/files/media/publications/import/extra/rp2013-33_mali-signe-marie-cold-ravnkilde_web.pdf, accessed 15 December 2014.

Assistance to Mali: conclusions and recommendations

- Early and comprehensive risk assessment of corruption threats and their impact on the effectiveness of assistance should form an integral part of all defence capacity building schemes. This would mitigate the risk of diversion of funds and equipment to selected units or to non-agreed causes;
- Constant monitoring and evaluation, as well as adjustments where necessary, need to accompany aid delivery. As part of monitoring and evaluation procedures, donors should survey the role assistance plays in long-term institution-building;
- The design of training courses should incorporate sustained engagement with integrity and defence management issues, rather than focus overwhelmingly on operational and tactical issues. This would increase the effectiveness of assistance and help build up recipient capacity.

Defence capacity building and arms transfers

Defence capacity building often involves arms transfers aimed at increasing the receiving armed forces' capacity and enhancing interoperability. Institutional weakness, corruption, factional fault lines and lack of management procedures within the recipient armed forces increase opportunities for diverting equipment and make it difficult to improve capacity and resilience.

Further corruption risks come from the secretiveness of the global arms trade, with particular risks in government-to-government contracts. National security has been used as an excuse to disguise illicit practices and bribes are easy to conceal within huge defence contracts. Transparency International research shows that two-thirds of the largest arms importers and half of the biggest arms exporters in the world have weak anti-corruption controls.²³

Corruption in the arms trade damages countries in two main ways. First, it inflates the cost and/or reduces the quantity or quality of the weapons acquired by nations to defend themselves.²⁴ Second, it undermines the ability of states to prevent the diversion of weapons from their intended end-users. Ways in which individuals or groups may subvert the intention of assistance include:

- Diverting technical assistance provided to particular factions in the security forces favourable to a specific leader and away from the force as a whole;
- Stealing or appropriating equipment;
- Diverting equipment to insurgents.

Provided that strong implementation measures are applied, the Arms Trade Treaty (ATT), which entered into force in December 2014, could be a crucial step in tackling corruption risks in arms transfers.²⁵ States will be expected to assess specific arms transfers on a case-by-case basis against the criteria set out in the Treaty, taking into account the nature of the end-users to which they are being sent and the relevant controls within the recipient country/ies. Most of the information needed to assess corruption risks is already available within the export licensing process and will only require some additional scrutiny of a proportion of licenses. Where states have them, export risk assessment models should be capable of being adapted simply and easily to include the risk of corruption. Reducing the risk of corruption would, for example, require states to assess the strength of recipients' anti-corruption safeguards, end-user controls and agent monitoring, and increase the transparency of export licenses granted by the exporter and the recipient.

²³ Transparency International, Government Defence Anti-Corruption Index 2013.

²⁴ See e.g. Tobias Bock, 'Tackling Corruption in the Global Arms Trade: The UN Arms Trade Treaty', The Huffington Post, 7 March 2011, http://www.huffingtonpost.com/tobias-bock/tackling-corruption-in-th_b_832255.html.

²⁵ United Nations Office for Disarmament Affairs, The Arms Trade Treaty, <http://www.un.org/disarmament/ATT/>, accessed 30 September 2014.

There is a role here for international institutions such as the European Union, which should participate in information-sharing and collate and disseminate best practices in ATT implementation, thus helping to build up state capacity across the board. The European Security Strategy stated as early as 2003 that, “our own experience in Europe demonstrates that security can be increased through confidence building and arms control regimes. Such instruments can also make an important contribution to security and stability in our neighbourhood and beyond.”²⁶ The EU should thus encourage further ATT ratification as the treaty still needs to be ratified by 69 of the 130 states that have signed it. Besides supporting ATT implementation, the European Union should tighten the Common Position on arms export controls adopted in 2008.²⁷ While the review of the Common Position – ongoing since 2011 – aims to improve harmonisation of national arms export control policies (e.g. by improving information sharing) and provides an opportunity to improve how corruption issues are factored into arms export decisions, the review criteria are still too vague and not sufficiently objective to be applied consistently across EU member states.²⁸

Arms exports: good practice

- The importing and exporting government makes publicly available (at least annually) information on (a) the export and re-export licenses that they issue (what has been exported and to whom) and (b) entities that are found to have failed to comply with national export licensing requirements;
- The recipient government has in place appropriate anti-corruption and compliance legislation and arrangements as well as measures to enforce them;
- Due diligence is carried out on defence companies involved in arms transfers.

To support these considerations, states should require that, as part of the licensing process, companies identify commissions paid to anyone who helps to secure the sales of defence articles and services. Companies should then be required to identify those commissions as well as the person or entity receiving the commissions and the amounts paid in a statement, and to obtain from purchasers a declaration of any commissions and fees paid.

²⁶ ‘A Secure Europe in a Better World’, European Security Strategy, 12 December 2003, p. 10, <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>.

²⁷ European Union External Action Service, ‘Arms Export Control’, http://www.eeas.europa.eu/non-proliferation-and-disarmament/arms-export-control/index_en.htm.

²⁸ Gemeinsame Konferenz Kirche und Entwicklung, ‘Rüstungsexportbericht 2014 der GKKE’, pp. 16/17, http://www3.gkke.org/fileadmin/files/downloads-allgemein/GKKE_REB_2014_fuer_Bundespressekonzferenz.pdf.

Conclusion: establishing a framework for policy-makers

This paper takes the first step towards providing a framework for policy makers involved in stabilisation operations and defence capacity building, which can be used to measure whether organisations' current policies and practices add up to a coherent approach. Furthermore, it can be used each time a state or international institution is planning to provide technical support to or intervene in a fragile state. The elements of the framework are set out below.²⁹

1. Conduct an early risk analysis of corruption threats

The impact of corrupt practices and networks on the effectiveness of stabilisation operations and defence capacity building programmes needs to be included in early risk analysis, and an intelligence analysis assessing the risks of waste and diversion due to corruption should be carried out.

2. Include countering corruption in stabilisation mission mandates and include counter-corruption measures in mission and programme design

Gathering and assessing data on corruption, increasing awareness of corruption and anti-corruption measures should be included in mission mandates and programme design for defence capacity building, including arms transfers. In particular, exclusive focus on narrowly understood 'military' goals such as operational training should be avoided, and mandates and programme design should include institution-building measures. This may necessitate longer timeframes for mandates.

3. Equip policy-makers and implementers with anti-corruption skills and tools

Policy makers drafting mission mandates as well as military and civilian personnel (including police officers) participating in stabilisation operations and defence capacity building schemes should be trained to recognise corruption, assess its potential effects, and counteract them. Anti-corruption training should be extended to the receiving states' military and police forces and included in curricula offered by donors. Institution-building and organisational management need to be implemented in conjunction with operational training and arms transfers.

4. Ensure international civilian leadership on anti-corruption

If possible, civilian staff should lead on anti-corruption measures; however, particularly in non-permissive security environments, armed forces should participate and be trained in countering corruption. At a minimum, actors involved in stabilisation missions should agree on a single policy line on corruption issues.

5. Include strong anti-corruption mechanisms in robust arms export control systems

With the United Nations Arms Trade Treaty (ATT) entering into force in December 2014, now is the time for all parties to the Treaty to ensure that their arms export control systems are as robust as possible. This demands strong anti-corruption mechanisms, which can easily be introduced into arms export systems. Given the need for international coordination, organisations such as the European Union have an important role to play. Not only should the EU encourage further ATT ratification, participate in information sharing and help build capacity elsewhere, it also needs to tighten the EU Common Position on arms export controls and harmonise the various national systems to ensure that anti-corruption considerations are introduced and applied effectively.

²⁹ For more detailed information and examples on each issue available, see particularly TI-UK DSP, Corruption: Lessons From the International Mission in Afghanistan, February 2015.

6. Promote donor coordination in defence capacity building

Coordination among multiple donors is essential for lessening corruption risks. Assistance programmes should be nestled within wider strategies of political engagement which facilitate institution-building.

7. Ensure prudent use of funds

Making 'burn rate' – the amount of money spent on aid and reconstruction – the main criterion for assessing efficiency encourages reckless spending which in turn can entrench corrupt networks. Overall, missions should only spend amounts that can be absorbed by the receiving country, spend more carefully, and cease the use of incentives that entrench corruption. Within assistance programmes, the level of assistance should be enough to provide a basis for long-term engagement but not more than the receiving structures can reasonably absorb. Aid delivery should be tailored to recipient country structures in order to avoid the risks associated with waste and diversion. Delivery should also be closely monitored to ensure that funds are spent as mandated.

8. Establish oversight mechanisms

Financial transactions within stabilisation missions and defence capacity building should be subject to strong external oversight. Donors should ensure that funding streams and flows of arms transfers are transparent and well mapped out. Unless classified, the financial value of defence capacity building projects and details of the projects they fund should be made easily available on standard websites. This would enable receiving country parliaments and civil societies to scrutinise spending associated with defence capacity building and stabilisation missions and contribute to institution-building.

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