



**TRANSPARENCY
INTERNATIONAL**
Defence & Security

REGIONAL RESULTS

AFRICA

**GOVERNMENT DEFENCE
ANTI-CORRUPTION INDEX**



2015

AUTHORS: Tehmina Abbas, Eva Anderson, Katherine Dixon, Hilary Hurd, Gavin Raymond

CONTRIBUTORS: Tobias Bock, Emily Knowles, Hiruy Gossaye, Dr. Dalia Ghanem-Yazbeck, Daniel Agbiboa, Jessica Russell, Ana Maria Rocha, Dawit Mesfin, Xavier Lhote, Timothy Othieno, Elise Dufief, Michel Girodo, Carolina Rocha da Silva, Jennifer Philippa Eggert, Blessing-Miles Tend, Martha Molfetas, Elsabe van Vuuren, Jamie Hitchen, John Stupart, Sarah Covington. Some contributors have chosen to remain anonymous.

CONTRIBUTING TRANSPARENCY INTERNATIONAL CHAPTERS: Ghana, Tunisia and South Africa. Some contributing Transparency International chapters have chosen to remain anonymous.

DESIGN: Ivo Jongejan, SVI Design, Rational International

© 2016 Transparency International UK. All rights reserved. Reproduction in whole or in parts is permitted, providing that full credit is given to Transparency International UK (TI-UK) and provided that any such reproduction, in whole or in parts, is not sold or incorporated in works that are sold. Written permission must be sought from Transparency International UK if any such reproduction would adapt or modify the original content.

Published January 2016

ISBN: 978-1-910778-07-4

Printed on 100% recycled paper.

Every effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of November 2015. Nevertheless, Transparency International UK cannot accept responsibility for the consequences of its use for other purposes or in other contexts.

Transparency International UK's registered UK charity number is 1112842.

THANKS

This publication was made possible thanks to the generous support from the Ministry of Foreign Affairs of the Kingdom of the Netherlands. This report complements a large capacity-building programme in the defence and security sector of several African countries aimed at identifying and addressing areas of corruption risks through research, training, and awareness-raising activities.

This index measures the risk of corruption in national defence and security establishments worldwide.

The Government Defence Anti-Corruption Index (GI) assesses the existence, effectiveness, and enforcement of institutional and informal controls to manage the risk of corruption in defence and security institutions. Our team of experts draws together evidence from a wide variety of open-access sources and interviews across 77 indicators to provide governments with detailed assessments of the integrity of their defence institutions. This briefing is the fifth in our GI series and provides the country risk rankings derived from our data for 47 African countries.

Our GI briefings on the Middle East and North Africa, the Asia Pacific, the G20, and NATO as well as our country-specific recommendations can be found at government.defenceindex.org.

Results

Full country assessments and datasets available online:
government.defenceindex.org

BENIN **D**

CAPE VERDE **D**

GHANA **D**

KENYA **D**

NAMIBIA **D**

SOUTH AFRICA **D**

TUNISIA **D**

BOTSWANA **E**

BURUNDI **E**

COMOROS **E**

CÔTE D'IVOIRE **E**

ETHIOPIA **E**

THE GAMBIA **E**

LIBERIA **E**

MADAGASCAR **E**

MALAWI **E**

MALI **E**

MOZAMBIQUE **E**

NIGER **E**

NIGERIA **E**

RWANDA **E**

SENEGAL **E**

SIERRA LEONE **E**

SWAZILAND **E**

TANZANIA **E**

UGANDA **E**

ZAMBIA **E**

ALGERIA **F**

BURKINA FASO **F**

CAMEROON **F**

CENTR. AFR. REP. **F**

CHAD **F**

REP. CONGO **F**

DEM. REP. CONGO **F**

EGYPT **F**

EQ. GUINEA **F**

ERITREA **F**

GUINEA **F**

GUINEA-BISSAU **F**

LIBYA **F**

MAURITANIA **F**

MOROCCO **F**

SOMALIA **F**

SOUTH SUDAN **F**

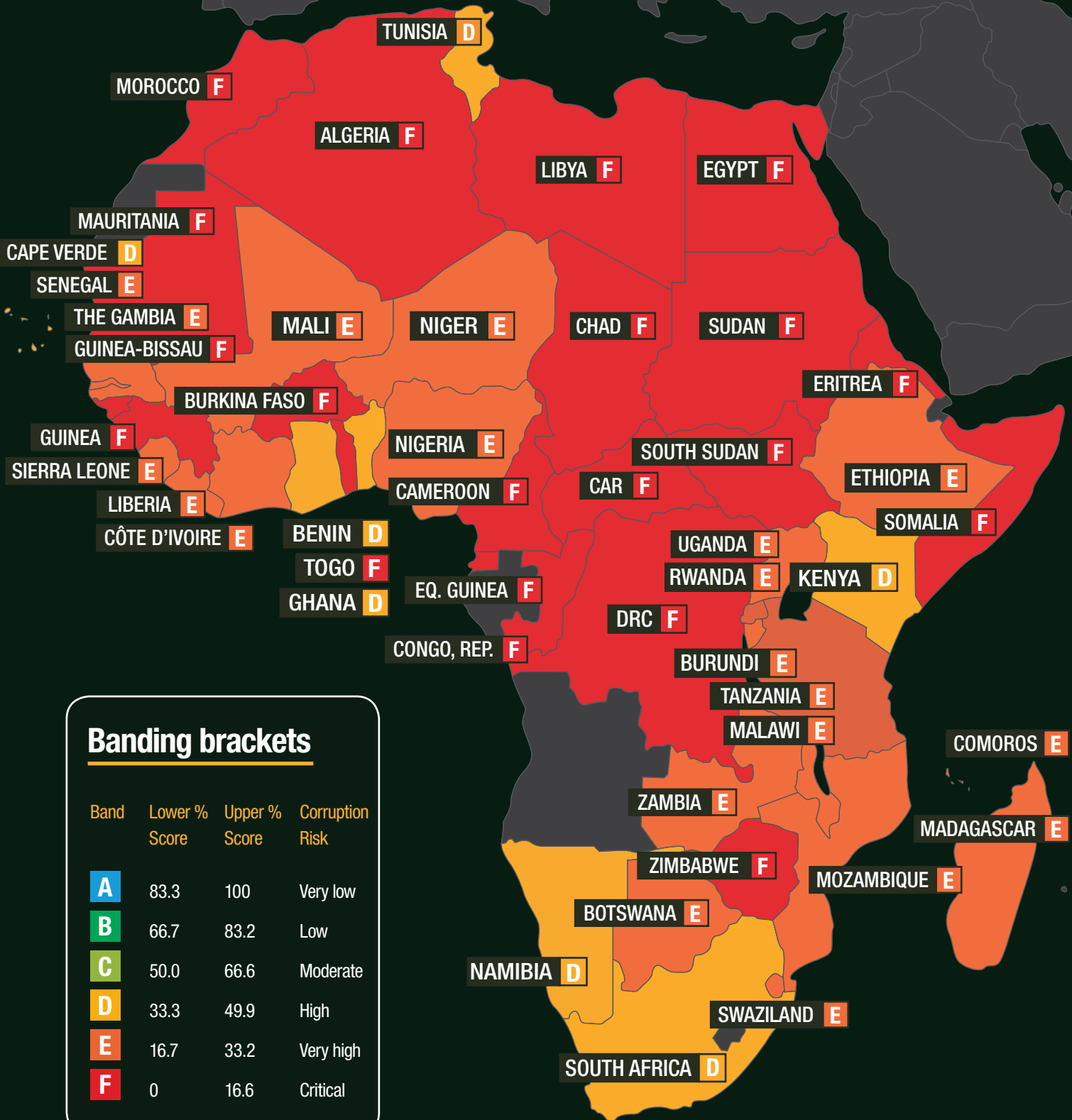
SUDAN **F**

TOGO **F**

ZIMBABWE **F**

Please note that the order in the respective band is
alphabetised.

Africa



Banding brackets

Band	Lower % Score	Upper % Score	Corruption Risk
A	83.3	100	Very low
B	66.7	83.2	Low
C	50.0	66.6	Moderate
D	33.3	49.9	High
E	16.7	33.2	Very high
F	0	16.6	Critical

1. Defence corruption in Africa

Over the last decade, security and governance has improved in many countries across Africa. Not only has the overall number of armed conflicts and coup d'états declined, armed forces have professionalised in places like Ghana and Zambia, and democratic institutions are growing in capacity in states such as Liberia and Tunisia. At the same time, economic growth rates are averaging 4.5%, life expectancy across the continent has increased by about 10% over the past decade, and the African Union (AU) is assuming a more robust peacekeeping role. [African Economic Outlook] But accompanying the many positive changes in Africa's political and economic landscape are a set of corruption risks across the defence and security sector, exacerbated by recent increases in defence spending.

The causes and manifestations of defence corruption vary between states, and the overall picture in Africa is mixed – with state corruption risks ranging from D-F, representing “high” to “critical risks”.

Several themes emerged across the continent:

- Defence spending is rising, but institutional capacity is lagging. In many cases oversight functions exist in the form of anti-corruption bodies, audit functions, and/or parliamentary committees, but defence institutions are largely exempt from scrutiny.
- Increases in defence spending are not necessarily enhancing state security. Too often procurement decisions are taken with little reference to strategic requirements, military effectiveness is eroded by poor controls on personal, while forces are repurposed for commercial ends.
- Corruption is undermining public trust in the government and the armed forces, as well as posing a major threat to the success of operations.
- And finally, international arms exports are profiting from conflict and insecurity.

2. Defence spending & oversight

The countries studied in this report spent approximately \$40bn (US) on military expenditure in 2014. Although this comprises only around .02% of global military spending, the share is rising rapidly. Over the last decade, 2 out of every 3 African countries have substantially increased their military spending, with total defence spending across the continent increasing by 91% since 2005. [SIPRI]

The relatively low absolute figures also miss the impact that defence spending has on national budgets in African states. As a percentage of GDP, military expenditure is consistency high. Of the African states studied in this report, 22 spend over 5% of their budgets on defence, while 7 countries spend over 10%, representing a significant diversion of state spending on other public services, like health and education. [SIPRI]

But there is little evidence that this spending is in the public interest, or that those spending it are held to account when funds are misappropriated. In many of the countries where spending is rapidly rising, the development of effective oversight mechanisms is failing to keep pace. Defence budgets are mostly exempt from external scrutiny, and the arms and equipment subsequently purchased are rarely well-planned or effectively accounted for.

Budget transparency is generally very poor

The \$40bn (US) spent on defence last year was matched by very limited independent scrutiny, with few legislatures receiving detailed or timely information on the defence budget.

- Nearly 40% of the countries surveyed do not publish their defence budgets at all. Those that do provide only highly aggregated figures.
- The only countries that provide any useful defence spending information are **Benin, South Africa, Tunisia, Ghana, Tanzania, Liberia, and Namibia**. In those countries, the Ministry of Defence's (MOD) budget provides information on spending for training, construction, personnel, acquisitions, salaries, and maintenance, though the level of detail varies.
- Most countries provide no meaningful information on secret spending. Only **Sierra**

Leone provides estimates of spending allocated to intelligence agencies. While only in 2 countries is Parliament given full information for the budget year on the spending of all secret items relating to national security and military intelligence.

Defence exceptionalism is common across the region

In many states, oversight functions such as anti-corruption bodies, audit functions, and parliamentary committees are growing in authority, representing positive institutional potential to hold executives to account. But in many cases, defence matters are considered highly sensitive and evade vital scrutiny. This secrecy is often unjustified, and can be used to mask corruption, misuse, and incompetence. Parliamentary defence committees are particularly weak across the region, with little evidence that they are exerting meaningful influence on defence decision-making. And in many states defence purchases are simply exempt from procurement legislation, while auditors simply don't venture within the walls of the defence ministry.

For instance:

- Though independent legislatures exist in states like **South Africa, Malawi, Namibia, Niger, and Tunisia**, there is evidence of particular shortcomings in defence. In South Africa, for example, the Joint Standing Committee on Defence (JSCD) has fairly broad powers of oversight that can be used to investigate and make recommendations regarding the budget and acquisition and procurement policies. But the committee has been accused of being a dysfunctional rubber stamp, with questions raised about its members' independence.
- In **Mali**, defence contracts are explicitly excluded from basic requirements of the public procurement process. And, unlike other public-sector accountants, military accountants are appointed without reference to the Minister of Economy and Finance. Nor is the MOD obliged to make actual purchases public if publicity is seen as harmful to national security; the lack of transparency over large contracts in 2014, such as two deals with Guo-Star (worth an estimated \$190m) and the purchase of 81 military trucks from CIM, has led to considerable speculation over procurement corruption. Arrangements for parliamentary scrutiny have similarly raised eyebrows, with the appointment of the President's son as the head of Defence and Security Committee.

- In **Liberia**, the majority of defence and security spending procurement is exempt from legislation, as well as oversight by the Public Procurement and Concession Commission and the scrutiny of the General Auditing Commission. Since 2008, the GAC has provided the legislature with over 70 audit reports; none related to the defence and security sector. The Ministry of Defence also provides only basic information to parliamentary committees.
- Similarly, in **Ethiopia**, the Public Procurement Manual applies to all Federal Government ministries and agencies. But the Minister ‘may, in the interest of national security or national defence, decide to use a different procedure of procurement and property administration... in order to serve the interest of economy and efficiency’.
- In the **Republic of Congo**, while there has been positive reform in procurement since 2008, including competitive bidding and a reduction in the level of ‘special procedures’ (advance payments), articles relating to ‘national defence, security and special interests’ constitute ‘special purchases’ and are exempt. Major arms purchases are made at the behest of the president and his close allies that head the security forces. As a result, there is very little oversight for such procurements.
- In **Botswana** several parliamentary committees exist which might exercise oversight over defence spending, such as the Standing Committee on Public Accounts, but the lack of information on the Defence Force budget hinders the process.
- In **Ghana**, the Public Procurement Act is supposed to provide for independent audit of procurement, but the Public Procurement Authority has no oversight over defence procurement, except to grant approval for sole sourcing. In Parliament, all public debates on defence are generally viewed as threats to national security. One MP was cautioned by the speaker during debates on the 2015 budget after expressing concern over the huge sums of money owed to contractors for supplying food and medical equipment to the Army; apparently there were security implications in putting such information in the public domain.
- In **Senegal**, the National Anti-Corruption and Fraud Office was set up to fight corruption, but there is no evidence of its work in defence. Similarly, the new Ministry of Good Governance created after the 2012 election has shown no signs of dealing with issues related to the military.
- In **Cameroon**, a first performance-based budget was introduced in 2013, though it does not appear to cover defence and security spending.
- In **Algeria**, political leaders have directly defended the lack of scrutiny over defence spending, reportedly arguing that “nobody has the right to issue any criticism on military spending. Because whatever the volume of spending, they will not be in vain... The military has the right to take the money they want... because the army is doing an invaluable work to the nation.”

Military involvement in state capture

In some cases, any independent oversight of defence spending is impossible. When the military has captured the state, the military runs the government - often more in the interests of its leaders than those of the public.

For instance:

- In **Egypt**, the military has legally maintained its own commercial bank accounts since 1979 and a budget which is independent of the rest of the government. The defence budget, which is estimated to be around \$4.4bn (US), is a state secret. No information on it is made available to the public or legislature. Nor is there any information on the military's business empire, which is believed to control a significant portion of the country's economy.
- In **Algeria**, there is no underlying legislative scrutiny of defence policy because of the relationship between what is called the "Pouvoir" – an opaque military and political collective. Abdelkader Yefsah's observation in the early 90s that the Pouvoir is Algeria's "essential engine, not to say its main holder" still holds.
- In **Eritrea**, the country has all the trappings of a brutal military dictatorship. Power is concentrated in the hands of President Isaias Afwerki, in office since 1991, conscription is mandatory, and the military is heavily involved in the economy.
- In **Uganda**, the unusually fast ascension to the post of Brigadier of the son of the President elicited widespread public debate and accusations of planned dynastic succession. He has risen through the ranks and is currently the commander of the Special Forces Command (SFC) of the Uganda People's Defence Force (UPDF). The President also moved the Chief of Defence Forces into the post of Internal Affairs Minister, effectively placing him in control of the police with a mandate to militarise it."
- In **South Sudan**, more than 49% of the national budget is spent on security and law enforcement, while the MoD has continually frustrated the efforts of the auditor general and the legislative assembly to subject its budget to scrutiny.
- In **Sudan**, the military has enjoyed high levels of autonomy and impunity for corruption since Omar el-Bashir came to power in a military coup in 1989. In 2009, the World Bank found that more than 60% of the national budget went to defence and security spending; some estimates put the Sudanese security establishment at around 70% of the national budget expenditure. But oversight of that spending is virtually non-existent in practice--our research reports that a significant number of members of the legislature have links to the military or security services, and that the Security and National Defence Committee is little more than a "rubber stamp" institution. The Armed Forces Act enables the military to run companies without audit or scrutiny, including the Military Industry Corporation (MIC), a state-owned defence company.

3. Defence spending is rising, but will it increase public security?

Despite increased defence spending across many states, there is little evidence that institutional capability is keeping up. Because the professionalisation of the military and the strengthening of corresponding oversight frameworks have failed to keep pace, it is unlikely that increased investment in defence is enhancing public security. Our research suggests that:

- Procurement decisions are not meeting strategic needs.
- Poor controls on personnel and the manipulation of payment systems and salaries are corroding military effectiveness.
- Involvement in commercial activity is repurposing defence organisations away from the provision of security.

Procurement decisions are not meeting strategic needs

Effective defence institutions align spending with real security needs, driven by the interests of the population and a clear assessment of the threats facing the country. Where procurement decisions are not based on a defence strategy, it leads to the waste of public funding on equipment or goods that are inappropriate or unnecessary. Ultimately, this undermines a nation's security and destroys public confidence.

In nearly 70% of the countries surveyed, there is no evidence at all that procurement decisions are based on any national strategy or analysis of national security requirements, which increases the risk of opportunistic purchases. Of the countries surveyed, 20 had no formal legislation covering defence and security procurement. Of the countries that do have relevant legislation, only in 13 countries were there signs of active oversight mechanisms. Instead, arms purchases are often made opportunistically, as a result of private or political motivation.

For instance:

- The **Ugandan** legislature was not consulted in advance of the \$740m (US) purchase of six Russian SU-30 fighter jets in 2011, which should only have cost \$ 327m (US). There is nothing to suggest that the deal went through a competitive bidding process, and there is evidence that inflated costs have contributed to political campaign financing. While the Auditor General has reported on the purchase, there is no indication that the issue is being investigated or of anyone being prosecuted for the missing funds.
- In 2014 in **Mali**, one defence contract involved supplies budgeted at \$980,000 (US) but invoiced at \$4.9m (US) – a 500% increase. As a result, the Ministry of Defence cancelled 10 defence contracts with private companies and the central court arrested the Minister.
- In the **DRC**, the government has recently purchased three separate types of tanks, with no clear rationale. Acquisition of army materials is handled by the presidency through commissioned individuals and interviewees pointed to several examples of the government buying military equipment without planning and oversight in response to the M23 crisis and the 50th anniversary of Congo's independence.
- In the **Republic of Congo**, the national defence policy is opaque and centralised under the president and top military commanders. In 2011, the government purchased two Mirage fighter jets, despite the fact that foreign military experts have stated that the airforce 'has ceased to exist as a military fighting unit.' The jets are therefore rarely used and are only seen at national parades.
- In **Cameroon**, there is evidence of opportunistic purchases and the investment in technologies that are surplus to immediate requirements. The assessor described the acquisition of an anti-aircraft missile system from Russia as "strange" given that the country does not face a conventional air threat and had a more urgent requirement for weapons and equipment for counter-insurgency operations.

Recommendations to build integrity in the procurement purchasing cycle

- 1 States should establish and publish formal procedures for defining purchase requirements, which should be based on clearly identified needs. This should include a published national security and defence strategy.
- 2 States should develop a well-established procurement and acquisition strategy or a publicly available acquisition planning process that involves clear, independent oversight. This could be coupled with the creation of an e-procurement system.
- 3 Donor states should support the development of strategic planning and good procurement practices.

Poor controls on personnel and the manipulation of payment systems and salaries are corroding military effectiveness

Mechanisms for controlling corruption by defence personnel are generally weak across the region. Governance through patronage is prevalent - whether through family, tribal, sectarian, or other connections. This blocks the most capable from filling positions on merit, undermining institutions as a whole.

In many states, the salaries of military personnel are particularly vulnerable to manipulation by those further up the chain, facilitating the diversion of resources by

senior officials and commanders. This has implications for military effectiveness and morale, and poses security risks as disenfranchised personnel look for other opportunities to supplement their income, or simply do not show up at all. Cash-based systems pose the most significant risk, as there are physical opportunities at each stage of the process to skim funds. Other risk factors include the lack of accurate and verifiable records of personnel and the inclusion of commanders in the administrative chains of payment.

In total, 34 out of 47 African states in the index have considerable shortcomings in the clarity and transparency of their payment systems, meaning they are at risk of seeing salaries diverted. While Liberia, Uganda, Namibia, Niger, and South Africa provide information on payment and allowances, it is not comprehensive. In nearly 80% of the countries surveyed, the number of civilian and military personnel is either not known or believed to be inaccurate, complicating estimates of military spending on personnel.

For instance:

- In **Uganda**, ghost soldiers have lost the government an estimated \$324m (US) over the past 20 years and undermine military effectiveness. There is little evidence that those in charge are held to account, despite the existence of legislation to investigate and prosecute this behaviour.
- In **Somalia**, the military has been plagued with the consequences of unpaid salaries for many years. For example, in 2010 there were reports of hundreds of Somali soldiers deserting because they did not receive their \$100 monthly stipend, with some joining militia movements.
- In **Morocco**, pay rates and allowances for civilian and military personnel are available, but the information is unreliable and cursory. Research suggests that senior officers benefit from financial and non-financial advantages from the King in exchange for their complete loyalty.
- In **Liberia**, army personnel and Ministry of Defence civil servants often experience delays in receiving their pay - armed forces personnel serving as peacekeepers with the United Nations in Mali went for 5 months without pay.
- In **Eritrea**, military superiors frequently excuse young soldiers from military service in exchange for receiving their salaries. Thousands of Eritreans have fled to neighboring countries to avoid mandatory military service; those who don't end up trapped in a cycle of servitude, which has become the breeding ground for corruption.
- In **Cameroon**, the armed forces and the civil service have experienced problems with personnel on the payroll who are retired or deceased. A full census in 2006 of

the armed forces and civil service identified 13,000 ghost workers across the civil service (including within the defence and security institutions). No information is available to suggest that appropriate controls have been put in place since the 2006 census.

- In **Mali** wages are not paid correctly or on time. During the conflict some bonuses were diverted by officers, and soldiers have sometimes had to pay for their food or their health on the battlefield. Low pay has also increased the temptation to collude with drugs traffickers.
- Significant differentials in pay are also common. In the **Republic of the Congo**, for example, generals receive around 3m CFA per month alongside two officials' cars and other benefits, colonels a more modest 520,000 CFA per month, with soldiers pocketing a pitiful 54,000 CFA; high levels of extortion among the police and lower ranking foot soldiers are attributed to low pay. The exact number of employed soldiers is also unknown. Ghost workers have been estimated to account for 6% of the public workforce and result in yearly losses of €12m, while non-payment of salaries is also an issue – in 2012 hundreds of army personnel protested in Brazzaville over non-payment of their salaries. The situation poses a significant risk to stability, given the President's reliance on the military to maintain his grip on power.
- In **Sierra Leone**, a 2012 Auditor General outlined a number of major concerns with expenditure, including payment of salaries to those who were already retired, payments for travel without sufficient supporting documentation, and the mismanagement of rice supplies. Similar criticism was levied in 2013 with concerns raised about fuel mismanagement of over 15,000 litres and rice allocations not being distributed properly.

Shortcomings in oversight and anti-corruption enforcement can lead to a culture of impunity for personnel:

- In **Namibia**, those engaging in bribery and corruption should face suspension, demotion, and criminal prosecution. However, these sanctions are either selectively applied or not fully implemented, especially when it involves the top brass. The most testing case was that of Martin Shalli, the former head of the Namibian Defence Force (NDF). He allegedly received \$700,000 (US) in bribes as part of a \$124m (US) contract with Chinese state company Poly Technologies. Despite the the bribe payment being confiscated, Shalli was allowed to resign, with full military honors. And no criminal charges for bribery were brought against Shalli or Poly Technologies.
- In **Botswana**, there is evidence that officials with close ties to the president, his family, or his allies, remain largely unaffected by anti-corruption measures. Meanwhile, the President's brothers have a track record of winning major defence tenders.

- Reports of abuses by the police and military in the **Republic of the Congo** are common, and often go unpunished. The centralised nature of power means that loyalists to the president will not be held accountable for any abuses.
- In **Chad**, the armed forces are used to control political debate, and in return, are favoured by the president. According to one interviewee, the president would be unlikely to respond to military officers engaging in illegal activity, as President Deby is reliant on the army to reduce coup risks and therefore would want to ensure their favour. This has led to a climate of fear among CSOs, and low popular trust in the security sector.
- In **Liberia** numerous reports of bribery surfaced during the military's quarantine of the West Point neighbourhood during the Ebola crisis, including questionable transactions by the Ministry of National Defence in their disbursement of funds for fighting Ebola.

Amongst those countries that scored better than average in these risk indicators our assessments show:

- **South Africa** scored well for accurate public figures on civilian and military personnel. All salaries are published in the Department's Annual Report, though the amounts do not include bonuses or any adjustments, only a bulk sum for each management level.
- Three countries - **Burundi, Liberia, and Uganda** - publish pay rates and allowances for civilian and military personnel.
- In **Tunisia, South Africa, and Benin** chains of command are separated from chains of payment, and this is a published policy.
- In **Namibia**, salaries are paid directly into staff bank accounts. **Tunisia and Niger** also have a centralised, computerised payment systems.
- Effective mechanisms to prevent ghost soldiers are evident in **Tunisia, Kenya, and Niger**. In 2014, Kenya used biometric registration to conduct a staff audit, including of the defence sector, which identified 12,500 fictitious government employees.
- In **Guinea**, ghost soldiers were a problem until the 2011-12 census and biometric registration of all personnel to avoid payroll fraud. This reduced the assumed number of armed forces by over 40%. However, while systems are in place to avoid replication of the previous fraud, it is unlikely that these are wholly effective given the weak financial management and audit capacity in the military.

- In **Cote d'Ivoire**, the government obliged soldiers to personally pick up their salaries in cash within the barracks, in order to identify active soldiers. The “dead or shadow” soldiers and the deserters have been removed from army personnel records. However, problems remain with the payment system, which pushed soldiers to protest on the streets in 2014, and there is still no clarity over numbers of official personnel.

Recommendations for building integrity in payment systems

- 1 All governments should make the separation between chains of command and chains of payment in its armed forces a priority. Where possible, cash payment systems should be replaced to reduce the risk of discretionary adjustment. Payments should be made on time, and the payment systems well-established, routine, and published.
- 2 The number of staff in the armed forces should be disclosed and pay grades published.
- 3 Measures should be put in place to prevent ghost soldiers and salary manipulation. Trained professionals, including audit staff, should investigate salary disbursements and establish the number of civilian and military personnel listed on the payroll, coupled with field searches and/or a biometric census to corroborate the number and pay grade of personnel.

Military forces are repurposed for commercial ends

In countries like **Cape Verde, Gambia, Mali, Tunisia, and South Africa**, there is no evidence that defence institutions have controlling or financial interests in businesses associated with the country's natural resource exploitation. In some cases, it is explicitly prohibited by statutory or constitutional means. But defence involvement in the private sector is a major corruption risk in a number of countries in the region. In some cases, significant involvement in commercial activity has resulted in the repurposing of defence organisations away from the provision of security to the provision of profits.

For instance:

- In **Ethiopia**, a sizable conglomerate, the Federal Metal and Engineering Corporation (METEC), grew out of the defence industry complex. METEC is now the biggest, richest, and most influential enterprise in the country and has started to acquire private property and hotels. METEC is overseen by a board headed by Defence Minister Siraj Fergessa, but METEC's financial and budgetary links with the military aren't clear, and there is no evidence that annual reports have ever been made available to the public.
- In **Sudan**, the National Intelligence and Security Service (NISS) and the Sudanese Armed Forces (SAF) are widely believed to have commercial interests across financial services, resource extraction industries, and the property sector. One estimate suggests that at least 160 registered companies are linked, owned, or controlled by the military, security, and police services -- although this is not publicly declared or acknowledged by the government. The Government of Sudan owns the Military Industrial Corporation (MIC) - an arms, vehicles, and ammunition manufacturer. Details of the business, and its commercial dealings are not disclosed.
- The **Eritrean** military state puts the entire population to work. Military conscripts are a source of cheap labour and even the Eritrean diaspora is coerced into contributing 2% of their income to the Eritrean Defence Forces. Eritrean defence and security institutions have beneficial ownership of many key businesses in Eritrea – in agriculture, forestry, fishing, animal husbandry, mining and minerals, industry and manufacturing, energy, services, tourism, banking and finance, and there is no transparency regarding the details of their operations and finances.
- The **Namibian** military generates significant income from commercial enterprise, including communication, garments, footwear, construction, machine fabrication, agriculture and logistics, though income generating activities are normally reported

in the reports of the Auditor General. The military is also running hotels, a spa, and a caravan park.

- In **Ghana**, the armed forces started operating their own bank in 2013. No audits or annual reports appear to be publicly available.
- In **Mozambique**, the company Monte Binga - owned by the Ministry of Defence - has interests in sectors including mine clearance, manufacturing explosives, and natural resource exploitation. The company reportedly secured a tender to produce police uniforms. No oversight mechanisms appear to be in place.

In 29 of the countries surveyed, defence institutions have controlling or financial interest in businesses associated with the country's natural resource exploitation that face little to no scrutiny.

- In **Rwanda**, several party and military companies, such as Horizon Group, Tri Star, and RIG, have business interests including in natural resources, construction, agriculture, and telecommunications. There is no transparency in these operations. In addition, there is evidence of personnel having controlling or financial interests in the extractives industry. Tin and tantalum smuggled into Rwanda are allegedly laundered through the country's domestic tagging system and exported as 'clean' Rwandan material. The government has denied its involvement, but evidence suggests it is complicit.
- In **Equatorial Guinea**, there are reports that government officials, including defence and security officials, have diverted revenues obtained from the country's natural resources, including land and hydrocarbon, into private accounts through offshore shell corporations. Teodorin Nguema Obiang, the president's son and Vice-President for Defence and National Security, has been accused of stealing \$300 million (US) of the country's oil and gas wealth through corruption and money laundering.
- In **Cameroon**, there is also evidence of military involvement in the illegal exploitation of the water and forest sectors including the sale of small titles to companies on an industrial scale, and through allowing the Chinese to engage in illegal commercial fishing.
- In the **Republic of the Congo**, the oil sector has been tightly controlled by the president, who also serves as commander-in-chief. The president's nephew, who is a Rear Admiral in the Navy and head of the National Security Council, holds numerous business interests that service the oil sector, including chairing the board of the BGFI bank, the preferred bank of oil investors. Other high ranking officers have been alleged to hold commercial interests in timber and minerals. Reports also indicate the president and his family hold interests in a number of companies

including Likouala SA, the national oil company SNPC, Company X-Oil Congo, and several service companies. There is no evidence any of these interests have been appropriately publicly stated or subject to scrutiny beyond coverage by the media.

- In **Algeria**, there are significant links between the military and oil and gas industry; with billions of oil dollars at the heart of the permanent clashes between the different clans in the “pouvoir” – the opaque military and political collective which controls the country.
- In **Mauritania**, defence institutions have financial links to businesses associated with the country’s natural resource exploitation, and are subject to very limited public and parliamentary scrutiny. Resources in Mauritania include iron ore, phosphates, nascent oil and gas, and fishing. The revenue this generates is likely to be a core financier of the army.

In many cases, military personnel engage in illicit commercial operations for their private gain.

- In **South Sudan**, the army is prohibited from engaging in private enterprises, but the assessor points to reports of commercial interests in hotels, shops, and farming enterprises. In addition, individual army generals are assumed to have commercial businesses across the country from estates and financial institutions to gas stations and foreign exchange bureaus. It is also alleged that President Salva Kiir is a major shareholder in the ABC construction company that provides most of the technical road construction work in Juba. It is unclear whether Kiir ever declared his involvement with the company to the Anti-Corruption Commission, as required by law.
- In **Cameroon**, military personnel have been involved in money laundering through the operation of casinos and illegal gaming houses, and there is evidence that the Cameroonian armed forces have been used to provide security for private oil companies.
- There are reports of **Tanzania** People’s Defence Force (TPDF) and other security officials being involved in the highly lucrative trade of elephant tusks. Reports have also emerged of entire military convoys escorting illegal poachers. If caught, rather than face prosecution, military officers are transferred to new positions.
- In **Somalia**, there is strong evidence that military personnel have transferred arms to open markets, and even directly to al-Shabab. This included assault rifles provided by Ethiopia, which ended up on street markets in Mogadishu.
- In **South Sudan**, there is anecdotal evidence that soldiers sell or lease their arms to criminal groups.

- In a state of civil war, defence and security sector personnel in **CAR** are often intertwined with rebel groups, and have been involved in the illicit arms trade. The ties are so close that transborder road bandits have political influence, and may influence defence policy.
- The **Liberian** military personnel is suspected of unauthorized private enterprise, including suggestions that they may be selling AFL uniforms and providing transportation to civilians for a fee, while on duty.
- In **Mali**, there is evidence of top-level official involvement in illegal business activities such as drugs trafficking as well as in legal enterprises such as engineering, air services, repair shops, restaurants, leisure, sports centres.

There are also some countries that have taken steps to reduce these risks:

- **Mali, Tunisia, South Africa, and Benin** limit, by statutory or constitutional means, their defence institutions ability to have controlling or financial interests in businesses associated with the country's natural resource exploitation."
- **Benin, Cape Verde, Ethiopia, and Namibia** formally limit unauthorised private enterprise by military or other defence ministry employees.
- In **Tunisia**, legislation prohibits military personnel from holding commercial professions or taking on private remunerated activity. Military and defence ministry employees and their relatives are permitted to own shares in private commercial corporations, but these shares are authorised only in instances where the corporations in question have no commercial relations with the ministries involved.

Recommendations on military business ties

- 1 All income generated through commercial enterprise should be on-budget and published. Financial records of MOD-owned businesses should be audited and publicly available.
- 2 Private enterprise by military personnel should be explicitly prohibited in legislation, with strong sanctions in place to deal with offenders. The assets of senior staff and their close family should be submitted annually to an Asset Declaration Bureau and made public. States should ratify international anti-corruption instruments such as, but not exclusively, the UNCAC.
- 3 States should release comprehensive data on defence institutions' controlling or financial interests in businesses associated with the country's natural resource exploitation, and ensure these are subject to scrutiny from an independent state auditor. Military-owned businesses should be publicly declared, regulated, and controlled, with the details of their operations and finances transparent.

4. Corruption is undermining public trust

Perceived corruption contributes significantly to an overall lack of public trust in the government and the armed forces. Militaries that are unable to protect the population, or act in direct contradiction to the interests of their people, reduce the legitimacy of the state. In extreme cases, the loss of legitimacy can spark unrest and fuel violence, when citizens turn to non-state groups like organised crime and non-state actors for the security that the state fails to provide.

The Index found that in only **Rwanda** and **Tunisia** do the public believe there is a clear commitment from the defence establishment to tackle corruption. In 15 countries, the public believes that defence establishment is largely indifferent to tackling corruption while in the remaining 23 countries studied, the public viewed the military's ability and will to address corruption as insufficient.

In some cases, there is evidence that the armed forces are acting in direct contradiction to the needs of their people. The failure of the military to act in the interests of citizens leads to the loss of government legitimacy and can spark civil unrest and violence.

For instance:

- In **Cameroon**, armed forces personnel embezzle from the budget, extort citizens, and steal departmental resources for personal use. Law enforcement and military officials are also suspected of involvement in infractions including arbitrary arrest, violence, torture, and rape. There is no evidence to suggest any controls are in place.
- In the Northern Provinces of **Mali**, the smuggling of cigarettes and cocaine has created significant opportunities for soldiers to collude with traffickers. And according to many observers, the military are effectively embroiled in organised crime. Though the military has limited control in the North, there is evidence that the government is working to tackle the problem.
- In **Eritrea**, the government has been accused of using extortion, threats of violence, fraud, and other illicit means to collect taxes outside of Eritrea from its nationals, and there is evidence of official involvement in human trafficking. The international community has also warned the Eritrean Government to stop support to armed groups in the Horn of Africa, including al-Shabab.
- In **Nigeria**, the former National Security Advisor stands accused of stealing more than \$2 billion intended for weapons and equipment to fight Boko Haram, a movement that has been linked to over 10,000 civilians and security personnel deaths in recent years.

- A study into the Séléka rebels that overthrew the government in the **Central African Republic** in 2013 cites a lack of ‘good governance’ as a more important driver of their movement than religion. Séléka interviewees frequently denounced the predatory behaviour of the former president and his clan.
- In **Mauritania** the government has been dogged by high level allegations of involvement in organised crime. In 2013, the former chief of staff of the army demanded that President Aziz (also the head of the armed forces) resign for his ‘sponsorship of drug trafficking’. The opposition movement echoed the calling but also included a demand for the resignation of the head of the armed forces.

One important way defence establishments can build trust with the public is to engage with civil society, through meetings, consultations, and information-sharing. Public engagement is not only an international norm of good governance, it is strategic to defence. Consulting the public leads to better policy and, in some cases, better intelligence regarding security risks or incidences of corruption, as well as securing vital support for significant public spending. There is encourage evidence of public consultation in several countries.

For instance:

- In **Namibia**, the defence policy is publicly available and debated through wide ranging public inputs and consultations. When Namibia engaged its military in the Democratic Republic of Congo (DRC) in 1998, there was a huge public outcry. When there was a call to contribute troops to the DRC again in 2012, 2013, and 2014, the government – sensitive to public opinion – provided only logistical support.
- In **Liberia**, NGOs have been invited to consult with legislators on issues of national defence and security, and members of the public and civil society have also occasionally been invited to confirmation hearings and debates on security sector legislation. There have also been examples of the media taking a critical approach to national defence policy. This greater openness has coincided with the armed forces making significant progress in improving their image among the Liberian people. Although 51% of the population felt the military was corrupt or extremely corrupt in Transparency International’s Global Corruption Barometer, it was the lowest of the government institutions examined.

- In **Kenya**, corruption has been a significant contributor to insecurity – whether in undermining military effectiveness against al-Shabab, or in facilitating terrorism. The media can play an important role in enabling the government to tackle these issues and were the first to report the unfortunate alliance of al-Shabab, Kenyan soldiers, and local people in charcoal smuggling. But security forces continue to harass journalists, leading to self-censorship, and media outlets avoid reporting on official corruption. Such reporting is vital for increasing the integrity of the security forces and preventing the next Westgate Mall attacks.
- In **Ghana**, confidence in the military’s commitment to tackle corruption is low. Secrecy in the defence sector makes it difficult for the public to know how corruption is dealt with, or if it is dealt with at all. With greater openness and public engagement, the government could get much more credit for the controls and processes that do exist.
- In **Cote d’Ivoire**, a special anti-racketeering centre was set up in 2014 so that citizens could report cases of extortion. Approximately 100 soldiers have since been convicted for corruption crimes and around 20 trials related to extortion have been conducted.

5. Corruption on operations exacerbates insecurity

Many African countries now have troops engaged in military operations in response to internal or external threats, or as part of larger peacekeeping interventions, such as those in Burundi, Somalia, Darfur, and the Central African Republic. The UN has also increasingly relied on the African Union (AU) to mount peacekeeping interventions in Africa, launching joint missions in e.g. Darfur through the United Nations-African Union Mission in Darfur (UNAMID). By January 2016, the AU's African Standby Force (AFS) will reach operational capacity and be deployed across the region. Corruption is posing a major threat to the success of these African operations, and there is evidence in the Index that it is not only undermining performance, but also facilitating insecurity and at times benefitting terrorist organisations.

For instance:

- In **Somalia**, senior Kenya Defence Forces (KDF) officials within the African Union Mission in Somalia (AMISOM) are believed to have facilitated the illicit trade of sugar and charcoal in Somalia. The proceeds from their operation, estimated to be between \$200-400m (US), are presumed to have directly profited al-Shabab.
- Reports in 2013 indicated that **Ugandan** People's Defence Force (UPDF) officers had illegally sold food and weapons to civilians, with many of the weapons ending up in the hands of al-Shabab. The same reports also indicated some officers had used Ugandan resources to train al-Shabab fighters for financial gain, using UPDF facilities. More recently, in April 2014, a local Ugandan NGO accused UPDF officers in AMISOM of selling fuel intended for the mission to Somali civilians for a profit. None of these cases have yet been prosecuted.
- In **Sierra Leone**, soldiers have alleged that in order to be selected to go on a peacekeeping mission, they are expected to pay the assigning officers approximately 10% of their salaries. One interviewee reported that "It is a mission, if you are fortunate to go they want you to give 10%. If you don't do it they hold up your rank, they make you relinquish your appointment." Where this type of corruption exists, it prevents the best soldiers from rising through military ranks.
- In **Nigeria**, success in the fight against Boko Haram has been pinned to the country's ability to address the underlying conditions that fuel violent extremism and insurgency. In the National Security Adviser's speech in January 2015, he called corruption a "cancerous menace" that is hamstringing counter-terrorism efforts, calling for the state to fight against it "with all elements of its national power."

Various groups have called for a probe of the Ministry of Defence in view of the huge budgetary allocations it receives and the abysmal performance of the military against the insurgency.

- In **Mali**, there has been evidence that officers engage in corrupt activities, especially in the North, where officers were involved with organized crime networks, and where governance, military structures, and criminal organisations became intertwined.
- In March 2014, Amnesty International reported that a **Congolese** contingent of the African-led International Support Mission to the Central African Republic (MISCA) forces were involved in the enforced disappearance of 11 people. There have also been numerous reports of extrajudicial killings, torture, and other human rights abuses by the Congolese peacekeepers. No investigations into these allegations has occurred.

The good news is that some countries are already beginning to recognise the threat that corruption poses to peace operations and taking steps to reduce it.

For instance:

- **Benin, Ethiopia, and Togo** provide some very limited training in corruption issues to commanders and senior staff. In Benin, anti-corruption seminars organised by the Anti-Corruption Authority and the General State Inspectorate are given to all civil service senior staff, including those from the defence and security ministries.
- **Namibia**, which has participated in regional and international operations in SADC and on behalf of the UN, has established an ad hoc anti-corruption team. In 2012, the president appointed a two-man team to investigate allegations of favouritism, nepotism, and tribalism in the Namibian Defence Force (NDF) and Namibian Police.
- In **Cote d'Ivoire**, a special anti-racketeering centre was set up in 2014 so that citizens could report cases of extortion. Approximately 100 soldiers have since been convicted for corruption crimes, and around 20 trials related to extortion have been conducted.

Recommendations for building integrity in military operations

- 1 Basic guidance and training for all missions should be introduced. Guidance should start with a military doctrine that addresses corruption issues for peace and conflict, accompanied by comprehensive guidelines and staff training on addressing corruption risks, such as contracting, whilst deployed on operations or peacekeeping missions.
- 2 Training should test awareness of corruption as a strategic issue for operations and ensure that these commanders are clear on the corruption issues they may face during deployment.
- 3 Trained professionals, including audit staff, capable of monitoring organised crime and corruption in the field, should be deployed to regularly report while on mission. These reports should be made available to the public, at least in summary form.

6. Foreign sellers profit from conflict and insecurity

While Africa may only have received 9% of all global arms deliveries between 2010 and 2014, it is a rapidly rising share of global imports, with a 45% increase over 2010-2014 [SIPRI]. Key arms exporters like China, the US, and Russia have increased their exports to Africa in recent years, eager to take advantage of the growing market for defence purchases. In other cases, countries provide security assistance in the form of equipment and training in order to maintain military cooperation with key states. Foreign governments are judged to have undue political influence on the procurement decisions in 70% of the countries surveyed. While some countries have used weapons purchased or donated for legitimate defence or peacekeeping operations, in other instances weapons sales have contributed to insecurity.

Importing military hardware to countries where there are not strong controls on corruption enhances the risk of instability. The lack of strategic planning in defence, coupled with poor civilian oversight, means that military hardware may be diverted to other states or non-state groups without proper controls. In some cases, imports simply represent a waste of much needed public financing. For states interested in building stability and prosperity on the continent, there is a compelling case for focusing on governance, instead of - or before - exporting arms.

For instance:

- France and Russia have been key players in the accelerating arms race between **Algeria** and **Morocco**, which have accounted for 56% of all arms imports to the continent from 2010-2014. Evidence suggests that these purchases are not based on strategic needs—neither Algeria nor Morocco release any detail on their defence budgets, nor appear to submit this to their respective parliaments.
- In **Libya**, an expert interviewed for this project described Libyan procurement as a “free for all,” where even the different departments within the Ministry of Defence (MOD) are fighting for a share of the budget and to get the equipment they want. A senior Libyan air force officer has said that “the new regime in Tripoli is prepared to allocate the \$4.7bn (US) in energy revenues to acquire advanced weapons systems”. Our research found that political influence has dominated Libyan defence procurement decisions, with most procurement deals brokered at the highest levels of leadership.
- **China’s** role in South Sudan has been somewhat questionable. While officially supporting the peace process, China has continued to supply arms to the country.

- As a result of the unilateral and regional arms embargo passed on to **Zimbabwe** by EU member states, Zimbabwe has been purchasing weapons mainly from China and Russia. There is evidence that senior Zimbabwean cabinet ministers have facilitated an “arms-for-minerals trade.”
- The **DRC** has been subject to arms embargoes by the UN and EU for more than a decade. Despite this, China and Ukraine have remained its two largest suppliers of arms, likely fuelling instability in the country.
- France and Israel are **Cameroon's** two main suppliers of military hardware. France has numerous officials advising the Cameroonian government, including in the Ministry of Defence, the gendarme and within the President's office. While some recent arms purchases have been justified with reference to military need, competing pressure from both France and Israel has resulted in the procurement of incompatible equipment.
- In **Mali**, a Chinese company was involved in supplies invoiced at 600m (CFA) but budgeted at 3bn (CFA) . A senior Malian army officer described the process of equipment procurement as “riddled with private deal making and profiteering” with servicemen and MoD personnel routinely finding ways of taking a private cut, either from the costs of a contract or through misappropriation of the resulting items. He also pointed out that a series of middlemen routinely found ways to inflate prices as part of the arrangement of contracts.
- In **Sierra Leone**, the donation by China of a substantial quantity of rifles, rocket grenade launchers, anti-aircraft guns, and mortars, led the assessor to question whether this is was an exercise in political influence. China has also been awarded several large construction contracts which were not subject to open procurement.
- In April 2015, Italian tax police and prosecutors announced they were investigating the alleged creation of a slush fund and fake invoices by former AgustaWestland managers (a subsidiary of Finmeccanica) to win a €460m contract to supply 24 helicopters to the **Algerian** government in the period 2009-2011.
- In **Namibia**, there are allegations that some secret defence expenditures have been used in the procurement of arms. For instance, opposition parties allege that some arms were bought secretly from Saudi Arabia and taken to the Namibian Central Intelligence Service. Both the government and the NCIS denied these allegations but did not deny or admit that a trip to Saudi Arabia was undertaken.

Recommendations on arms exports and imports

- 1 Increased conditionality on both arms sales and service delivery for existing weaponry as well as improved end-user licensing procedures could be used by donor and seller states to encourage greater accountability and transparency.
- 2 Supplier states should increase the transparency of their exports as a means of empowering the citizens and parliamentarians of recipient states where transparency by national defence establishments is poor.
- 3 Donor states should also encourage their own military and law enforcement agencies to integrate anti-corruption or integrity building efforts into international cooperation.

7. Conclusion

Over the past decade, Africa has witnessed a positive decline in the overall number of armed conflicts and coup d'états. What is more, African states have increased their coordination to resolve conflict through the African Union and its nascent Peace and Security Architecture.

Set against these positive developments, however, have been a new set of threats from radical terrorist groups like Boko Haram, Al Qaida in the Islamic Maghreb (AQIM), and Al-Shabaab. While ideological factors have certainly pushed new recruits to these organisations, the role of corruption as a “push” factor cannot be underestimated. After all, corruption has undermined states’ perceived legitimacy and led to a sense of disillusionment and abandonment across Africa.

While the consequences of corruption are well known and documented, too many African leaders are ignoring the real problems facing their countries. Instead, they’re building up their patronage networks and using taxpayer money to buy the loyalty of those who carry the guns in their country. Though paying lip service to issues of corruption, leaders of many African states have failed to redress institutionalized corruption risks, especially in their defence sectors. In many cases oversight functions exist in the form of anti-corruption bodies, audit functions, and/or parliamentary committees, but defence institutions are exempt from scrutiny. By treating the defence sector as exceptional, its efficiency has been undermined.

The problem does not just lie with African leaders and militaries, but also with how the international community relates to these states. Security assistance to the continent is on the rise and new tools, such as the Rapid Reaction Mechanism and African Peace Facility, have been established to enhance the AU. Nonetheless, the assistance provided has not adequately addressed the root causes of weaknesses in many defence governance structures, thus increasing the risk that assistance will be ill-spent.

The causes and manifestations of defence corruption vary between states, and the overall picture in Africa is mixed – with state corruption risks ranging from D-F, representing “high” to “critical risks”. But there is no country in Africa whose defence sector is not vulnerable to corruption. Military elites across the continent need to see corruption for what it is: a threat to their state’s stability. For in the end, corrupt governments are the architects of their own security crises.

Bibliography

African Economic Outlook, <http://www.africaneconomicoutlook.org/en/outlook/>

SIPRI, Military Expenditure Database, http://www.sipri.org/research/armaments/milex/milex_database

SIPRI, Arms Transfers Database, <http://armstrade.sipri.org/armstrade/page/values.php>

SIPRI, Multilateral Peace Operations Database, <http://www.sipri.org/databases/pko>

Most of the findings in this paper are based on data from the Government Defence Anti-Corruption Index individual country assessments.

Methodology

The Government Defence Anti-Corruption Index measures levels of corruption risk in national defence establishments and scores each country from A (the best) to F (the most vulnerable). Each country band is derived from a technical assessment of 77 questions all related to institutional protocols and practices and divided between five principal risk areas: political risk, financial risk, personnel risk, operations risk, and procurement risk. For each question, the government received a score from 0-4. The percentage of marks determines both the overall risk band the government received, as well the band specific to each risk area.

Each country is researched by an expert assessor using a standard set of questions and model answers. The assessment is then independently reviewed by up to three peer reviewers and, where possible, the local chapter of Transparency International. We also invite the government to conduct a review of the assessment and submit additional information. Burundi was the only African state to provide a government reviewer.

All information and evidence presented in this report is sourced and publicly available through the individual GI country assessments. Please visit government.defenceindex.org.

Assessor completes Questionnaire

Peer Review x 2

Government Review

TI National Chapters Review

Standardisation

QUESTION SCORING PRINCIPLES

- 4 High transparency;** strong, institutionalised activity to address corruption risks.
- 3 Generally high transparency;** activity to address corruption risks, but with shortcomings.
- 2 Moderate transparency;** activity to address corruption risk, but with significant shortcomings.
- 1 Generally low transparency;** weak activity to address corruption risk.
- 0 Low transparency;** very weak or no activity to address corruption risk.

**TRANSPARENCY INTERNATIONAL
DEFENCE AND SECURITY WORKS TO
REDUCE CORRUPTION IN DEFENCE
AND SECURITY WORLDWIDE**

**GOVERNMENT.DEFENCEINDEX.ORG
TI-DEFENCE.ORG**