

The Defence and Security Counter-Corruption Programme

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Norwegian Defence and
Security Industries
Association (FSi)
Oslo, Nov 10, 2011

www.ti-defence.org



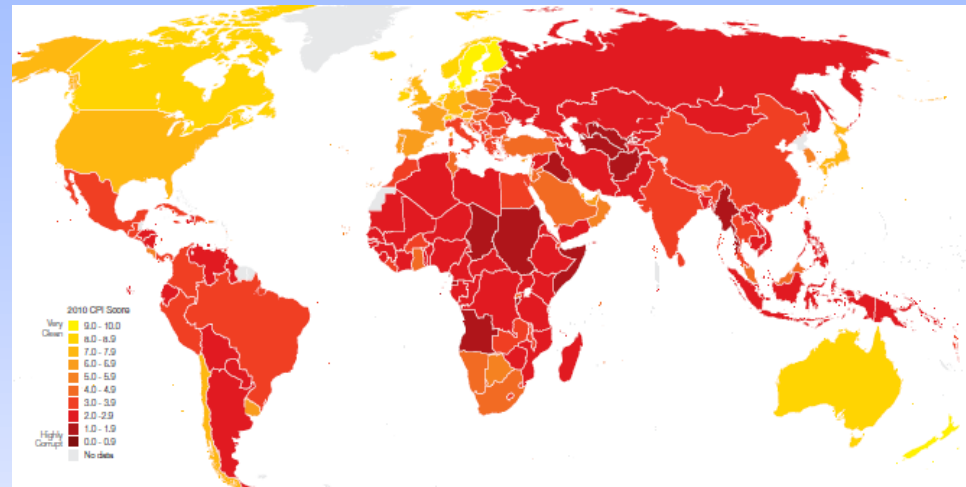
Transparency International Global Indices - 2010

CORRUPTION PERCEPTION INDEX

178 countries

Who is best? Denmark / New Zealand / Singapore

Who is worst? Iraq / Afghanistan / Myanmar / Somalia



Transparency International Global Indices - 2010

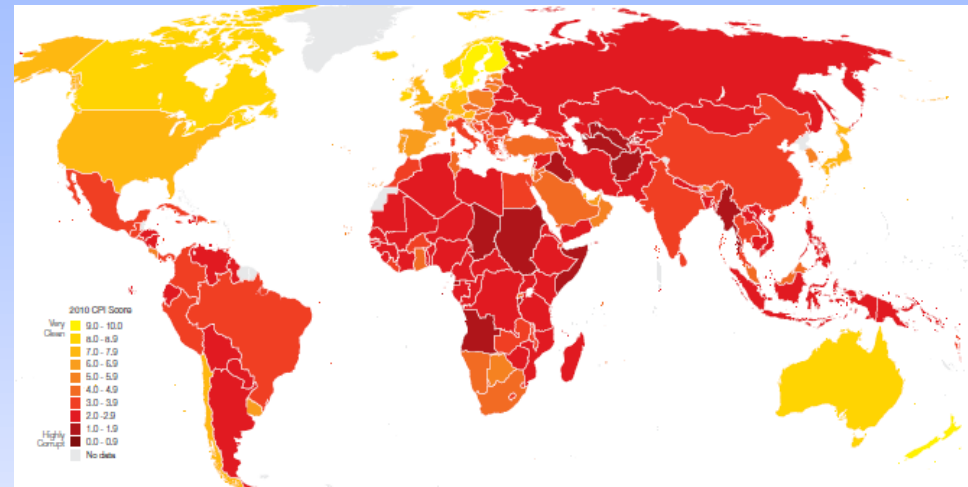
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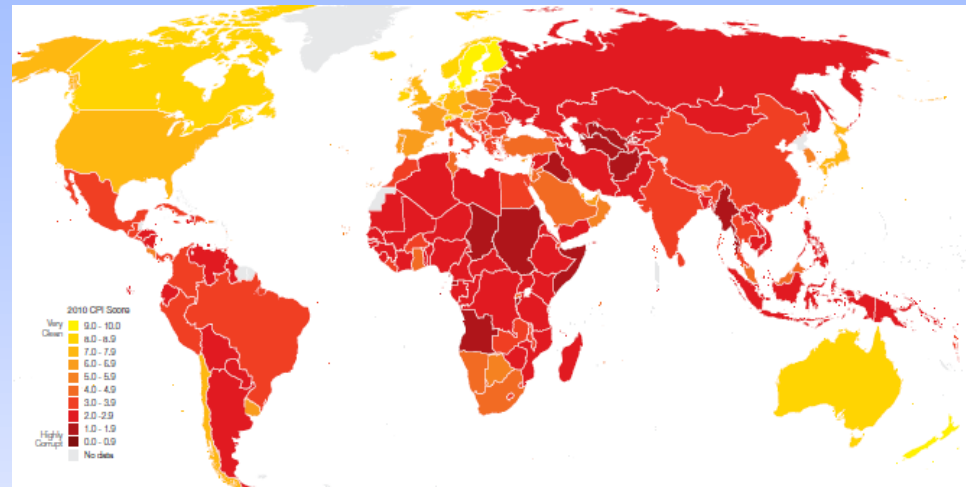
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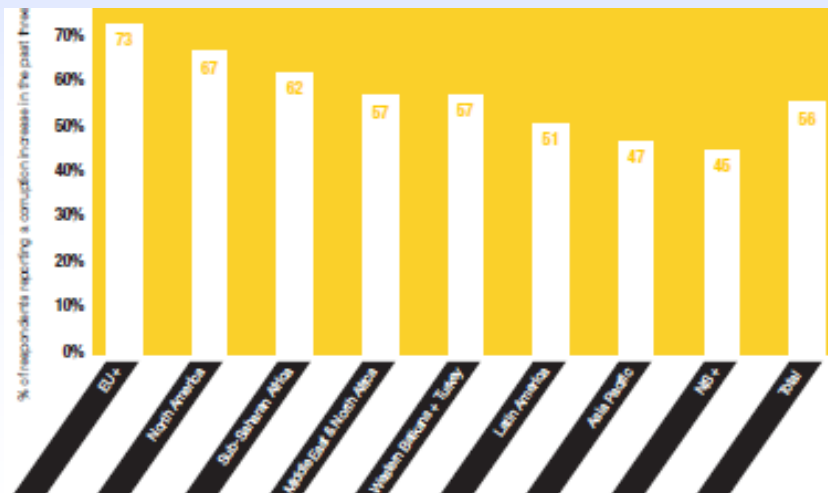
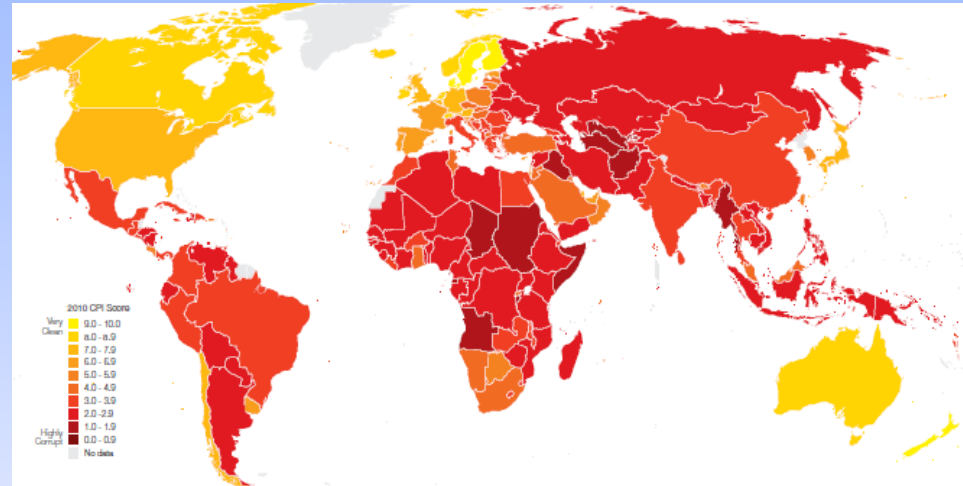
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GLOBAL CORRUPTION BAROMETER

General public's views / experience of corruption.

Over 90,000 people interviewed in 86 countries.

Over 50% believe increase in corruption. Look at Europe!

Transparency International

Independent Not for Profit NGO

- Founded in 1993 by World Bank executives frustrated at leakage of Bank funds and no action being taken
- Focused on combating corruption with constructive measures
- Present in 95 countries
- Funded by charities, governments, individuals and companies
- '*Corruption Perception Index*' is best known public face

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Defence and Security Programme

Purpose → To reduce corruption risk in defence – better for citizens, better for the nation – by working with both nations and defence companies.

Team → Senior military officers (retired)
→ Ex MO

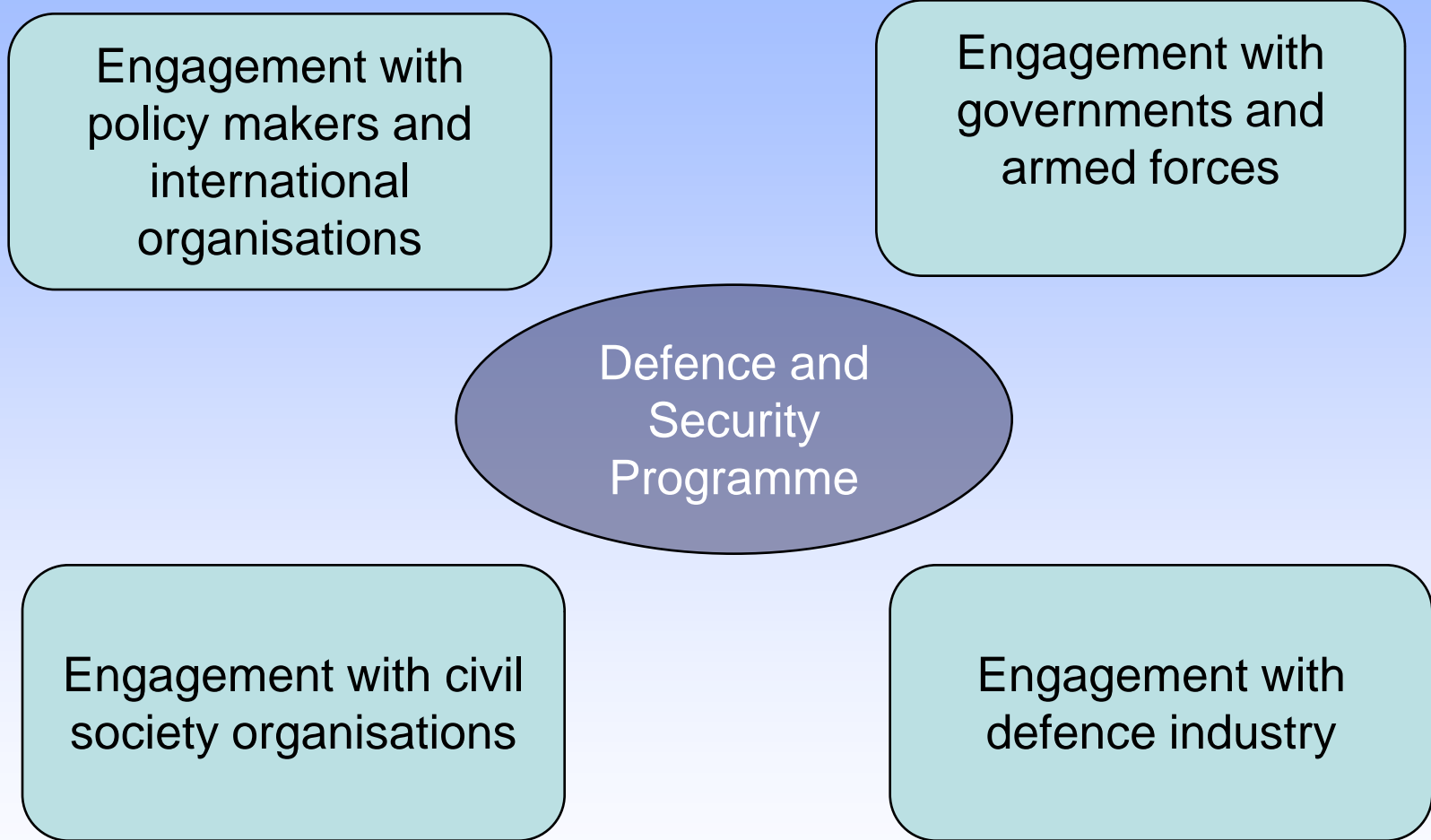
++-9*D senior officials

→ Defence and industry experts

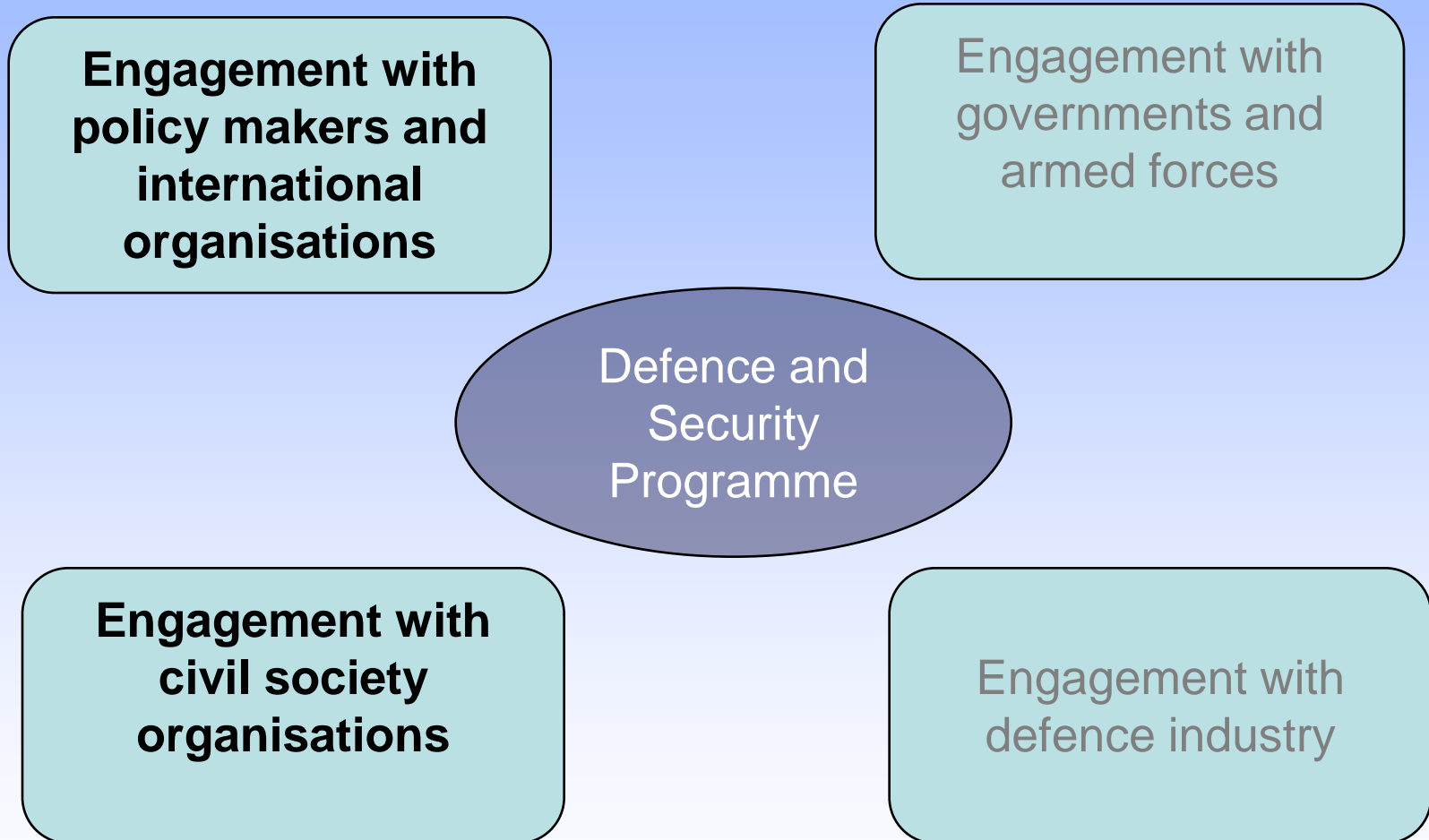
→ TI experts in other countries

Since 2004; Funding DFID, NATO

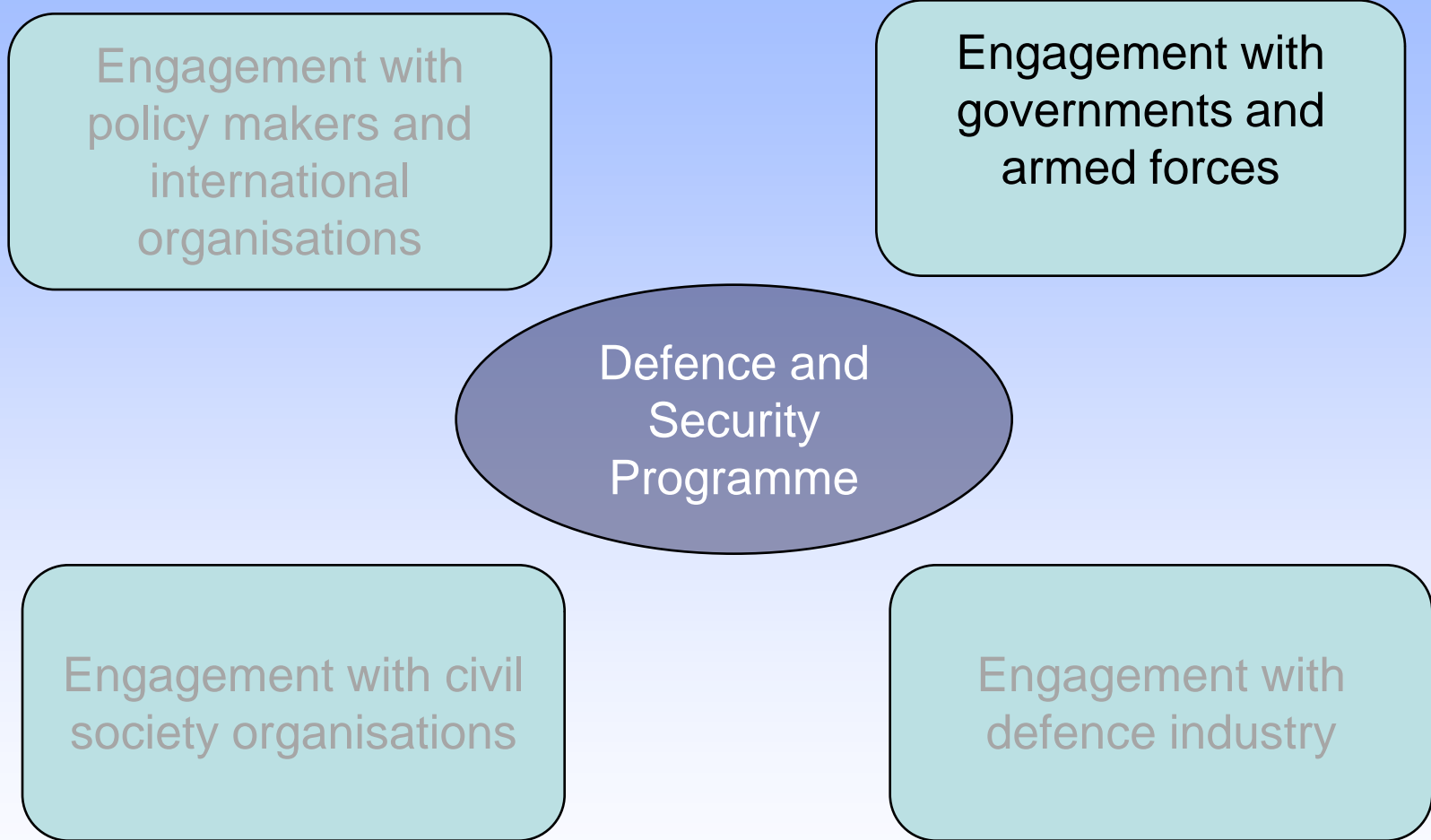
DSP Programme Areas



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DSP Programme Areas

**Engagement with
governments and
armed forces**



NATO Building Integrity

***Counter-corruption
leadership training***

Afghanistan

***National and
International Corruption
Research***

Know the risks in Defence and Security

POLITICAL

Defence & security policy

Defence budgets

Nexus of defence & national assets

Organised crime

Control of intelligence services

Export controls

PERSONNEL

Leadership Behaviour

Payroll, promotions, appointments,
rewards

Conscription

Salary chain

Values & Standards

Small Bribes

PROCUREMENT

Technical requirements /
specifications

Single sourcing

Agents/brokers

Collusive bidders

Financing packages

Offsets

Contract award, delivery

Subcontractors

Seller influence

FINANCE

Asset disposals

Secret budgets

Military-owned businesses

Illegal private enterprises

OPERATIONS

Disregard of corruption in country

Corruption within mission

Contracts

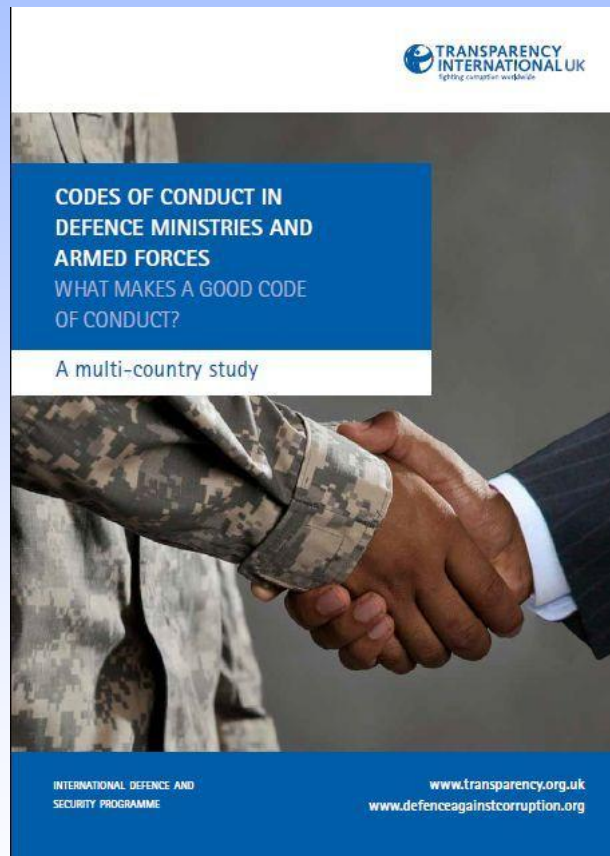
Private Security Companies

Building Integrity and Countering Corruption: practical reform measures

1. Know the risks
2. Use good diagnostic tools
3. Use surveys and metrics
4. Develop a counter corruption plan
5. Engage the leadership, build confidence
6. Serious training on counter-corruption
7. Set clear standards of conduct for officials, officers
8. Independent monitors on defence procurements
9. Engage media, civil society
10. Work with the defence and security contractors
11. Establish a counter-corruption Director and team



Codes of Conduct in Defence Ministries and Armed Forces



Best Performers: UK, Australia, Chile, USA, Canada, Germany, Norway, Romania

Structure: Most are compliance-based regimes; ethics-based regimes backed up by hard rules are better

Bribery: universally noted as outlawed, but most regulations poorly developed

Gifts and Hospitality: widely addressed

Conflicts of Interest: Poorly developed

Post-Separation Employment: Poor

Training: Mostly poor or very poor

Transparency of National Defence Budgets

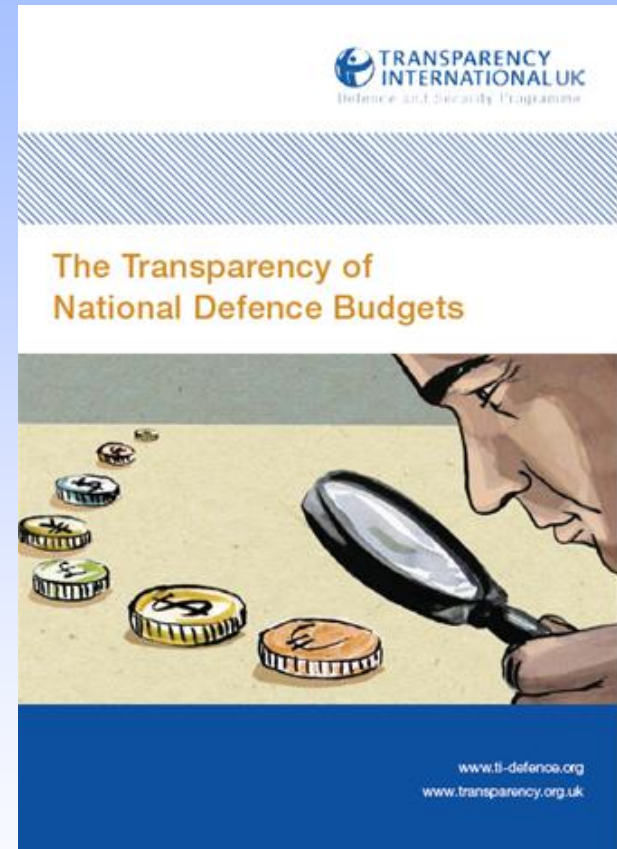
88 countries researched

Only 14 showed high levels of transparency, including:

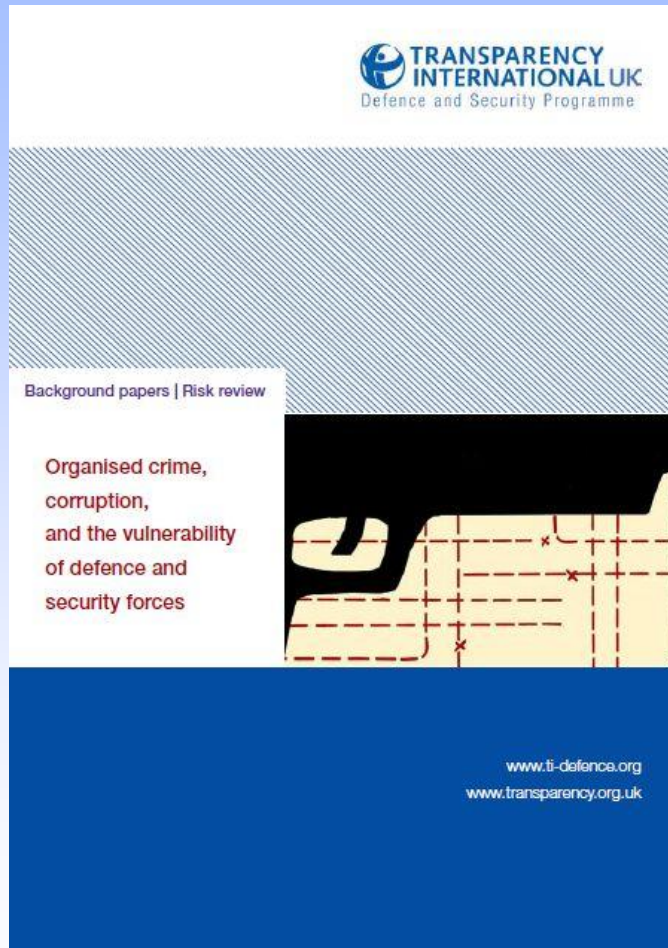
Norway / France / UK / USA

Boznia Herzegovina / Croatia / Costa Rica

Over 60% showed moderate to low levels of transparency



Organised Crime and Corruption



TI's initial report

Links between corruption and organised crime

Particular problem in post-conflict countries

Need for joint strategy:

“Corruption feeds organised crime and organised crime feeds corruption”

Self Assessment

Integrity Self Assessment Tool aimed at national Defence and Security Ministries

- Developed by TI, NATO, and Poland
- Detailed questionnaire
- Expert team follow-up visit
- Pilots
 - Bosnia July 08
 - Ukraine Oct 08
 - Norway Nov 08

Integrity Questionnaire Topics

1. Democratic control and engagement
2. Anti-Corruption policy in defence and security
3. Personnel – behaviour, policy, leadership, training, discipline
4. Planning and budgeting
5. Procurement
6. Operations
7. Other financial processes
8. Engagement with defence companies

NATO Building Integrity - Training

Five day change leader education course – TI, NATO, UKDA

Participants

- Military
 - Civilians
 - Security sector at OF5 level
-

Objectives

Strengthen integrity and reduce corruption:

- Concept of transparency and good governance
 - How to integrate the topics of integrity and corruption
 - How to engage better with the public and civil society
-

Delivery

UK Defence Academy 2008

NATO School Oberammergau, 2008, 2009, 2010, 2011

Sarajevo Peace Support School, Bosnia 2008, 2009, 2010

Participants from 12-15 nations at each one

Single nation courses:

Ukraine 2009, 2010, 2011 Kabul 2009, 2010, 2011

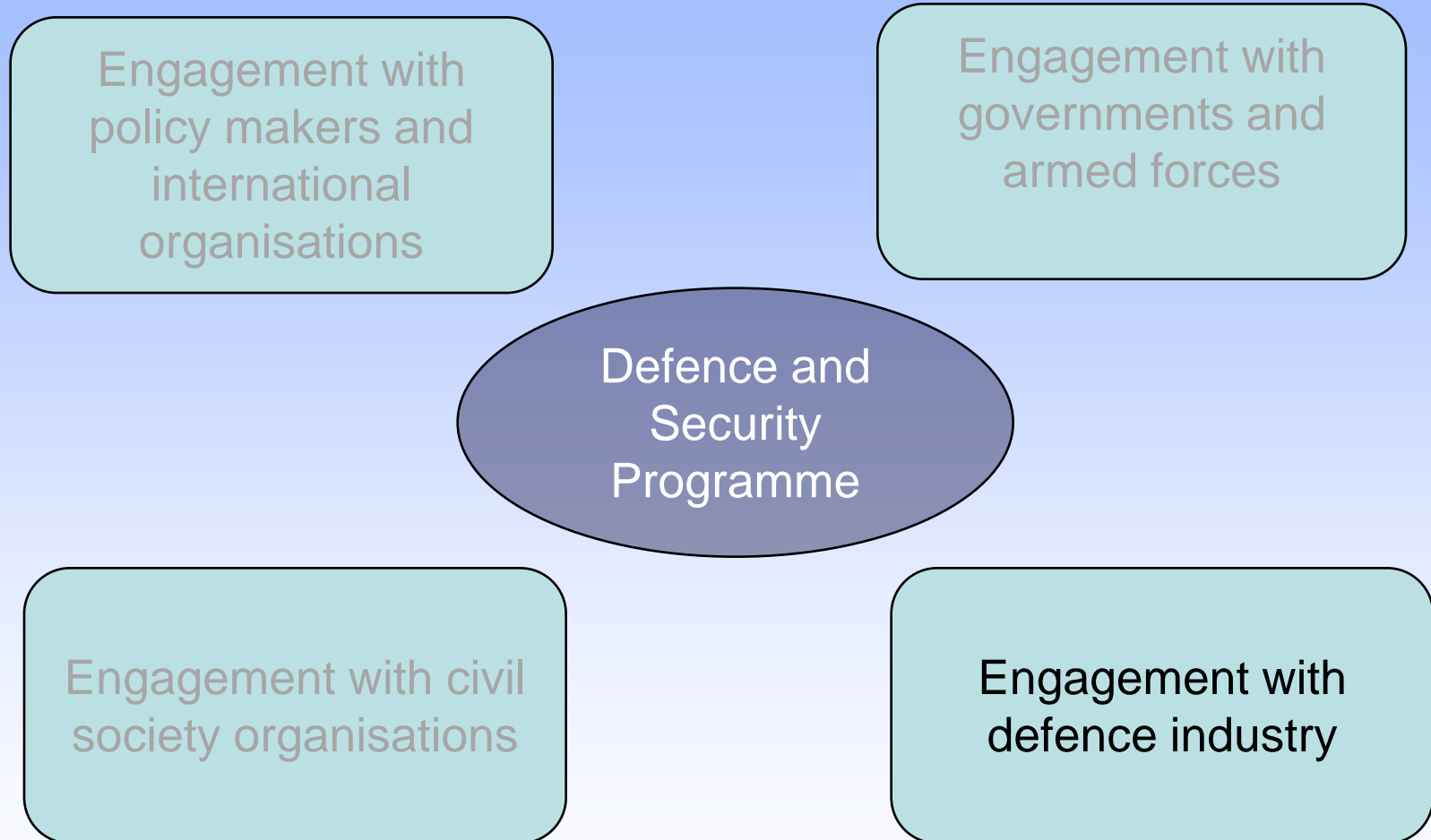
Leadership Training - Afghanistan



TI suggested approach

- Full day workshop with MOD and military leadership
- Facilitated by TI-DSP
- Review corruption risks
- Outline counter-corruption plan

DSP Programme Areas



DSP Programme Areas

Defence companies

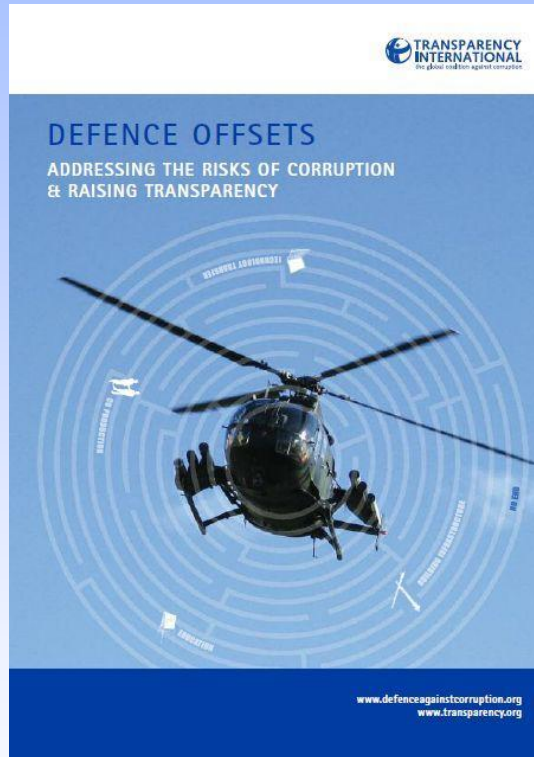
***National and International
Ethics Forums – IFBEC / ASD
(CIS) / DII / ADS / FSi***

***Offsets and Offset Due
Diligence***

TI Defence Company Index 

**Engagement with
defence industry**

Offset Contracts



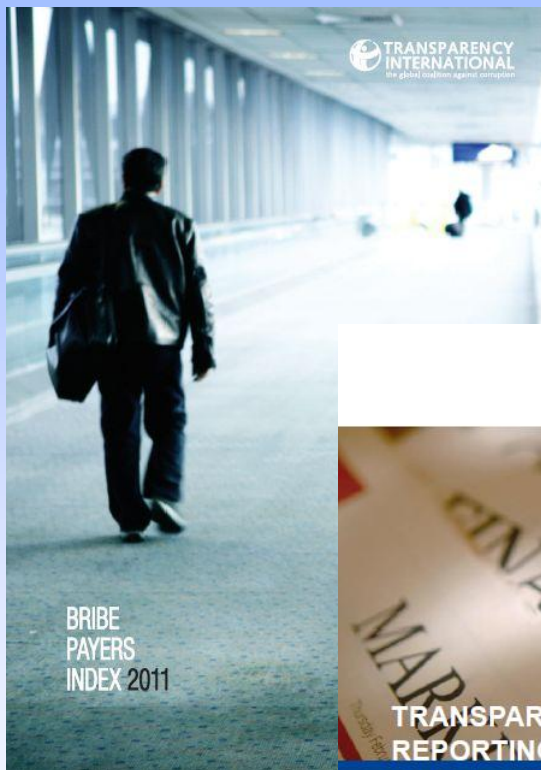
2010 study – highlights offsets vulnerability to corruption:

Political
Bureaucratic
Private sector

Now completing a study into offset due diligence

Companies
Brokers

Industry Indices



Defence Company Index

Major survey of anti-corruption capability in the global industrial defence sector

Measures capability rather than just transparency – will need industry involvement

Focus on the major global defence companies:
top 100+

Significant benchmarking resource for industry

Defence Industry – Tackling Corruption

LEADERSHIP, GOVERNANCE AND ORGANISATION	RISK MANAGEMENT	COMPANY POLICIES AND CODES
Leadership and commitment	Risk Assessment	Policies
External Engagement	Partners and Agents	Gifts and Hospitality
Structure and Organisation	Other Due Diligence	Facilitation Payments
Monitoring and Reporting	Offsets	Political and Charitable Contributions
TRAINING	PERSONNEL AND HELPLINES	
General Training	Personnel and Discipline	
Specialist Training	Helplines and Whistleblowers	

Defence Company Index

Part A: Questionnaire for Basic Anti-Corruption Capability

TI-DSP completes with open source material

Companies check and supply relevant additional material

Companies banded according to scores

Part B: Questionnaire for Detailed Anti-Corruption Capability

Companies complete questionnaire themselves

Responses scored by TI-DSP

Analysis of results presented without companies being identified

Tackling corruption - some closing thoughts

Critical self examination

Leadership

FSi - European Best Practices Event?

Thank You

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