

**BUILDING INTEGRITY
AND REDUCING
CORRUPTION
RISK IN DEFENCE
ESTABLISHMENTS**

TEN PRACTICAL REFORMS

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Transparency International

Transparency International (TI) is the civil society organisation leading the global fight against corruption. Through more than 90 chapters worldwide and an international secretariat in Berlin, Germany, TI raises awareness of the damaging effects of corruption, and works with partners in government, business and civil society to develop and implement effective measures to tackle it. For more information go to: www.transparency.org

Transparency International's international defence programme 'Defence Against Corruption' works with governments, defence companies, multilateral organisations and civil society to build integrity and reduce corruption in defence establishments worldwide. The international defence programme is led by Transparency International (UK) on behalf of the movement. Information on Transparency International's work in the defence and security sector to date, including background, overviews of current and past projects, and publications, is available at the Defence Against Corruption website, www.defenceagainstcorruption.org

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Acknowledging the debt TI(UK) owes to all those who have contributed to and collaborated in the preparation of this Handbook, we should make clear that TI(UK) alone is responsible for the content of the Handbook. While believed to be accurate at this time, the publication should not be relied on as a full or detailed statement of the subject matter.

FOREWORD

BY LORD ROBERTSON OF PORT ELLEN



"Corruption in the defence sector is morally offensive, economically inefficient, and politically corrosive."

To the despair of many honest persons working in the sector, both in government and in industry, defence has maintained its reputation for dishonesty and a place where bribery is often still justified under the spurious argument that it is 'a part of doing business'.

When I was Secretary-General of NATO, corruption was not a part of doing business that I would tolerate. Since 2004, I have worked with Transparency International to facilitate the development of a transnational set of standards to tackle the practice of bribery amongst defence companies, the supply side of corruption. Yet the defence industry is only part of the problem. We need to see Defence Ministries and Armed Forces adopt wide-ranging integrity-building measures to combat corruption risk and improve ethical standards of officials and officers. I am pleased to see the progress made by NATO, which has developed an action plan on Defence Institution building, and by others.

In this Handbook, Transparency International outline some specific, highly practical measures that can be applied to the defence sector in a diverse range of environments as part of wider efforts in the field of institution-building. These are innovative reforms and tools which are developing rapidly to have a significant impact in reducing corruption and building integrity in defence establishments. I hope to see these implemented by defence institutions internationally as part of efforts to raise the standards of ethics and integrity in the defence sector, in collaboration with governments, industry, and civil society.

A handwritten signature in blue ink, which appears to read "Robertson". The signature is fluid and cursive.

The Rt Hon Lord Robertson of Port Ellen KT GCMG
honFRSE PC, former Secretary-General of NATO

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INTRODUCTION

WHY CARE?

Defence officials and senior military officers frequently tell us directly why they care about corruption risk in defence establishments:

- It is a waste of scarce resources
- It impacts on operational effectiveness
- It reduces public trust in the armed forces
- Defence budgets are an easy target for politicians looking for re-election funds
- International companies shun corrupt economies

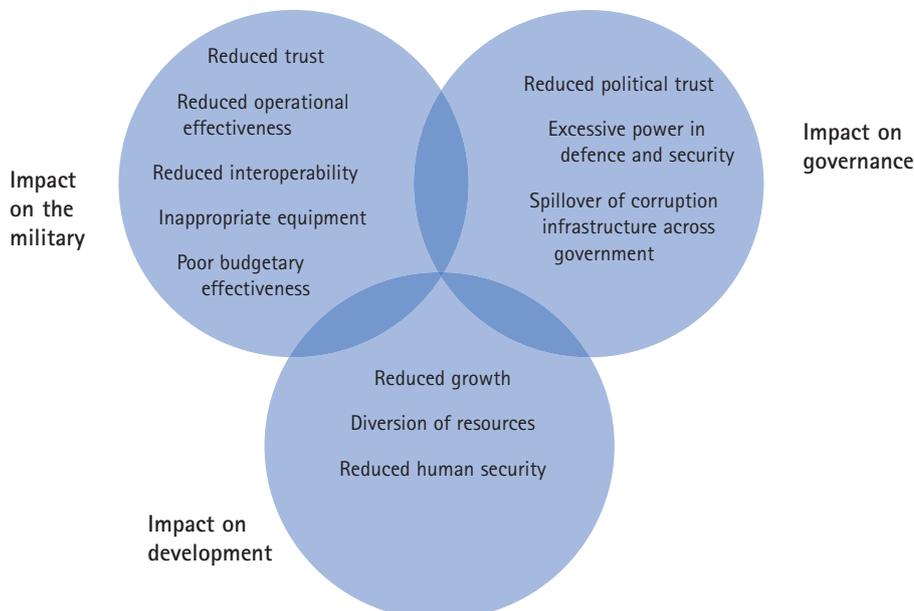
In relation to national security, we get an immediate response – those responsible for national security are all too well aware that corruption can completely invalidate security strategies. What we also see, however, is that work to improve security, for example border security or arms control, often pays lip service to corruption issues but does not seek to address them.

Corruption is often central to the problem of peace support and state-building, but they are usually not recognised explicitly. The authors of the stabilisation strategies, and sometimes the commanders of the intervention forces, have viewed corruption as an inevitable side issue, rather than a central dynamic of the conflict that needs to be considered.

It is thus very clear why we should care about this issue: it matters, and it is not being adequately addressed.

What has been missing is the confidence to address it. It was a taboo subject all the way through the Cold War period. Yet we are living through a time of sweeping change, and the security landscape is utterly different from ten years ago. Governments are also less ready to accept the waste that comes with corruption. And the general topic of corruption has come of age: it is better understood, it is less sensitive, and there are good ways to measure and monitor it.

Corruption in defence impacts the military, development, and good governance



There are a number of excellent guides to defence institution building, such as those from the Organisation for Economic Co-operation and Development (OECD) and the Geneva Centre for Democratic Control of Armed Forces (DCAF). This handbook does not attempt to duplicate those.

There are key institutional reforms, such as defence budget transparency and a competent, well-resourced judiciary that are clearly important. Yet some such reforms are too large, too politically difficult or will take too long a time to produce effective results quickly. This book has a different purpose: it aims to show busy senior officials and senior officers in Defence Ministries and Armed Forces how progress can be made in defence without tackling the problem right across government.

We do this by presenting ten particular measures that are based on recent experiences of countries. We encourage all countries to translate this handbook into their national language so as to enable defence ministry officials to make full use of it. Much of this is based on the experiences of Transparency International in tackling corruption in the international defence sector, in collaboration with defence companies, governments, NATO, and other organisations such as the Defence Academy of the United Kingdom, the Geneva Centre for Security Policy (GCSP), and DCAF.

Transparency International's approach is non-partisan, neutral, and focused on constructive ways of addressing the issues of corruption; not on singling out bad behaviour. Transparency International believes it is essential to work in parallel between governments, defence companies and civil society.

Corruption in defence impacts the military, development, and good governance.

I hope you enjoy this handbook. We welcome all feedback.

Mark Pyman

Director, International Defence Programme
Transparency International (UK)

1 : Use good diagnostic tools for a sound self-analysis

WHAT DO WE MEAN?

In order to build integrity and reduce corruption risk, Defence Establishments need to know where the main vulnerabilities are and how well they are currently protected against these. A reform plan can then be developed and key priorities established.

1. USE A DIAGNOSTIC FRAMEWORK

Corruption is a word that everybody has an opinion about. But in fact there are many different sorts of corruption, from the very minor to wholesale state capture. Transparency International has developed a typology of defence corruption, outlining twenty different defence corruption areas. It collects the corruption risks under three main headings, 1) Political Context and Control, 2) Procurement, and 3) Other Processes and Functions:

Typology of Defence Corruption

POLITICAL CONTEXT AND CONTROL	PROCUREMENT	OTHER PROCESSES AND FUNCTIONS
Defence policy	Wrong product	Salary chain
Defence budgets	Incorrectly specified or evaluated	Property sales
Leadership accountability	Single source	Personal control of secret budgets
Leadership appointment	Collusive bidders	Other income sources
Organised crime	Financing package	Private businesses
Control of intelligence	Agents and brokers	Reward, promotion, disciplinary
Earmarks	Subcontractors	Conscription
National and regional context	Seller influence	Small bribes
	Offsets	

POLITICAL CONTEXT AND CONTROL

The largest opportunities for corruption occur when oversight and control of Defence Establishments are weak. Officials who wield a high degree of discretion and who face limited scrutiny are more able to abuse their positions with less likelihood of being caught. **Defence Policy** can be manipulated by the Executive to provide funds for personal or political gain; without strong and clearly defined lines of **Leadership and Accountability** and oversight of **Defence Budget** and the **Defence Policy** by Parliamentary bodies, these can easily be manipulated so that they no longer serve the public but instead serve the interests of a predatory elite. Without appropriate **Control of Intelligence Services**, these too can be manipulated to serve personal rather than public interests.

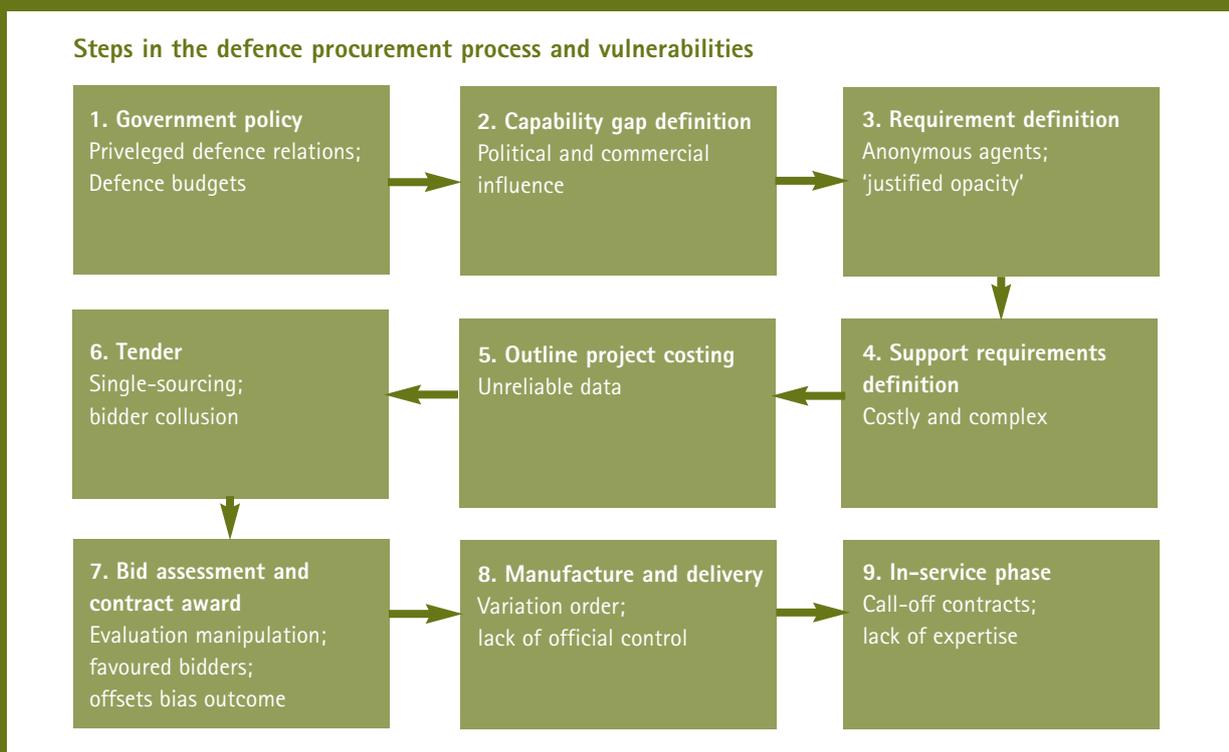
Key indicators on these dimensions include whether Parliament has the sole authority for oversight of the Defence Establishment, whether it has the authority it needs to influence defence policy and high-level decision-making, the strength of the Defence Committee in Parliament, and its powers to scrutinise or approve key Defence appointments. Further indicators include whether there is a formal Defence

Policy for the nation, the extent to which it is formally debated and approved by Parliament, and its public availability, as well as whether the Defence Establishment consults with representatives of civil society and the strength of its media relations.

These issues are all likely to be influenced by **National and Regional Contexts**. Context can be important in terms of whether the nation has ratified international legal instruments combating corruption (such as the UN Convention Against Corruption or the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions¹), the strength of domestic anti-corruption laws, and wider provisions to tackle corruption at the national level.

PROCUREMENT

Of all the processes undertaken within the Defence Establishment, procurement is the highest area of risk. This Handbook dedicates two Chapters to specific reforms to the procurement process. The vulnerabilities of the procurement process are summarised in the Figure below.



OTHER PROCESSES AND FUNCTIONS

While procurement is the most pressing corruption risk within Defence Establishment processes, there are also other opportunities for abuse. Whether **Salaries** are paid correctly and on time can indicate whether there is corruption in payroll processes, either through fraudulent entries onto the payroll or outright theft from resources intended to be used to pay personnel. Procedures for management of **Property**

Sales or **Other Income Sources** can also provide indicators as to the strength of the integrity system, as can the extent to which **Secret Budgets** are used and the control over these, **Private Businesses** run by the Defence Establishment, and **Small Bribe** issues, such as whether soldiers routinely solicit payments at checkpoints, payments to avoid conscription, and in **Reward, Promotion, and Disciplinary** procedures.

We recommend that you use this typology² as the starting point for your own risk assessment. A small project can be established with input from different parts of the Defence Ministry, the armed forces, and other Ministries, who can analyse the risks and scope for improvement under the headings in the typology.

2. CARRY OUT AN INTEGRITY SELF-ASSESSMENT

An Integrity Self-Assessment Process for defence and security has been developed in a collaboration between NATO nations and Transparency International, led by Poland. It has universal applicability and is available for any countries who wish to use it.

This Integrity Self-Assessment Process provides nations with a template to assess the strength of their own integrity systems. It focuses on answers provided by the Ministry of Defence and others to a detailed questionnaire that is then reviewed by an external expert review team. The questionnaire addresses the main pillars of the integrity system in the Defence Establishment and corruption risk across each of these. It contains guidance as to how to complete the questionnaire and how to initiate follow-up processes, comprising reform and implementation plans for building integrity and reducing corruption. The expert team assesses the responses and conducts an on-site visit to determine key strengths and weaknesses of the process, and makes a set of recommendations and observations for follow-up. The process can be conducted on a one-off basis or as part of a repeated cycle. It is available from: www.defenceagainstcorruption.org

Topic areas of the Integrity Self-Assessment Process

1. Democratic control and engagement
2. National anti-corruption laws and policy
3. Anti-corruption policy in defence and security
4. Personnel – behaviour, policy, training, discipline
5. Planning and budgeting
6. Operations
7. Procurement
8. Engaging with defence companies and other suppliers
9. Nation-specific questions

1. Available at www.oecd.org/document/21/0,3343,en_2649_34859_2017813_1_1_1_1,00.html

2. The original idea for such a typology came from Professor Rasma Karlkina, in her book “The System made me do it” – see bibliography

Guidance for carrying out the Integrity Self-Assessment

- 1. AGREE THE HIGH-LEVEL MANDATE FOR THE ASSESSMENT.**
It is important that the leadership of the Ministry and the armed forces support this self-assessment. The official leading the Self-Assessment Process should set out the mandate for the review, and agree this with the Minister, head of the Ministry, and head of the armed forces as appropriate. A high-level official should be nominated as the formal sponsor of the assessment.
- 2. AGREE A SINGLE RESPONSIBLE PERSON FOR THE SELF-ASSESSMENT.**
One person should be in charge of the questionnaire, the expert team visit, and the subsequent follow up plan.
- 3. ESTABLISH A WORKING GROUP DRAWN FROM ACROSS THE MINISTRY.**
They do not need to be full-time but resources including manpower, finance, equipment, and timeframes, need to be identified and agreed. The Working Group completes the questionnaire, and meets afterwards to consider the report of the NATO team visit and their report
- 4. COMPLETE THE QUESTIONNAIRE.** It is the choice of the nation how widely to circulate the questionnaire for completion. For example, they can separate the chapters and send them to the relevant Departments or Ministries; or they can send the whole questionnaire in order to get different comments on the same questions. They can choose to send the questionnaire to groups outside government, such as NGOs or Academies, in order to get a different perspective.
- 5. ORGANISE THE INTERVIEWS FOR THE EXPERT TEAM.** The visit will take place over 2-3 days and will involve an intense round of meetings. Interviewees need to be relatively high-level in order to be able to discuss the responses of the questionnaire. Whilst this will depend on the nation, interviewees would typically be at the level of Colonel to Brigadier in a large country. Interviewees should be both civil servants and senior military officers. It is up to the nation whether to extend interviews to other groups such as Parliamentarians, NGOs, media, or academics. If they do, a single large meeting may be an effective way of bringing in many opinions efficiently.
- 6. TOP-LEVEL REVIEW.** The completed report of the Working Group should then be presented and discussed with top officials. Their conclusions should then go to the leadership board of the Ministry, the senior committee of the armed forces, and the Minister. If requested, a NATO expert team may take part in this review and follow up.
- 7. FOLLOW THROUGH.** Establish an improvement plan to follow up the report and effect changes.

2: Use surveys and metrics to monitor levels of trust and confidence in defence

WHAT DO WE MEAN?

By its nature, corruption is very difficult to measure. At the national level, many measures of corruption are based on perceptions of business persons and experts and by populations. These indices can be used to construct a time-series dataset to allow corruption levels to be traced over time.

For Defence Establishments looking to chart their progress and success in anti-corruption reform, the national measures may be of limited help – they cannot take into account the specificities of the defence sector, nor specific anti-corruption measures taken within Defence Establishments which may not be so vigorous elsewhere. In some countries, Defence Establishments may well be in the lead when it comes to anti-corruption reform. There is therefore a clear need for defence-specific metrics and indices which can be used to track reform.

Fortunately, many of the principles used for measuring corruption at the national level can be applied to Defence Establishments to provide a more detailed impression of the progress made in defence. This Chapter outlines some of the national indices used to measure corruption, and then discusses how similar methodologies can be developed at the sectoral level by either civil society organisations or by professional organisations. Sector-specific surveys and metrics can also be developed to answer more detailed questions – in this Chapter, three pieces of research based on surveys of Defence Establishments are highlighted which have produced fresh insights into perceptions of the military worldwide, the extent of non-competitive procurements in Defence Establishments, and the use of ethics and business conduct programmes in Defence Establishments.

NATIONAL CORRUPTION METRICS

Corruption has many different definitions. Transparency International describes corruption as *the abuse of entrusted office for private gain*. However, whilst definitions of defence corruption can be discerned, finding a means of measuring the extent of defence corruption within a country and the extent of its effects is a difficult challenge.

Since its inception in 1993, Transparency International has developed several methodologies designed to measure levels of corruption at the national level and chart trends in the development of corruption over time³.

Transparency International has produced the *Corruption Perceptions Index*, an annual international ranking of perceptions of public sector corruption that in 2008 covered 180 countries and territories. The results, shown in Figure 1, are based on 14 expert surveys, ranking countries on a grade from zero to ten, with zero representing highly corrupt and ten highly clean.

The other most commonly used index to measure corruption at the national level is the Control of Corruption Index developed by the World Bank Institute. An example of this data, showing trends over time, can be seen in Figure 2.

Transparency International's *Bribe Payers Index*, shown in Figure 3 ranks countries according to the likelihood of their firms to bribe abroad. There have been four *Bribe Payers Indices* produced, in 1999, 2002, 2006, and 2008. The 2002 *Bribe Payers Index* rated the defence sector the second most corrupt international business sector, after construction and public works. The 2008 edition saw the arms and defence sector move out of the most corrupt grouping of industry sectors⁴.

3. Detailed information on Transparency International's surveys and indices can be found on the Transparency International webpage, at www.transparency.org/policy_research/surveys_indices/about

4. Due to methodology revisions the 2008 *Bribe Payers Index* is not directly comparable to earlier editions.

Figure 1: Corruption Perceptions Index, (2008)

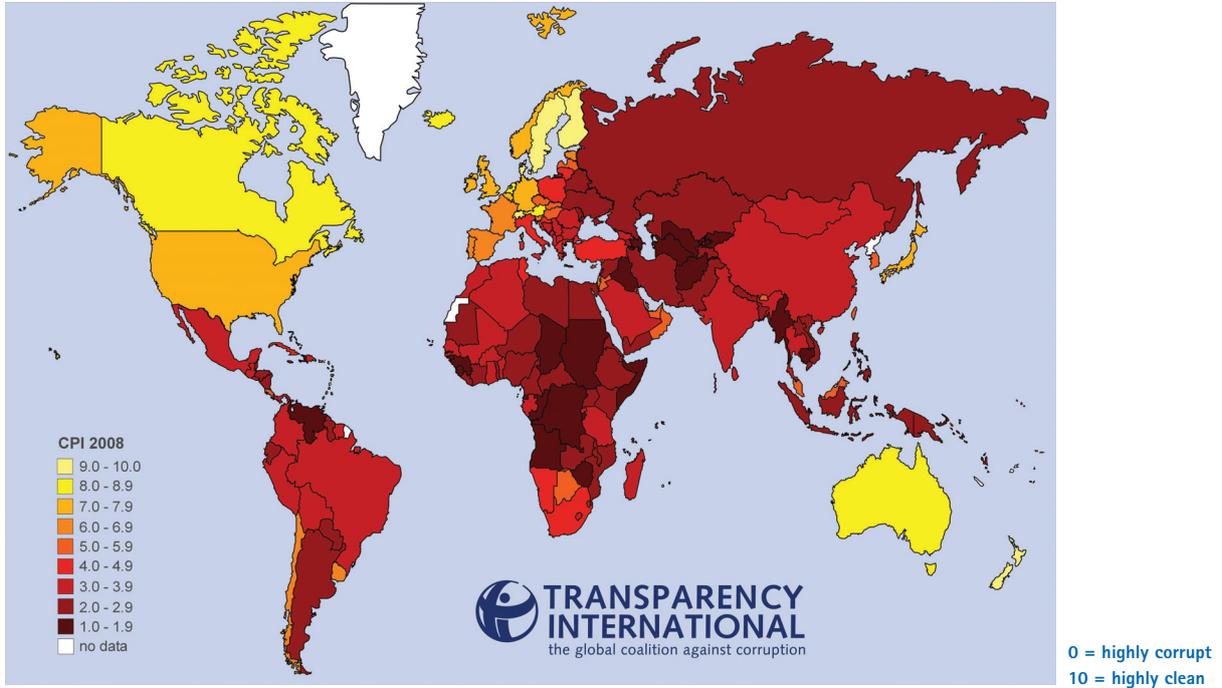
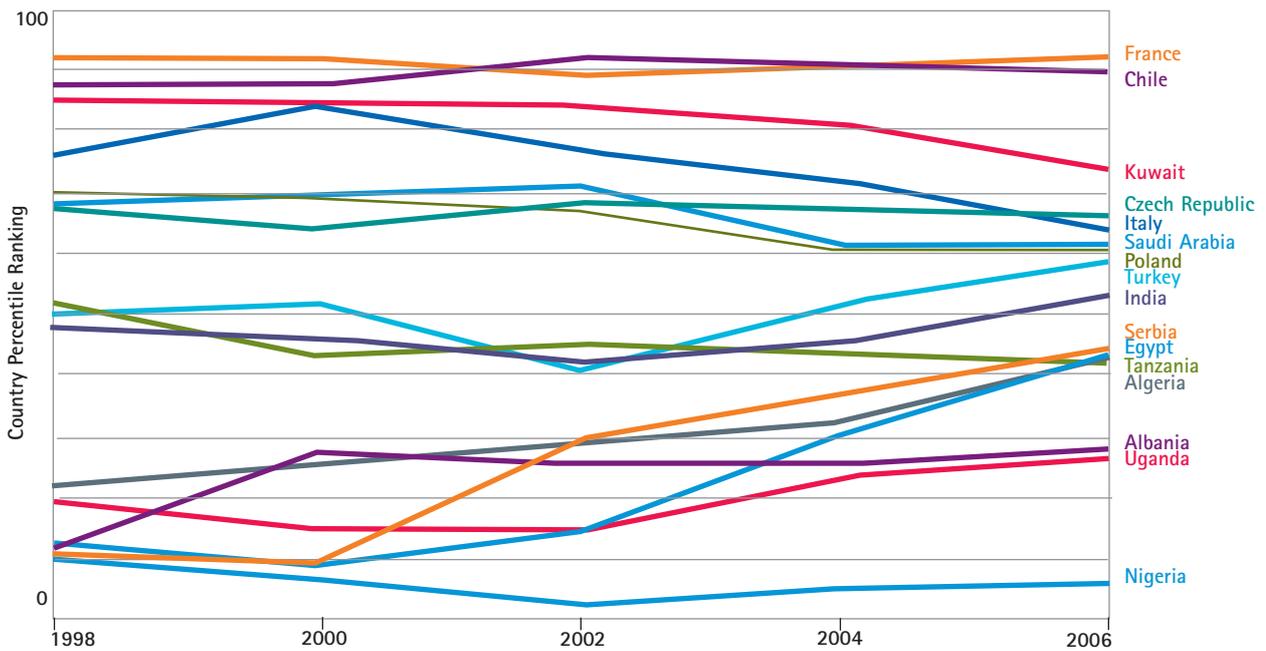
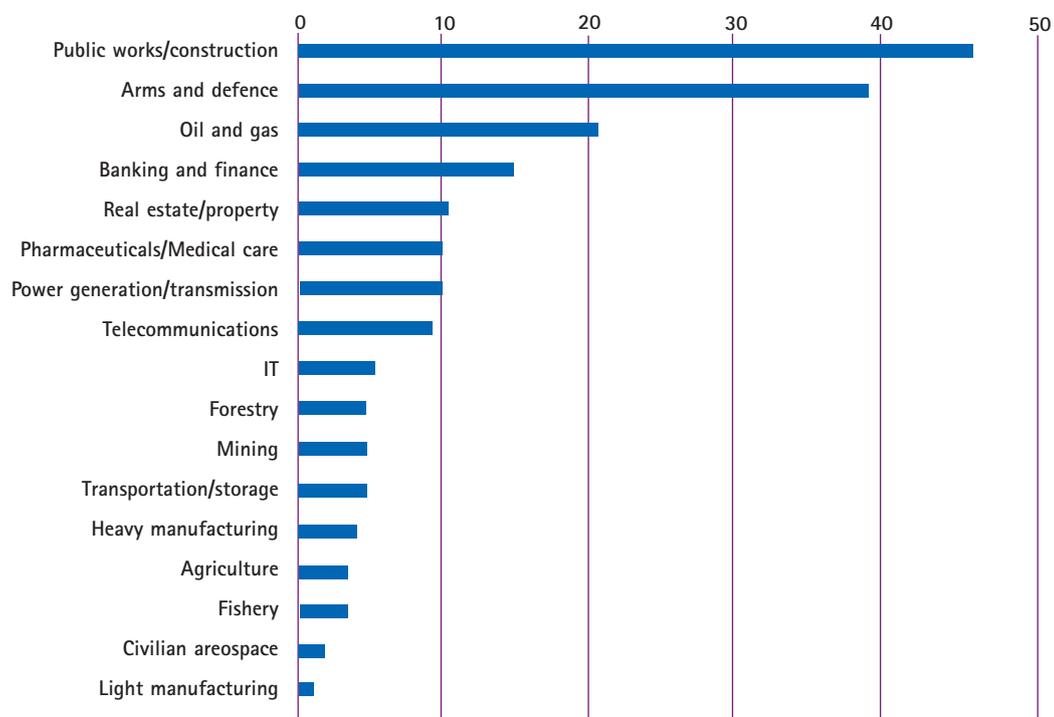


Figure 2: Measurement example – World Bank data 'Control of corruption'



Source: Kaufmann D., A. Kraay, and M. Mastruzzi 2008: Governance Matters VII: Governance Indicators for 1996 – 2000
 Note: The higher the percentage the better the control

Figure 3: Businessmen comparing industry sectors – Bribe Payers Index 2002



Business persons responding to the question: "Among business sectors, which are the sectors where the biggest bribes are likely to be paid?"
 Source: Transparency International (2002) Bribe Payers Index 2002

SECTORAL SURVEYS AND METRICS

Much of Transparency International's research into the defence sector has been based on surveys which have been submitted to Defence Establishments, with the results then used to construct comparative studies. This section outlines three research papers developed by Transparency International's defence sector programme on this basis.

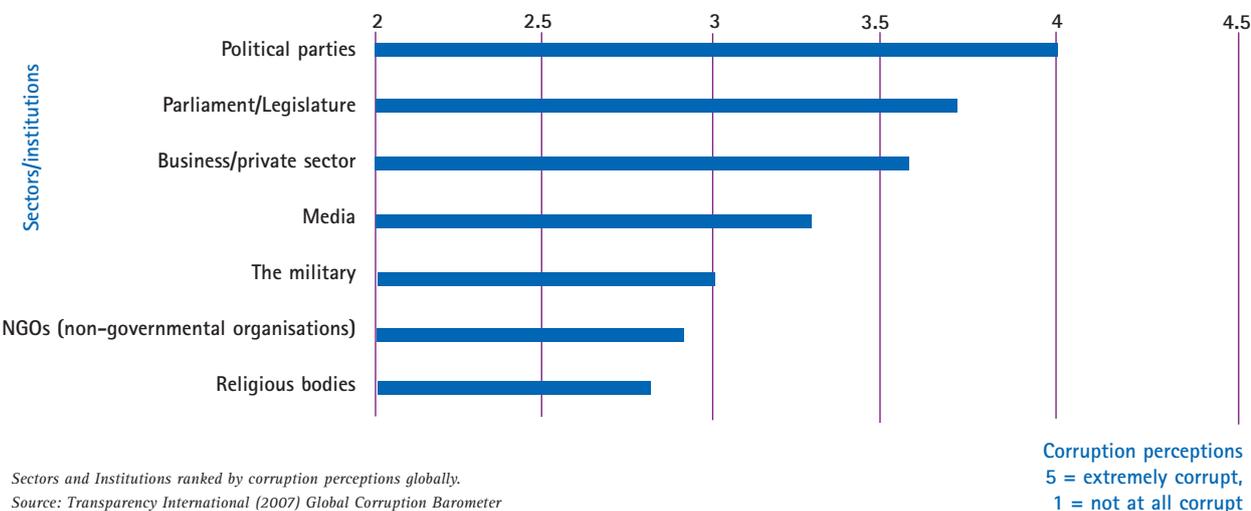
Global Perceptions of the Military⁵

In the 2006 and 2007 versions of the Transparency International *Global Corruption Barometer*, a general public opinion survey, respondents were asked in countries worldwide to assess their perceptions of the military in relation to other sectors in terms of corruption risk.

The survey asked respondents to rank their perception of the extent of corruption in the military in their country on a scale between one and five, with one being the least corrupt and five being very corrupt. The results are shown in Figure 4. The average international ranking of the military in 2006 was 3.0 (and 2.9 in 2007), which put it ahead of most other sectors in terms of being free of corruption. In some respects, this was a surprising result, in that defence is generally perceived to be a highly corrupt business sector (see Chapter 10); however, Transparency International's defence sector team concluded that the good result for the military likely reflected a distinction between *military organisations* and *defence as a sector*.

5. Scott D. and M. Pyman 'Public Perceptions of Corruption in the Military in Europe and the Rest of the World', *Journal of European Security*, December 2008

Figure 4: Sectors and institutions according to how they are perceived to be affected by corruption, globally



Transparency International's defence sector team then took the results for the military sectors in each country to construct an international ranking of how publics perceived militaries worldwide.

Over time, poll results from the *Global Corruption Barometer* will provide a time-series dataset for individual nations who wish to chart their progress in anti-corruption reform.

The Extent of Single-Source Procurement in Defence Establishments⁶

Most public procurement systems presume competition as the best means of ensuring value-for-money in large-scale purchases. These are often covered by public procurement laws. However, defence is often exempt from public procurement laws under national security provisions⁷,

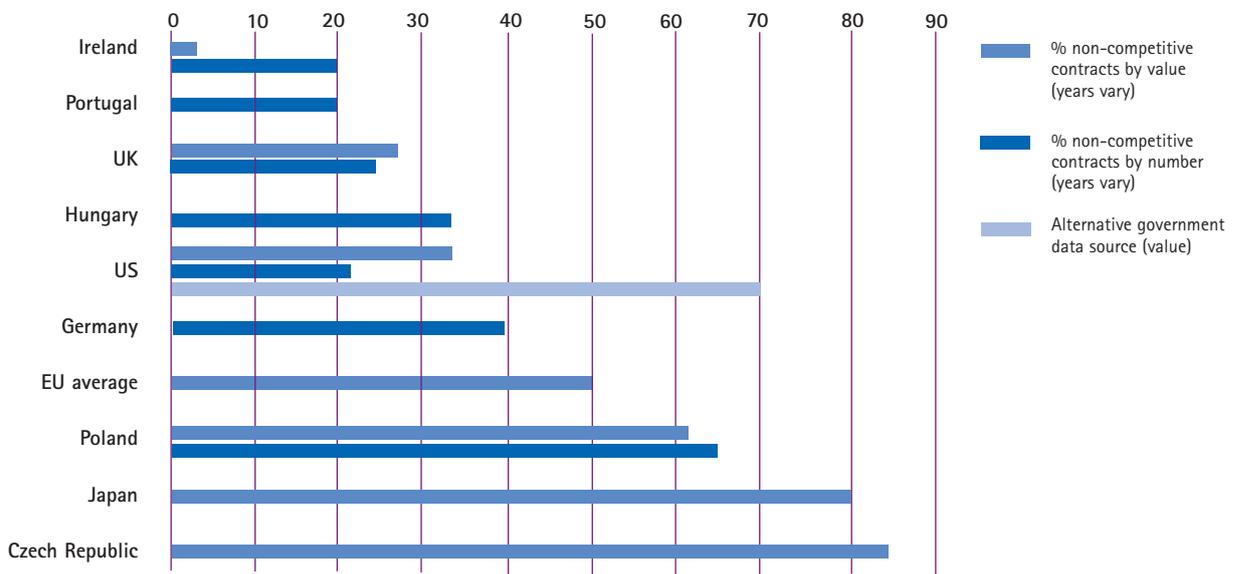
and because of the limited numbers of suppliers and capabilities, on-running contracts, and urgent operational needs, frequently do deviate from competitive practices in procurement. The lack of competition can allow greatly heightened corruption risks, and should be subject to strict controls to ensure integrity in the process.

The extent of single-source or non-competitive procurement in Defence Establishments, however, is not well-known. In 2006, Transparency International's defence sector team submitted surveys to Defence Establishments to quantify the use of single-source in procurements by number and by value; the results, displayed in Figure 5, offered a substantial first examination of the subject, and demonstrated that non-competitive practices are indeed widely used in defence procurement.

6. Pyman M., D. Scott, and R. Wilson (2008) 'The extent of single sourcing in defence procurement and its relevance as a corruption risk: a first look', *Journal of Defence and Peace Economics*, forthcoming

7. For an example of an exemption in a model public procurement law, see Article 1, Section 2 (a) of UNCITRAL Model Law on Procurement of Goods, Construction and Services with Guide to Enactment, available www.uncitral.org/pdf/english/texts/procurem/ml-procurement/ml-procure.pdf

Figure 5: Non-competitive defence procurement contracts as a percentage of total defence procurement (from Pyman et al. 2008)



INTERNAL SURVEYS

When starting a programme in government or a company, we recommend that an internal survey is conducted to gauge the organisation's culture as a starting point. This should be repeated every 2-3 years to chart progress.

3: Develop an integrity and anti-corruption plan

WHAT DO WE MEAN?

Developing an integrity-building programme requires a vision of how the Defence Establishment wishes to see itself in society and the wider world. To achieve this vision it first needs an honest assessment of the current status of its processes and ethical culture, as discussed in Chapters 1 and 2. It then needs a vision of how things should be and a plan. We believe that there are three important guidelines nations should follow in developing the plan:

1. Use multiple practical approaches, not high-profile campaigns
2. Focus on building integrity, not just on closing off corruption risks
3. Put effort into 'making the subject discussable' at the senior levels of the defence establishment and the government, through workshops and facilitated discussions.

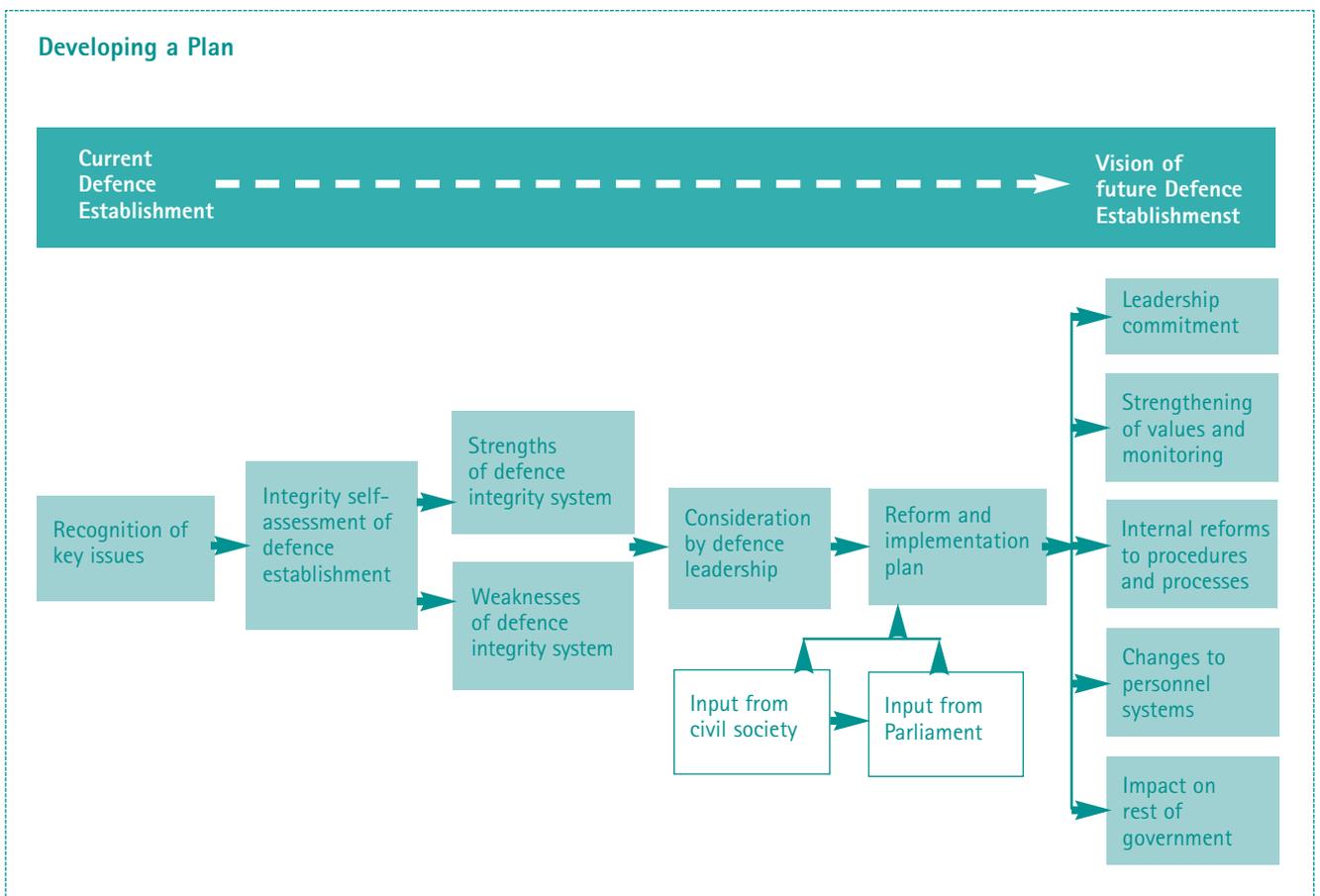


Figure 1: Anti-corruption reforms in the Polish Ministry of National Defence – starting point, 2005

Positives	Negatives	Result
<p>Awareness of corruption and schemes within the MoD and military</p> <p>Many organisations involved in anti-corruption activity:</p> <ul style="list-style-type: none"> Control Department (MoD) Military Police Audit Bureau (MoD) Military Prosecutor's Office Military Counterintelligence Supreme Chamber of Control 	<ul style="list-style-type: none"> No co-ordination (in the MoD) No external co-operation Lack of a prevention bureau Very few system changes Lack of an anti-corruption policy 	<p>A report on corruption was prepared, but no feedback occurred</p>

AN EXAMPLE: Anti-Corruption Reform in the Ministry of National Defence, Poland⁸

There are other ways of developing anti-corruption plans. For example:

- as an integral part of a cross-government plan
- mainstreaming reform measures, e.g. budget transparency exercises
- working more directly with Parliament

In this handbook we have chosen to focus on plans initiated by the Defence Ministry.

Since November 2005, the Polish Ministry of National Defence (MND) has been introducing a wide range of reforms focusing on anti-corruption and integrity-building in the defence establishment. At the time, according to Transparency International's *Corruption Perception Index*

(CPI), Poland was perceived to have the highest levels of public sector corruption among the 25 countries of the European Union. Consequently, counteracting corruption was one of the priorities of the presidential and parliamentary election campaigns that year.

Figure 1 outlines the initial analysis of strengths and vulnerabilities in relation to corruption prevention in the MND in 2005. In the defence sector, several institutions had anti-corruption roles, including those of the Military Police, Military Public Prosecutor's Office, Military Intelligence Service, MND Control Department, and MND Audit Office. However, their activities were uncoordinated. For instance, a report on the risk of corruption, drawn up at the beginning of 2005, was laid aside and did not result in any actions. This meant there was no effective anti-corruption policy in the Ministry.

8. This section is based on a paper by Maciej Wnuk (2007), former anti-corruption director at the Polish Ministry of Defence

Actions – government wide

Since 2005, at the national level, anti-corruption activities focused primarily on more effective detection of criminal activity and subsequent punishment. The Central Anti-corruption Bureau was established as a new special secret service. Operating principles of the public prosecutors' bodies were changed by appointing high-level special teams to carry out investigations into major fraud plots and organised crime. The Military Intelligence Service, accused inter alia of participation in fraud scandals, was disbanded. Its officers were vetted before being employed in the new intelligence and counter-intelligence services.

Radoslaw Sikorski, appointed as the Minister of National Defence in October 2005, declared to his partners:

"We want to be the leader in implementing anti-corruption solutions, to set an example for other bodies of the administration. We should not only rely on more effective criminal investigation, but also pay particular attention to procedural changes that have the objective of preventing corruption."

Actions – Defence Ministry

One of the Minister's first decisions was to appoint a Director for Anti-Corruption Procedures. The main aim of the Director was to establish an anti-corruption policy in the Ministry and to supervise its implementation.

The Ministry improved procedures to ensure that there were no conflicts of interest amongst members of tender commissions. Declarations on conflicts of interest were enhanced to include a wider range of family members and involvement with all contracts with tender participants.

Existing regulations, laid out in the Code of Conduct for Professional Soldiers & Code of Conduct for Civil Servants, were found to be too general for practical enforcement. The Act on lobbying in the law-making process was similarly limited, failing to cover industry lobbying. A Code of Conduct for military and civilian personnel in relations with defence industry was developed, containing general common sense principles and detailed regulations as summarised in Figure 2.

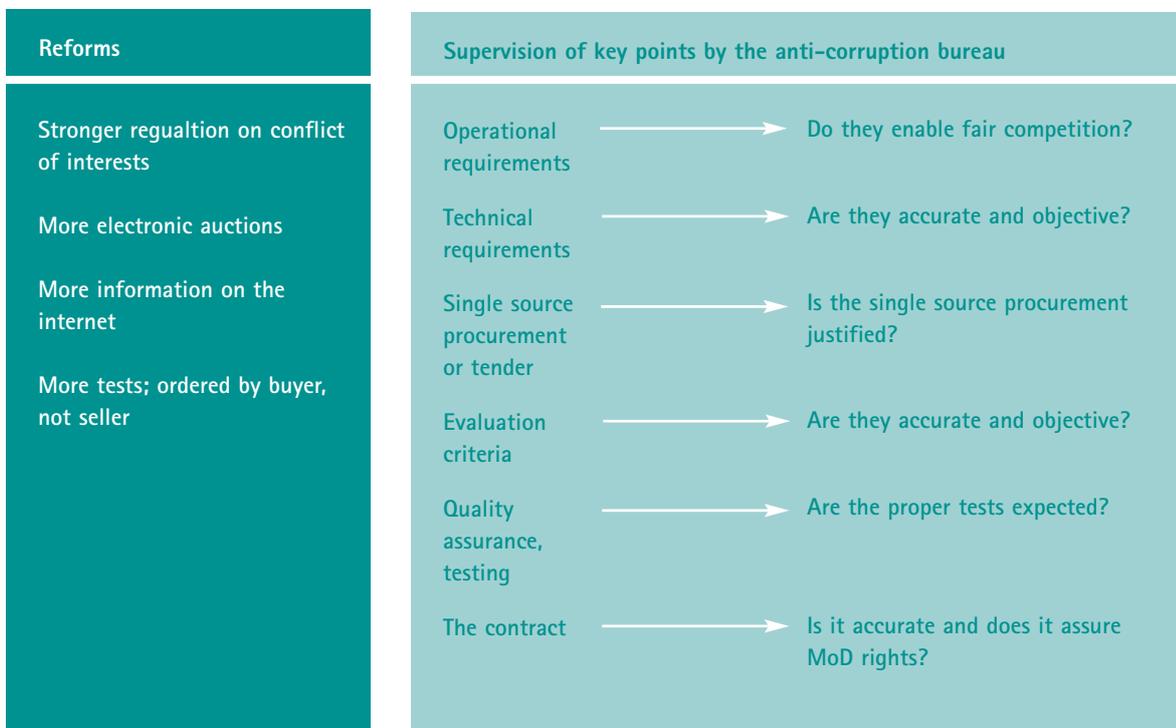
Figure 2: Anti-corruption reforms in the Polish Ministry of National Defence – Code of Conduct

Existing regulations	Code of Conduct for military and civil personnel in relation with defence industry
Code of Conduct for professional soldiers (<i>too general: no details, no examples</i>)	General common sense principles
Code of Conduct for civil servants (<i>too general: no details, no examples</i>)	Detailed regulations
Act on lobbying in law-making process (<i>does not cover industry lobbying</i>)	Everyone pays own bills
	No gifts
	Contact with arms producers: directly or at arms fairs. No agents.
	Common PR events only linked with contract signing or implementation
	No co-operation or participation in events sponsored by industry

The Ministry also pressed for competitive methods in buying military equipment, in order to limit single-source procedures. This is being pressed for at the earliest stage possible, ideally during the determination of the operational requirements for new military equipment. Access to information on future and current procurements was simplified, and is now published in one place on the

Ministry website. Consequently, companies can now protest against single-source procurement if they feel they have been excluded from a competition. Supervision of key points of preparation and implementation of the procurement process by the ministerial anticorruption entity was introduced. Changes to the procurement system can be seen in Figure 3.

Figure 3: Anti-corruption reforms in the Polish Ministry of National Defence – reforms in the procurement system



The Ministry has started to introduce elements of Transparency International's 'Defence Integrity Pacts' into the tender for VIP aircraft. The use of electronic auctions

has increased and further development of e-procurements is planned. Figure 4 outlines the overall experience with Defence Integrity Pacts.

Figure 4: Anti-corruption reforms in the Polish Ministry of National Defence – implementation of TI Defence Integrity Pact

Pilot programme: acquisition of VIP jets

Implemented tools:

1. More transparency: important documentation on the internet
2. Independent monitors: access to meetings and documentation
3. Clear process of consultation on tender documentation: with bidders; with the public; directly or through independent Monitor.

Expected challenge:

- pressure from lobbyists through the media

Unexpected result:

- the committee closed the tender under pressure

Lessons learned:

- disclosure of agents is an important tool
- clear determination of real needs is important

Lessons from the reform process in Poland

The major lessons learned in the Polish experience are summarised in Figure 5. Significant anti-corruption measures have been introduced in the Polish Ministry of Defence. Much work, however, remains to be done. The reform process points to the importance of being

proactive, and stresses the significance of even small changes in key points. The combination of integrity-building, through the improvement of procedures and training and education, and improvements in anti-corruption measures, such as in detection and prosecution, can yield substantial benefits.

Figure 5: Anti-corruption reforms in the Polish Ministry of National Defence – Conclusion

Conclusion

Significant anti-corruption measures introduced

A noticeable positive change in atmosphere in the Ministry

HOWEVER, much more work still to be done

Lessons learned

Be proactive

Change the system first, the people afterwards

Even small changes in key points can cause a big impact

Find allies

Simultaneously combine integrity building (improvement of procedures, education) with anti-corruption measures (detecting, prosecution)

Developing a defence integrity and anti-corruption plan

1. LEADERSHIP ACKNOWLEDGES NEED FOR REFORM

The tone for reform needs to be established, with clear and credible signals to the organisation that the issue of corruption is going to be tackled, and that the integrity-building reform has the full support of the leadership. A workshop like that advocated in Chapter 4 could be used.

2. APPOINT A SENIOR RESPONSIBLE OFFICER

Having acknowledged the need for reform, the Leadership should delegate the authority to carry out the process to a dedicated office within the Ministry of Defence with responsibility for ethics across the whole organisation.

3. CARRY OUT A SELF-ASSESSMENT

Once an integrity-building strategy has been adopted, the Defence Establishment needs means to determine the strength of the current Defence Integrity System, including key weaknesses and how they can be improved.

4. CONSULT WITH KEY STAKEHOLDERS TO ESTABLISH A REFORM PLAN

Following from self-assessment, the Defence Establishment needs to establish key priorities for reform and means of achieving these. The Defence Establishment can support this by establishing a wide-ranging consultation process which seeks to identify both the appropriate way forward for the Defence Establishment and best practice from other contexts.

5. EXTERNAL CHANGES – CREATE THE SPACE FOR REFORM AND OVERSIGHT

Some elements of the integrity-building programme require the impetus to be taken by bodies outside the Defence Establishment. It can support these efforts by accommodating participation from actors it may have had limited engagement with in the past, especially civil society actors.

6. INITIATE REFORMS TO INTERNAL PROCESSES

Internally, there are many reforms and procedures that can be introduced in order to make processes and functions transparent and accountable. These can range from developing new means of ethical training, to reforms to procurement processes, to engaging with civil society and the supplier base.

7. FOCUS ON TRAINING AND DEVELOPMENT

Defence Establishments need to consider how best to manage personnel so as to lock in the reform process while minimising internal resistance from those who stand to lose out. What is crucial, however, is to ensure that new personnel are adequately trained in ethics, integrity, and best practice in anti-corruption.

8. AIM FOR CONTINUOUS IMPROVEMENT

Finally, the process of reform must be recognised as one based on constant rejuvenation and striving for ever-improving standards in integrity and ethical practice, always looking to realise the vision of the Defence Establishment.

4: Make
the subject
discussable

WHAT DO WE MEAN?

Corruption in defence can be a subject which officials are nervous to raise. Those at lower levels may fear the repercussions of exposing corruption or vulnerabilities to senior officials. At senior levels, the absence of discussion often develops just out of habit – because the subject has been too sensitive in the past, even top leaders are cautious about raising it.

It is the experience of Transparency International – and many nations – that this reluctance to discuss the issue can be easily broken down. What it needs is a very clear signal from the top of the organisation that this form of waste and malpractice is not acceptable and that it will be addressed systematically and openly henceforth.

This signal is not hard to give. Once the signal has been given, then there needs to be implementing practices in place that demonstrate to staff and officers that the signals were not 'one-offs' but are the start of a systematic process and training that everyone can participate in.

GIVING A CLEAR SIGNAL

A good way is to start by developing an understanding across the leadership of the ministry and armed forces of just what corruption is, what form it takes in their establishment, and what are the real problems it causes. A first step can be a workshop of the top leadership, devoted to discussing the key corruption risk issues and how to build integrity.

The top leadership should give a rolling series of explicit talks on the importance of building integrity and reducing corruption risk. Corruption is a very easy word to talk about, but senior officials are often remarkably unclear on just what it means and what it means for defence.

Devoting this amount of time of senior leadership to the subject is already a signal in itself.

We recommend that you do not announce an anti-corruption campaign. It raises cynicism, and is hard to live up to expectations. Any sort of major announcement to launch the process is not advised. Such signals are not very credible.

SENIOR LEADERSHIP DISCUSSION

Devoting a half-day or a day to a discussion of corruption risk and building integrity is a substantial investment and needs to be planned carefully. It is advisable to use an experienced facilitator.

Such days that Transparency International has participated in have been structured in the following general way:

Attendance: 15 to 30 individuals, typically the senior armed forces generals and the leadership board of the defence ministry

Location: Away from the normal office buildings, single room, space to break up into groups of 5 or 6 in corners of the room

Structure: Alternating facilitator-led discussion on particular topic and small group discussion.

Topics for a top level workshop

1. Understanding the problem

- What is corruption and what is integrity? How do you measure them?
- Why should you care?

2. Diagnosing the issues in your establishment

- Using a diagnostic to identify the specific issues
- What are the corruption risks in your defence establishment? Size, scale?
- What are the integrity issues in your ministry and military? Size, scale?

3. Developing ways to address the problem

- Options
- Values, training, embedding values
- Elements of a plan, consideration of priorities
- Communications

4. Engaging with staff and armed forces personnel

- Developing a written rationale
- Communication
- Training and dissemination
- Internal employee surveys

PRACTICAL EXPERIENCES

It is often the case that there will be some quite different drivers for reform among the different participants. Once the particular reasons are being discussed openly there can be a remarkable energy for reform. For example:

- Many senior military officers hate corruption. They may have had to train or to fight with deficient equipment that should never have been bought
- Similarly, their own budgets could have been cut because some other part of the service has bought overpriced, unnecessary equipment
- The top ministry officials may want greater competition among bidders, who are deterred by the corruption and reputational risks of bidding in the country
- Once the top person in the room has made it clear that it is acceptable to discuss corruption seriously, it can open up areas of reform that previously had not been able to be addressed, for example the promotion process.



5: Establish a serious training course dedicated to integrity and corruption risk

WHAT DO WE MEAN?

Training in building integrity and reducing corruption is sometimes included as part of larger programmes, for example in public financial management or procurement courses, but is rarely afforded its own dedicated module for personnel to focus solely on the issue. Success in this area *needs* a dedicated training course. This rapidly builds awareness, instigates a common ethical regime, and develops a cadre of experts and enthusiasts who can spread the message back in their normal environment.

At present, very few such training modules exist; however, in the last four years, expertise has developed which has allowed the creation of training modules that can directly tackle the issue. There is a specific training course developed that can now be adapted for use by individual nations.

HOW DO YOU DO IT?

The broad goals of a training module should enable participants to:

- Understand what corruption is
- Understand corruption in defence
- Understand ways to build integrity and tackle corruption
 - a. at the political level
 - b. at the functional level
 - c. through personal behaviour
- Gain confidence that the topic can be addressed

The key concern is to balance the needs of presenting a wide-ranging module with sufficient detail for the development of anti-corruption capability.

Elements of a Building Integrity Training Module

1. Introduction

- Set context, introducing concepts such as corruption and integrity
- Broad ranging issues such as culture, government and military
- Introductions to participants and course instructors

2. Leadership, Ethics, Personal Integrity

- Integrity in Military and civil service organisation
- Enforcement and prosecution – legal frameworks
- Personal conduct standards – what should be expected
- Organisations and tools to assist integrity-building
- Corruption and integrity – operational perspectives
- Transparency in defence policy
- Tackling organised crime
- Impact of the media on tackling corruption

3. Integrity in Defence Budgets and Procurement

- Raising integrity in Public financial management and corruption
- Corruption issues and remedies in procurement
- Special topics in procurement: offsets, intermediaries, etc

4. Change Management

- Change management overview
- Working with civil society
- Working with suppliers
- States in transition
- Effecting change at different levels of the organisation

5. Personal impact

- Participants' key experiences and learning from them
- Participants' presentations: how I will tackle integrity building
- Presentation of certificates and concluding remarks

AN EXAMPLE – 'Building Integrity and reducing corruption risk' Training Module developed for NATO

Aimed at military and civilian personnel in the security sector at full colonel or equivalent military rank or civilian grade level, the NATO course objectives are to enhance knowledge and understanding, within the defence and security sectors, in the following areas:

- How to strengthen integrity and reduce corruption in defence

- The concept of transparency and good governance
- How to engage appropriately with the public and civil society.

The outline of the NATO Building Integrity Training Module, largely following the above template, is shown opposite. The five-day module has to date been delivered to participants from some 20 nations at the Defence Academy of the United Kingdom, the NATO School Oberammergau, and the Peace Support Operations Training Centre in Sarajevo. It has had a highly enthusiastic reception from participants.

NATO Building Integrity Training Module

- DAY ONE:** Lecture and Discussion: Introductions
Lecture and Discussion: Setting the Scene, Corruption and Integrity, Culture and Diversity
Lecture and Discussion: Government and Civil Society
Lecture and Discussion: Building Integrity – A NATO Perspective
Discussion and Workshop: Transparency, Integrity, and Corruption in My Country
- DAY TWO:** Lecture and Discussion: Military and Civil Service Organisation, Leadership and Policy – Corruption Vulnerabilities
Lecture and Discussion: Enforcement and Prosecution – Legal Framework within Country
Discussion: Personal Conduct Syndicate
Lecture and Discussion: Organisations and Tools to Assist Integrity Building
Lecture and Discussion: Corruption – the Operational Perspective (based on Iraq and Afghanistan)
Lecture and Discussion: Organised Crime and How to Tackle It – e.g. The Bosnia Experience
Lecture and Discussion: The Impact of the Media on Tackling Corruption
Panel discussions: The Operational Perspective, Organised Crime and the Media
- DAY THREE:** Lecture and Discussion: Public Financial Management and Corruption
Lecture and Discussion: Conduct of Officials – Defence and Industry
Keynote Address / Case Study: e.g. Bulgarian Defence Reform
Exercise: Defence Procurement
- DAY FOUR:** Lecture and Discussion: Change Management Overview
Case Study: – Joint Civil/Military Presentation
Syndicate Discussions: Change Processes
Workshop: States in Transition
- DAY FIVE:** Lecture and Discussion: Educating the Educators as a Tool for Building Integrity
Individual Presentations and Discussion: Integrity Building – How Will I Tackle It?

6: Setting out
clear standards
of expected
behaviour from
officials and
officers

WHAT DO WE MEAN?

The most effective integrity regimes are those which contextualise individual decision-making within a very clear ethical framework, so that personnel want to act in a manner befitting integrity at all times. This provides clear guidance as to what is and what is not acceptable behaviour. Providing a clear statement of ethical expectations and requirements increases public confidence in the conduct of defence officials and military officers, stating unambiguously the expectations on members of public institutions.

Statements of what is ethical and what is and is not acceptable provide guidance and clarity to often difficult areas for personnel to operate in. Inculcating a strong ethical ethos within an organisation both reduces the frequency of violations of corruption law, and allows violations to be detected more easily.

Transparency International's research into ethics and business conduct in Defence Establishments⁹, however, suggests that Defence Ministries and armed forces are currently neglecting best practice. This research, based on 32 countries' publicly available business conduct programmes for defence officials, suggested most Defence Establishments rely on compliance-based rather than ethics-based means of regulating personal conduct, that regulations were often fragmented across multiple documents rather than a unified Code of Conduct, that training and dissemination programmes were generally weak, and that regulations themselves in key areas of corruption risk were weak in many cases.

Overall, most Defence Establishments appear to be out-of-step with international best practice in the public and private sectors, which tend to utilise a combination of ethical guidance and hard regulations to control personal conduct of employees.

The figure overleaf shows the ethical values which defence establishments espouse across 11 countries. There is no strong pattern emerging. The values of Honesty or Openness, Integrity, and Loyalty were the only values to appear in over half the documents. Leadership, very surprisingly, was mentioned in only one country. Further, there were 32 separate values across the eleven documents, which was wholly unexpected. In the private sector, there is a very different picture, with three values tending to occur time and time again in their statements of values: integrity, responsibility, and reputation¹⁰. Overall, by comparison, the statements of ethical values appear to be underutilised by defence establishments.

Raising standards in ethics and business conduct provides a clear statement of intent of the seriousness with which the issues of corruption and integrity-building are taken within Defence Establishments.

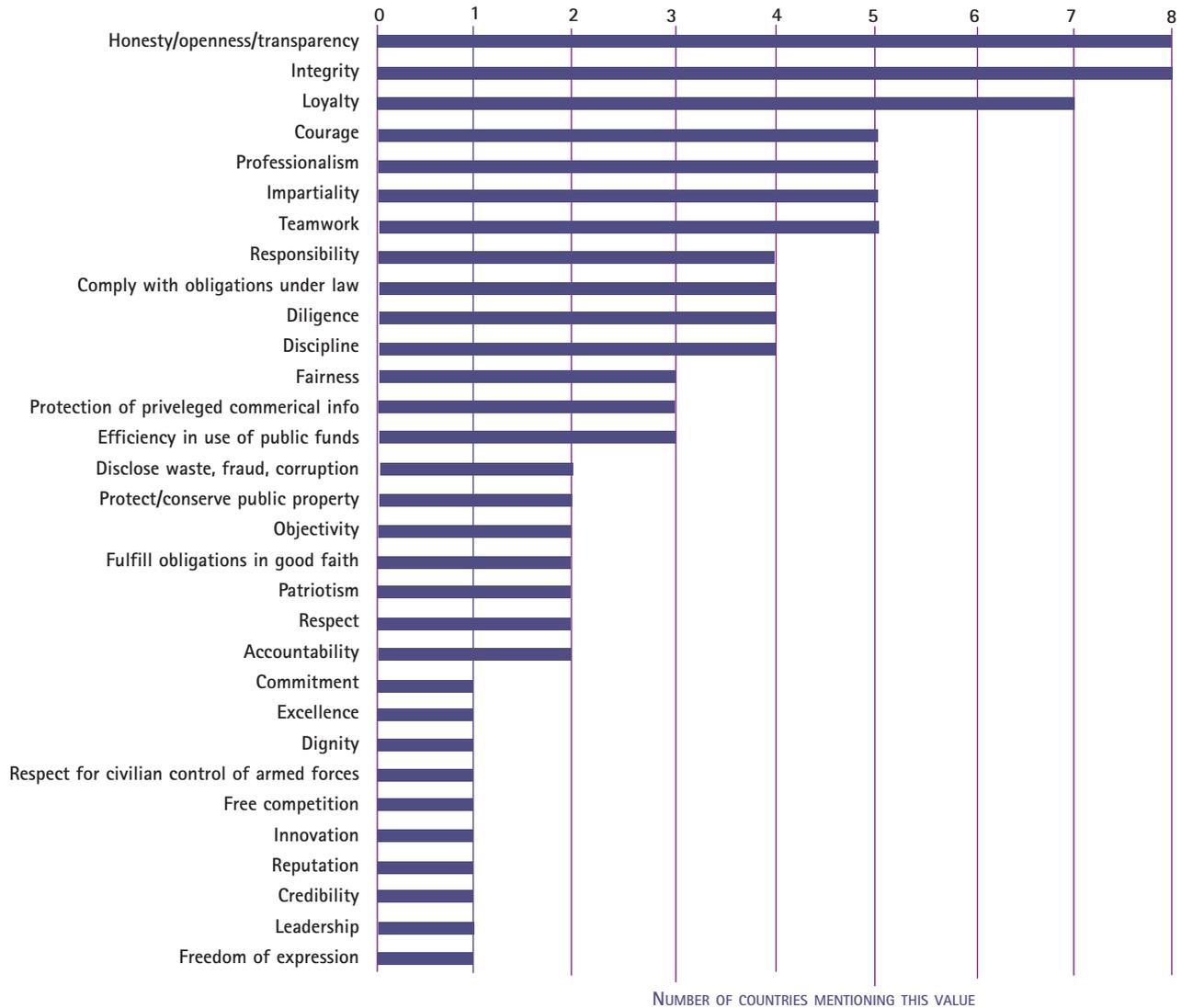
WHAT DO GOOD STANDARDS LOOK LIKE?

All organisations require means of regulating the conduct of their members. Professional establishments do this by developing Codes of Conduct which provide key regulations, support, and guidance to individuals on how to maintain ethical standards and provide a standard reference point which allows expectations to be formed as to how individuals should behave and how they should expect others to behave.

9. Transparency International (UK) (2009) 'Ethics and Business Conduct in Defence Establishments available at http://www.defenceagainstcorruption.org/index.php?option=com_content&task=view&id=34&Itemid=114

10. Webley S. (2003, updated 2008) *Developing a Code of Ethics*, Institute of Business Ethics, available at www.ibe.org.uk/code_content.htm

Ethical values in defence establishments (sample of 32 countries)



DEVELOP A CLEAR SET OF ETHICAL STANDARDS FOR MILITARY OFFICERS AND DEFENCE OFFICIALS, WITH ASSOCIATED TRAINING AND ENFORCEMENT

The development of a strong programme of ethics and business conduct is most effective when it embodies the values and ethical standards which most accurately reflect the aspirations society has of the Defence Establishment. The development of an ethical programme requires widespread public consultations in order to do this, as the development of the ethical regime in the South Africa Defence Forces did in the late 1990s. Providing a strict template here as to the form internal regulations should take would therefore be inappropriate. Here is what constitutes good practice:

- There should be a single, easily accessible Code of Conduct for all personnel to follow.
- It should be firmly rooted in ethics and values.
- It should provide clear guidance on the chain of accountability, including who is responsible for the development of the ethics programme, the bodies to which suspicions of corruption should be reported, and where further guidance on the issues covered in the Code of Conduct can be provided.
- It should at a minimum contain regulations as to business conduct in respect of bribery, gratuities/gifts and hospitality, conflicts of interest, and post-separation activities.

- There should be regular training and refresher courses in the ethics programme so as to contextualise the regulations into real-life situations.
- The programme should be periodically updated and rejuvenated.

CONCLUSION

The ethics and business conduct programme is a key means by which corruption is tackled in that it targets individuals and seeks to inculcate expected standards of behaviour

and ethical norms across a large organisation. The strength of that programme helps protect the organisation against corruption from occurring within it, helps educate the public as to what is and what is not acceptable behaviour on the part of public servants, and allows violations which do occur to be detected without allowing ignorance to be used in defence.

Raising the standards of individual behaviour is part of the process of developing a strong internal regime capable of withstanding corruption risk, and contributes to the aspirations of building institutions of integrity that serve the public at large rather than individual corrupt interests.

Sample Content for a Code of Conduct

1. Foreword from the Minister of Defence and Head of the Armed Forces
2. Statement of Core Ethical Values
3. Statement of General Provisions
4. Regulations for Officials and Officers
 - 4.1. Offers of Bribes
 - a. Definitions
 - b. Statement that bribery is outlawed
 - c. What to do if offered a bribe
 - d. Ethical checklist
 - 4.2. Gratuities, Gifts, and Hospitality
 - a. Definitions
 - b. Quantitative limits on what can be accepted
 - c. Ethical checklist
 - d. Registering offers
 - e. 'Red Flag' areas
 - 4.3. Conflicts of Interest
 - a. Definitions
 - b. What constitutes a conflict of interest?
 - c. How to disclose a conflict of interest
 - d. Resolving conflicts of interest
 - e. Ethical checklist
 - 4.4. Post-separation employment and activities
 - a. Definitions
 - b. Restrictions on future employment – what constitutes a banned source?
 - c. Disclosing future offers of employment
 - d. Ethical checklist
5. Training and Dissemination
6. Evaluation and Improvements to the Ethical Programme

7: Use
Independent
Monitors
on major
procurements

WHAT DO WE MEAN?

It is the experience of Transparency International that the integrity of major procurements can be raised significantly by using Independent Monitors without lengthening the duration of the tender process.

This Chapter discusses the use of such Independent Monitors to provide oversight and improve integrity and trust in the process. An Independent Monitor is an appointment separate from the procuring organisation and the bidding companies who ensures the process is conducted in an appropriate manner. They may be used on single procurements, or may be instituted to cover all procurements above a certain size by the Defence Ministry.

Independent Monitors are appointed as part of the process of using Defence Integrity Pacts. Integrity Pacts are tools developed by Transparency International to tackle corruption in public contracting. These have since been developed for application to defence procurement.

A Defence Integrity Pact usually contains three main features:

- A **short contract**, in which all bidders and the procuring organisation agree to certain specified no-bribery pledges, and the bidders agree to enhanced disclosure rules. Bidders also agree to sanctions, including withdrawal from the tender, in the event they are found in violation of the agreed pledges (see Box 1).
- An **Independent Monitor**, who ensures that all the parties abide by their commitments under the pact. This usually includes the use of an independent technical expert who reviews the tender documents for undue or corrupt influence, and who is available to bidders in case of concern or complaint.
- More **public transparency** of documents and processes. This also allows greater scope for input from the public and civil society, and enhances confidence in the process through increased transparency.

Box 1: The Contract¹¹

The Contract typically includes the following elements:

- Pledge and undertakings by bidders not to offer or accept bribes
- Pledge and undertakings by the procuring organisation, their consultants, and advisers not to accept or solicit bribes; this should be comparable to the pledge signed by the bidders
- Disclosure of details of agents or intermediaries. At a minimum this should include the name and services contract of the agent, but may also require disclosure of payments to and from the agent.
- The appointment of an Independent Monitor or Monitoring Team. The Independent Monitor should be guaranteed unrestricted access to all meetings and material documents.
- Undertaking to publish some or all of the documents, evaluation criteria, bidders' proposals, and the detailed results of the evaluations.
- Sanctions for violations. Bidders agree to withdraw if there is evidence of breach of the pledge. Further sanctions may involve exclusion from bidding for subsequent contracts.

11. A sample Defence Integrity Pact is available on Transparency International's Defence Against Corruption website, at www.defenceagainstcorruption.org/index.php?option=com_docman&task=doc_download&gid=37

The Independent Monitor is appointed by the procuring organisation. It is essential that the Monitor's independence is not compromised by the nature of the appointment. Where the Monitor is a person or body outside of government, this may be done through a letter of appointment, setting out the role including, inter alia, the formal independence of the monitor from all parties, the obligation to publish all findings, and their protection from the government of any claims which may be made against them during the process.

The choice of Independent Monitor is very important. In past contracts they have been an independent anti-corruption government official in the country, a highly respected figure such as a former judge or senator, a senior academic, a professional independent assessor, or a civil society organisation. Box 2 shows experience from South Korea.

The Independent Monitor can be effective across Project Initiation, Project Documentation Release and during the Contract Award phase.

Box 2: Independent Monitors in South Korea

In the Republic of Korea, following a series of allegations concerning the acquisitions process in the Ministry of Defence, the decision was taken to move authority for acquisitions to a new body outside the Ministry, entitled the 'Defence Acquisition Program Administration' (DAPA). This process introduced a range of integrity-building measures into the defence acquisitions process, including in the field of disclosure of officials' wealth, declarations of gifts, limitations on post-separation activities of officials, and heightened disclosure of information to the public.

As part of these reforms, DAPA created an Ombudsman office inside the organisation to oversee purchases. The Ombudsman position was created to allow increased accountability of the organisation and to improve transparency within the sector. The Ombudsman has the power to investigate complaints on petition, and to instigate audit on contracts should faults be discovered. The Ombudsman also has powers to find reasonable settlements to disputes in some cases.

The reforms also made it mandatory for defence acquisition-related personnel to submit written Integrity Pacts. Among the organisations required to sign the Integrity Pacts were DAPA itself, subordinate institutions, and bidding and contracting companies. These carried the force of legal agreements.

Between 2006 and October 2008, 41 civil complaints had been filed with the Ombudsman, of which 29 have been investigated and 12 are on-going investigations. Eight cases have seen the Ombudsman make recommendations for correction or improvement, and one has seen the audit procedure requested.

For further details, please see Republic of Korea (2008), Introduction to 'Defence Acquisition Program Administration' and Ombudsman, DAPA, available at <http://www.dapa.go.kr>

HOW DO YOU DO IT?

Defence Integrity Pacts and the use of Independent Monitors on a specific procurement can be set up without difficulty. Defence companies are increasingly becoming aware of them. A short contract document (the Integrity Pact) is drawn up, based on a template available from other nations or from Transparency International. It may need to be adapted to align with the national laws on procurement. The Independent Monitor is chosen. A suitable form of funding is agreed: guidance on how to do this is also available from the Transparency International website. Advice can also be sought from nations who have used this tool or from Transparency International's defence team.

WHAT OUTCOME ARE YOU SEEKING?

The use of Defence Integrity Pacts and Independent Monitors brings credibility to the procurement process and provides a valuable safeguard against corruption in individual contracts.

Increased confidence in its integrity can contribute to establishing a smoother procurement process where non-successful bidders accept the outcome without suspicion of impropriety – this can help prevent costly delays caused by challenges to contract awards, and improve relations across the defence sector. In some countries it has reduced the tender process duration.

Enhanced credibility may also attract more bidders on future contracts as suppliers are convinced that the outcome has not been predetermined.

If there are genuine concerns with the process, then there is a credible body to which organisations and companies can turn in the form of the Independent Monitor. This increases confidence that complaints will be fairly heard and appropriately addressed. Defence Integrity Pacts also supplement enforcement by strengthening sanctions, and by making these applicable at the time of tender rather than after the award.

The use of Defence Integrity Pacts and Independent Monitors strengthens public confidence and can temper suspicion that can accompany large and complex contracts. The enhanced transparency and disclosure requirements contribute greatly to this, allowing for strengthened oversight of the procurement process.

They can enhance the role of public participation and oversight in the procurement process, particularly if the Independent Monitor can be drawn from civil society. In collaboration between Defence Establishments and civil society on individual contracts, the scope for wider civil society engagement increases as trust is developed between them.

Finally, however, it should be recognised that while Independent Monitors play a crucial role in enhancing the integrity of procurement and address a key corruption vulnerability in defence, to be most effective they must be combined with measures to address structural issues which give rise to corruption risk within Defence Establishments, such as reform of the procurement organisation and legal reform.

12. For more detailed information on the use of Integrity Pacts and analyses of their use, please see the Transparency International Public Contracting website, http://www.transparency.org/global_priorities/public_contracting, and the Transparency International Handbook (2006) *Curbing Corruption in Public Procurement*, Berlin: Transparency International

AN EXAMPLE FROM COLOMBIA

Independent Monitors and Integrity Pacts have been in use for over a decade in a range of sectors such as construction, telecommunications, and water, in countries including South Korea, Germany, Chile, Argentina, Colombia, Ecuador, Mexico, and Italy¹². Transparency International has also developed these for application to the defence sector, and has substantial experience in their use. In this section, the experience of applying a Defence Integrity Pact on a procurement in Colombia is discussed¹³.

Background

In 2004, Transparencia Por Colombia and Transparency International (UK) provided assistance to the Ministry of Defense of Colombia in the implementation of a Defence Integrity Pact in a forthcoming aircraft acquisition programme. Transparencia Por Colombia had been working with the Ministry of Defense for several years in efforts to improve integrity in the defence establishment.

The requirement to replace an aging fleet of combat aircraft engaged in anti-drug running operations has been ongoing in Colombia for a considerable time. In 2004, US\$237 million was earmarked to purchase about 22 airframes. An earlier attempt had stalled owing to lack of clarity over aircraft type and associated capability.

Transparency International (UK) Evaluation

Transparencia Por Colombia had extensive experience in anti-corruption reform and in public contracting, but did not have access to a specialist technical advisor for defence acquisitions. Transparency International (UK) were able to provide two technical experts with military and defence acquisitions backgrounds to support the Integrity Pact that was to be applied on the aircraft acquisition.

The entire range of bid documents was made available to Transparency International (UK)'s technical team by the Colombian Ministry of Defense. The contents and breadth was considerable, ranging from technical specifications through to contractual support post-award. The team submitted a technical report to the Ministry of Defense within 14 days, having identified and addressed the key concerns. Observations were separated into Operational, Commercial, and Management aspects.

The bid team, with the Colombian Air Force as the end user specifying the technical requirement, responded swiftly, agreeing with some of the technical team's comments, rejecting others, and providing justifications for the rest. Considerable unresolved technical and contractual issues necessitated an in-Country visit.

In-Country Meetings

Transparency International (UK) sent Air Commodore (Retired) Alan Waldron to Bogota to conduct a series of meetings with the Ministry of Defense. These meetings included the Independent Anti-Corruption Assessors, the Colombian Air Force Commander, several senior Generals, the Acquisition Project Leader, specialist technical staffs, Ministry of Defense officials, and specialist contract lawyers. Considerable time was devoted to technical specifications and contract details.

Considerable pressure had been applied from the Secretary General's office for complete openness and for the technical specification to be as precise as possible so as to reduce the potential for corruption. The military also provided considerable support, in recognition of the considerable positive impact of clean procurement on the operational effectiveness of the aircraft.

13. This section is based in large part on Pyman M., A. Waldron, and L. Avelia, 'Practical application of Defence Integrity Pacts: Experience in Colombia', paper presented to the seminar 'Public Procurement' at Nottingham University School of Law, June 2006, and available at the website www.defenceagainstcorruption.org

8: Hold public
Roundtable events
on forthcoming
procurements

WHAT DO WE MEAN?

A roundtable event is a tool for engaging civil society in defence procurement at the national level. Roundtables are public forums where the corruption risks in major forthcoming defence procurements are discussed openly by interested parties.

They benefit defence sector stakeholders by raising awareness of corruption risk, through media coverage of the event and through the scrutiny – often for the first time – of senior defence officials.

WHEN DO YOU USE IT?

Roundtables are events that precede major procurement projects. The primary impact of holding a roundtable on a forthcoming procurement is to engage a wide range of

stakeholders – the Executive, key members of the Legislature, the Ministry of Defence, the Armed Forces, the defence industry, civil society, and the media, as well as any interested international or intergovernmental organisations – on important aspects of defence and security planning, help to ensure integrity and public confidence in the defence procurement process, and can pave the way for future mutually beneficial relations between the actors involved.

HOW DO YOU DO IT?

Usually the process begins with the announcement of a major procurement. The Ministry of Defence announces its intention to purchase equipment, and convenes the roundtable, inviting key stakeholders to attend. This process has in the past been facilitated by Transparency International's defence team.

Sample roundtable agenda

A template roundtable agenda which has been used in NATO Partner is the following:

- Introduction by Office of the President and civil society organisation, serving as joint hosts
- Overview of defence procurement corruption risks
- Overview of national defence procurement process
- Good industry practice outlined by a leading defence firm
- Specific defence corruption risks, such as agents and offsets, and tools for combating risks relevant to the country and the pending procurement
- Discussion

The template for a roundtable agenda is flexible, and should reflect local specificities and concerns. The crucial aspect is to ensure that all key stakeholders are involved in the process. The scope of the roundtable can be as wide or as narrow as local demand determines. Transparency International suggests that for a first engagement, the roundtable should aim to address a specific upcoming procurement. Successful initial engagement can then lead to modifications in the format and the adoption of more complex issues for which trust and cooperation have been established.

Exposing defence equipment procurement intentions to public debate, especially for the first time, will seem strongly counter-intuitive to officials used to confidentiality in these matters. Certain facts and figures, but not many, will be "off-limits", but conversely, transparency can be seen by procurement officials as helping to fix government intentions to commit resources, which otherwise might be a greater risk of retrenchment later on.

Zagreb roundtable 2007

Transparency International-Croatia hosted a Roundtable event in Zagreb in 2007, under the patronage of the President of the Republic of Croatia. Transparency International (UK) facilitated the event, with attendees including:

- Senior Defence Officials:
 - State Secretary of Defence
 - Permanent Under-Secretary, Ministry of Defence
 - Head of Procurement, Ministry of Defence
- Other Senior Officials
 - Shadow Defence Minister
 - Head of Government Commission for Supervision of Public Procurement
 - Ambassador to NATO
- Representatives from International Organisations including NATO, the European Union, and OSCE;
- Representatives from Defence Companies, including Lockheed Martin Corporation, SAAB, and Steyr
- Representatives from the media, academia, civil society

The above group, notable for its diversity in expertise, comprised key stakeholders at international and national levels. The event focused on a major pending procurement of armoured vehicles, and broadly followed the above outline agenda. Well-covered by the media, it was seen as a success, leading to further interest within the Ministry of Defence with a follow-up workshop on best practices.

As a result, Croatian national defence procurement needs and the full defence budget for the next ten years have been published, demonstrating substantially enhanced transparency procedures in Croatia's defence sector, and potentially the beginning of greater engagement in a wider programme of reform.

Key lessons from this process have been the following. First, engagement from as broad a group of actors as possible is desirable and the most likely means of achieving success. Second, an initial focus on a relatively small area, such as a specific upcoming procurement, can lead to a much wider engagement as civil society and public engagement in defence becomes normalised. Third, civil society can provide a powerful means of assisting in defence sector anti-corruption reform when all partners engage in a positive manner.

WHAT OUTCOME ARE YOU SEEKING?

National roundtable events provide a key means of engagement, often for the first time, between the Defence Establishment and civil society. They contribute to enhanced oversight and integrity in the planning stages preceding major procurements, and allow enhanced public confidence in the procurement process.

Roundtables also bring the benefits of alerting defence officials to potential corruption risks they were previously unaware of, by widening the procurement process and opening up the Defence Establishment to wider scrutiny.

On individual procurements, holding roundtables can introduce greater openness and transparency into the process, and serve as a prelude for further engagement on the part of civil society.

Roundtable events contribute to the integrity-building process by establishing and developing relationships between Defence Establishments and the wider public and civil society. Roundtables further complement other integrity-building measures and procurement reforms, including the use of Integrity Pacts. In providing sustained civil society engagement in the procurement process, from the identification of a capability gap through to the tendering and award phases and beyond, there can be enhanced integrity and public confidence in defence procurements.

Not all local conditions will make a round table of the Zagreb type (see box) appropriate. An alternative is an open press briefing.

9: Engage with civil society

WHAT DO WE MEAN?

Defence Establishments often have a reputation for insularity and non-engagement with non-state actors such as civil society organisations¹⁴.

One of the key levers of reform is through widening the group of actors who participate in the development and oversight of defence policy and processes. Civil society acts an intermediary between the citizenry and the state, offering a means of coordinating collective action so as to articulate viewpoints and contribute to public political and administrative life. Reaching out to civil society on the part of the Defence Establishment is a key means of cultivating trust and faith in the armed forces, and in developing systems of transparency and accountability which allow such relationships to be effective.

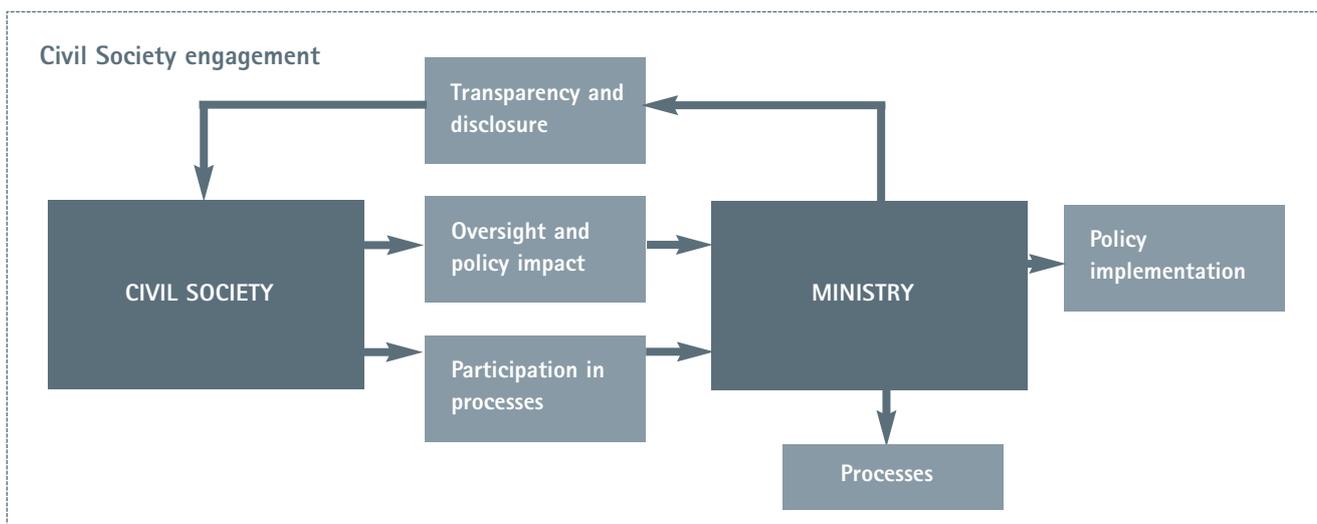
The wider aim of integrity-building embraces the concept that armed forces are most effective when under civilian control exercised through Parliaments or Legislatures. The strength of democratic states is linked to the vibrancy of civil society. Effective constitutional regimes rely on the

citizenry to engage themselves in policy and oversight, entailing responsibilities which go beyond the basic requirements of electoral participation. However, this process of citizen engagement with government policy requires the development of institutions which overcome substantial collective action problems – the principal means of doing this in many societies is through strong civil society organisations which articulate policy preferences and can provide oversight of policy processes and implementation. This in turn requires effective transparency and disclosure from public organisations.

Thus civil society is served by transparency, and the Defence Establishment is served by a strong civil society: this is a clear feedback process through which transparency enhances integrity.

The purpose of this Chapter is to discuss how Defence Establishments can build relationships with civil society organisations, and how civil society organisations can develop the expertise required to engage with Defence Establishments.

¹⁴. For a wide-ranging definition of civil society as a concept, see the London School of Economics and Political Science's Centre for Civil Society, www.lse.ac.uk/collections/CCS/what_is_civil_society.htm



The role of civil society in integrity-building can cut across two broad areas.

Civil society can contribute to policy-formation, through helping to articulate demands in relation to the nation's Defence Policy. This can be done either at the Parliamentary level, through the lobbying of members of the Defence Committee or submitting proposals to the Defence Committee, or through consultations launched by the Defence Establishment itself. See opposite for a brief of the formation of South Africa's defence policy in the 1990s. Through contributing to the policy-making process, civil society organisations can demand higher standards of integrity and transparency in Defence Establishments.

Civil society can also contribute actively to processes and functions, such as in the area of procurement. Civil society can participate in Roundtable Events to discuss forthcoming procurements, providing a forum for citizen engagement with a wide range of stakeholders in the Defence Establishment, as was discussed in Chapter 7. The development of civil society expertise in defence

processes can provide a key source of external capability in areas such as the conduct of external reviews of large-scale projects or procurements. In earlier Chapters, this Handbook has discussed the roles of autonomous Anti-Corruption Directors within the Defence Establishment, and the use of Independent Monitors in the procurement process; in both cases, there have been practical examples of these positions being filled by experts from civil society organisations.

Civil society may also contribute to reform processes through monitoring the implementation of organisational reform plans. It can do this, for example, through the production of indices, metrics, and other tools for charting the progress of reform, as is discussed in greater detail in Chapter 2.

Finally, civil society can be effective in working with companies to support reform efforts. In Chapter 10, such efforts are discussed in greater detail.

IN PRACTICE

Civil society engagement should be embraced early on in the reform process, particularly when it comes to the development of reform strategies. Civil society input into the policy process can be instituted and made a normal part of Defence Establishment procedure. However, this may be a substantial change to the way business within the Ministry is conducted, and requires the use of the techniques of change management in order to overcome internal resistance and to build confidence among members of the Defence Establishment of the new system.

Potential entry points for civil society include the following. First, an individual from civil society, particularly one with experience in defence or who otherwise commands respect and credibility in society, may be appointed as an Anti-Corruption Director. This was the case in Poland, where the Chair of the Polish chapter of Transparency International was appointed to this position

at the beginning of the Polish Ministry of National Defence's integrity-building reform (see Chapter 3 for details of Poland's reforms to date).

Second, outreach to civil society may begin with the development of a reform plan following a self-assessment process. Engagement at this stage may allow input into reform policy and the development of benchmarks against which to measure progress in reform.

Third, in changes to external environments, civil society organisations may become involved in consultations and hearings by Parliament to provide recommendations and submissions as to the requirements for reform. The viability of this strategy depends on the strength of Parliamentary procedures and the strength of civil society within the country. Civil society may also engage directly with the defence industry, encouraging them to raise standards and facilitating environments where firms can engage in open discussion to create a bribery-free business environment.

South African Defence Policy

With the collapse of the apartheid system in South Africa, the country faced numerous challenges as it began the transition to democratic rule. One of these was to reformulate the nation's defence policy.

South Africa quickly embraced the concept of civil society participation in the development of security policy, developing White Papers on various facets of defence policy including an impressive 1996 White Paper on National Defence (see www.gov.za/whitepaper/1996/defencwp.htm). The South Africa National Defence Forces (SANDF) proved receptive to civil society participation, establishing public consultations with interest groups and non-governmental organisations so as to develop a national consensus on the future of the broad contours of defence and security policy.

Reform sought to deal with issues including: transformation of strategic policy; civil-military relations, including transparency and freedom of information, military professionalism, and the rights and duties of personnel; regional security and the wider external security environment; budgetary considerations; and controls of movements of defence equipment and the wider defence industry.

In the introduction to the White Paper on National Defence it is stated that the new focus on participation resulted from the following considerations:

"Firstly, accountability, responsiveness and openness in government are now constitutional tenets. Secondly, the SANDF is a national institution which relies on public support and public funds to fulfil its mandate. Thirdly, the functions and orientation of the SANDF are necessarily matters of great public interest."

DEVELOPING POLICY COLLABORATIVELY

The aim of instituting civil society engagement with the Defence Establishment is to build stronger, more effective armed forces under civilian control, which are responsive to the societies they serve. Civil society engagement facilitates this through its effects on defence policy formation and oversight, and through direct involvement in defence processes.

In policy engagement, the outcome sought is the development of procedures in which consultations with civil society organisations become the norm. Civil society can articulate viewpoints which may otherwise not be heard within the Defence Establishment, providing a crucial missing link between the armed forces and the societies they serve. Civil society engagement may produce more effective policy, and can serve to raise the standards of personal conduct across the Defence Establishment. Exposure to civil society encourages individuals within the Defence Establishment to conceptualise the relationship between their organisation and the outside world with a firm grounding in reality, and with a more accurate sense of the needs and expectations of society. In turn, substantial and sustained engagement with civil society in the policy arena increases public faith in the Defence Establishment, allowing them to fulfil their mandate more effectively and increasing their legitimacy in society.

Engaging civil society in the Defence Establishment entails a reciprocal relationship, with each strengthened by the interaction with the other. Civil society is most effective when Defence Establishments are transparent; and Defence Establishments are most effective when they are responsive to the needs of society and command public faith in their activities. Relationships take long to build and are easy to destroy; trust cannot develop overnight, and cannot easily be re-established once lost. Defence Establishments have to work in concert with civil society in the cultivation of relationships, and do so in an open, transparent, and accountable fashion. In doing so, they can effect change across policy, processes, and personnel, through raising standards and creating a responsive, accountable Defence Establishment which embodies the principles of integrity.

10: Work
with defence
contractors to
raise standards
together

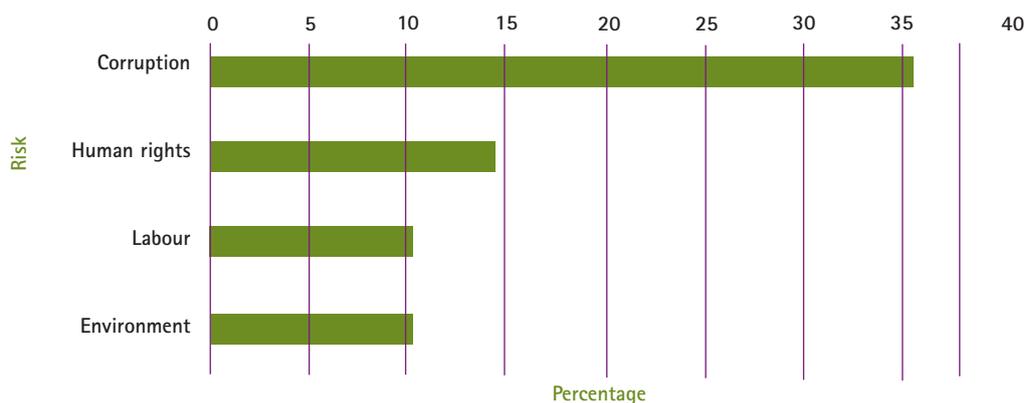
WHAT DO WE MEAN?

One of the biggest concerns for Defence Establishments is to attract high-quality suppliers. Clean companies will avoid environments where corruption is endemic, and will themselves have stringent controls to minimise opportunities for corruption originating from within their organisations or their agents. Defence Establishments stand to benefit substantially from only contracting with companies with strong ethical and anti-corruption programmes, which are likely to supply the best equipment and be the most reliable contractors. Defence companies in turn benefit from supplying to clean Defence Establishments, in that they can be confident that they are competing on price and quality and not on the basis of bribery. Defence Establishments and defence companies have strong incentives to engage collaboratively to raise standards together.

Within national defence sectors, the relationships between defence companies and governments have often been intimate. As a result of this, the role of the private sector in raising integrity standards is of great importance; companies can send clear signals to government that they will not engage in bribery or corrupt practices and thereby exert a positive influence over officials and organisations. In sectors such as extraction, water, banking, and construction, the role of the private sector in raising standards has been crucial.

In order for companies to raise standards in Defence Establishments, they must also raise standards among themselves. Several indices¹⁵ suggest the international defence sector is one of the most prone to corruption; Control Risks in 2006¹⁶ released a survey of international businesses in which one third of respondents in the defence sector felt they had lost out on a contract in the last year because of bribery by a competitor. As a consequence, defence companies are avoiding countries they regard as high risk. Corruption is seen as the largest such risk – see Figure 1 below.

Figure 1: Reasons for companies not to bid on otherwise beneficial contracts



Source: Control Risks (2006) 'International business attitudes to corruption – survey 2006', Simmons & Simmons

15. For example, the US Department of Commerce 2000 report "National Export Strategy: Working for America", available at www.ita.doc.gov/media/nesonline.pdf, stated that about half of all bribes were paid in the international defence sector; similarly, the 2002 Transparency International Bribe Payers Index ranked defence as the second most prone to corruption in a survey of business sectors (see Chapter 9 of this book for details)

16. Control Risks (2006) 'International business attitudes to corruption – survey 2006', Simmons & Simmons

Government and companies can feed into each others' efforts so as to raise standards together. Governments can facilitate efforts to raise standards in the defence industry through supporting a sound business environment and demanding high standards of integrity from companies they do business with. They can showcase best practices and make clear that avoiding corruption is good for business, by building coalitions of businesses and other stakeholders in anti-corruption, and by encouraging the Defence

Establishment to coordinate its integrity-building and anti-corruption strategies with national defence associations. Some defence companies, especially those operating in the US, have very high standards of ethics and compliance programmes and therefore have much expertise to offer in integrity-building strategies in Defence Establishments, especially in areas such as business ethics programmes. Two examples of collective action in other industries are shown in Box 1 below.

Box 1: Examples of Collective Action

Diamonds: The Kimberley Process

In the 1990s, civil society organisations such as Global Witness brought international attention to the trade in 'conflict diamonds', and resulted in May 2000 in the beginnings of joint industry efforts to ensure that diamond purchases from Southern Africa were not funding conflict. By 2002, negotiations between civil society, governments, and the diamond industry resulted in the establishment of the Kimberley Process Certification Scheme to control rough diamond production and trade. The Scheme entered into force in 2003. For more information, visit <http://www.kimberleyprocess.com/>.

Oil, Gas, and Mining: Extractive Industries Transparency Initiative (EITI)

The Extractive Industries Transparency Initiative (EITI) is a multi-stakeholder coalition of civil society, governments, industry, investors, and international organisations, which sets a global standard for companies and governments to disclose payments and receipts in the extractive industries. Established in the 2000s, the EITI arose from the realisation of the 'natural resource curse', the paradox that countries rich in natural resources tended to have high levels of poverty, corruption, and conflict. Many of these problems are the result of poor governance. The EITI aims to strengthen governance in participating countries by improving transparency and accountability in extractive industries. It does through verification and publication of company payments and government revenues in oil, gas, and mining sectors. For more information, see <http://www.eitransparency.org/>.

IN PRACTICE: COMPANIES

There is much scope for private sector engagement at any stage of a building integrity and reducing corruption risk programme.

Through collective action, companies can raise standards together and demonstrate that they want to operate in a bribery-free environment, as seen in the two examples in Box 1. A positive example of this occurring in the defence sector is currently underway in Europe. Following a series of meetings of the largest US and European defence firms facilitated by Transparency International, the AeroSpace and Defence Associations of Europe developed a set of Common Industry Standards¹⁷ for national associations and companies to sign up to, which were formally unveiled in July 2008. These standards, summarised in Box 2, demonstrate clearly the desire on the part of European companies to build a clean business environment, and have spilled over into other actions – in the UK and France, for example, national forums have been developed for companies to share best practices in ethics and anti-corruption efforts. These are modelled on the much larger US forum, the “Defense Industries Initiative” – see Box 3.

IN PRACTICE: GOVERNMENTS

Defence Establishments can encourage defence companies to improve their standards through various means. The most obvious is for the Defence Establishment to require that all companies bidding for contracts have internal controls programmes to mitigate corruption risk – alternatively, they could demand compliance with a known set of standards, such as the Defense Industry Initiative on Business Ethics and Conduct, or the AeroSpace and Defence Association of Europe’s Common Industry Standards. Similarly, governments in countries with exporting defence sectors can take measures to export good practice, such as requiring that all companies they provide support and export licenses to have in place compliance programmes such as those just outlined.

In order for defence companies to raise standards, they require faith in the Defence Establishment that anti-corruption and integrity are taken seriously and that there are avenues by which companies can voice their concerns over processes. Within the Defence Establishment, they require an independent body or ombudsman to whom they can complain about maladministration. Such procedures go beyond anti-corruption policy, and this can be beneficial. One example for Korea was shown in Chapter 7. Another major example is the administrative approach adopted in the USA, and particularly by the United States Air Force – see Box 4. Measures that the Defence Establishment can take to build good business relations with the defence industry include pursuing non-confrontational relationships and partnerships with industry, agreeing to uphold standards which protect commercially sensitive material, and making clear to defence companies what is acceptable and unacceptable behaviour on the part of its members. Effective communication of the Defence Establishment’s ethics and business conduct programme to defence companies, for example, can be a valuable means of demonstrating to companies what the Defence Establishment expects of its own members, and allows defence companies to build their own ethics and business conduct programmes in a manner which reciprocates the Defence Establishment’s regulations.

Ultimately, the above efforts aimed at building confidence between the public and private sector require recourse to sanction should anti-corruption laws and regulations be breached. Defence Establishments owe it to companies who comply with ethical norms to punish those who fail to uphold the same standards. Efforts on the parts of companies to gain advantage through corrupt means must be punishable through the criminal justice system. The Defence Establishment can enhance the disincentives to engage in corruption by instituting debarment procedures for companies which are found guilty of corrupt practices, whether at trial or by plea. Box 4 describes the use of debarment within the context of wider regulation of defence companies in the USA.

17. Available at www.asd-europe.org/Objects/2/Files/WEB%20Common%20Industry%20Standards.pdf

Box 2: AeroSpace and Defence Associations of Europe Common Industry Standards

Following from the Transparency International-facilitated meetings of major defence firms, the AeroSpace and Defence Associations of Europe formed a group to develop a common set of industry standards (CIS) for its member associations and their member firms to follow. Unlike the DII, the CIS do not support a single legal framework, and therefore seek to provide guidance in a core range of the most critical anti-corruption issues for defence companies.

The Common Industry Standards agreed to are the following:

1. Compliance with laws and regulations
2. Applicability to principal entities, agents, and consultants
3. Prohibition of corruptive practices
4. Gifts and hospitality
5. Political donations and contributions
6. Agents, consultants, and intermediaries – due diligence, legal provisions, fees, auditing/verification, etc

7. Integrity programmes

8. Sanctions

Since the Common Industry Standards were developed in 2007, the French and UK national associations have been engaged in efforts to develop national anti-corruption forums to implement the standards. Additionally, the UK's Society of British Aerospace Companies and Defence Manufacturer's Association have produced a short handbook containing guidance for implementing the CIS entitled 'Tools to Grow Your Business in a Changing Ethical Environment', available at <http://www.sbac.co.uk/pages/83675783.asp>.

For further information on the Common Industry Standards, see www.asd-europe.org/Objects/2/Files/WEB%20Common%20Industry%20Standards.pdf

Box 3: Defense Industry Initiative on Business Ethics and Conduct

In the United States, following high-profile problems in ethical conduct in several large defence contractors, the Defense Industry Initiative on Business Ethics and Conduct (DII) was established in 1986 to create a common ethos of ethics and integrity across the defence sector in the USA. The DII supports the US Federal legal framework by establishing six principles around which to organise companies and associations. The current principles are as follows:

- (1) Each Signatory shall have and adhere to a written code of business conduct. The code establishes the high ethical values expected for all within the Signatory's organization.
- (2) Each Signatory shall train all within the organization as to their personal responsibilities under the code.
- (3) Signatories shall encourage internal reporting of violations of the Code, with the promise of no retaliation for such reporting.

(4) Signatories have the obligation to self-govern by implementing controls to monitor compliance with federal procurement laws and by adopting procedures for voluntary disclosure of violations of federal procurement laws to appropriate authorities.

(5) Each Signatory shall have responsibility to each other to share their best practices in implementing the DII principles; each Signatory shall participate in an annual Best Practices Forum.

(6) Each Signatory shall be accountable to the public.

Additionally, the DII organises an annual best practices forum and provides substantial training and guidance in ethics and business conduct to its members. For more information, see, <http://www.dii.org/>.

Box 4: Regulating Defence Contractors in the United States: A Carrot and Stick Approach¹⁸

The US Air Force has had much experience in dealing with defence contractors, and has developed a structure whereby Federal law can be used to punish and deter corruption, and to encourage compliance and ethical conduct.

US agencies have suspension and debarment officials, whose role is to debar or suspend contractors who contravene accepted rules of conduct; they update a public website of all debarred companies, which contracting officials are required to check prior to awarding new contracts. A decision to debar or suspend by one agency makes the person or organisation ineligible for new contracts by all Federal agencies throughout the US federal government.

Companies and individuals become eligible for debarment if they engage in any crime that relates to business honesty, including fraud and corruption. The possibility of debarment is a substantial disincentive to participate in such activities. Debarment can also be employed should a party engage in poor performance on a contract, as well as any other serious cause, at the discretion of the debarring official.

The US Air Force debarring official also oversees the US Government's investigation and prosecution of Air Force contractors suspected of committing procurement fraud. The legal basis for many of these actions is the False Claims Act (31 U.S.C. §3729-3733). This act provides incentives for persons not affiliated with the government to file actions against federal contractors, by allowing them a share of damages recovered. The US also requires the disclosure of misconduct by industry, and imposes debarment as a sanction for failure to do so.

Incentives for strong ethical conduct by US firms are provided in the US sentencing guidelines, which allow the strength of a company's compliance programme to be taken into account during sentencing for firms convicted of misconduct. Punishment for wrong-doing is further proportional to the extent the company has acted to prevent misconduct. The US Air Force also tends to favour contracting with companies which have good ethical reputations.

18. From Shaw (2008) 'Debarment of defence contractors – carrots and sticks', *Building Transparency and Reducing Corruption in Defence Workshop*, Geneva, May 2008

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NOTES

NOTES

“Corruption’s potential to damage the image, effectiveness, and legitimacy of defence institutions and armed forces cannot be overstated. This useful handbook demonstrates that it is not only possible to address the issue in a systematic and constructive way, it dispels the myth that such interventions in this area are simply too difficult. It shows many ways in which practical, positive impact can be achieved. I wholeheartedly recommend this handbook to all those in positions of responsibility in defence and security.”

John Githongo, Principal, The Policy Practice Kenya, and former Permanent Secretary for Governance and Ethics in the Office of the President of Kenya

“This handbook is an excellent practical contribution from Transparency International (TI). NATO is breaking new ground in collaborating with NGOs and other actors in the area of building integrity, and we are very pleased with NATO’s current collaboration with TI. NATO and TI are jointly developing new integrity assessment approaches and new integrity training modules, as described in two of the chapters in this handbook. The fast development work and the rapid testing in real situations in nations is impressive, and the results are receiving strong support from nations. I commend this handbook to all those engaged in raising integrity and addressing corruption risk issues in defence.”

His Excellency Stewart Eldon, United Kingdom Permanent Representative to NATO