

Conflict & Corruption

Designing a Toolkit for Conflict Negotiators

MARK PYMAN, HEAD OF TI-DSP
SIR STEWART ELDON, SENIOR ADVISER TI-DSP



Transparency International

Independent
Not for Profit NGO

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

Defence and Security Programme

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

Team → Senior military officers (retired)
→ Ex MOD senior officials
→ Defence and industry experts
→ TI experts in other countries

Since 2004; Funding DFID, NATO

Defence and Security Corruption Typology

POLITICAL	PERSONNEL	PROCUREMENT
Defence & security policy	Leadership Behaviour	Technical requirements / specifications
Defence budgets	Payroll, promotions, appointments, rewards	Single sourcing
Nexus of defence & national assets	Conscription	Agents/brokers
Organised crime	Salary chain	Collusive bidders
Control of intelligence services	Values & Standards	Financing packages
Export controls	Small Bribes	Offsets
FINANCE	OPERATIONS	Contract award, delivery
Asset disposals	Disregard of corruption in country	Subcontractors
Secret budgets	Corruption within mission	Seller influence
Military-owned businesses	Contracts	
Illegal private enterprises	Private Security Companies	

Conflict Typology

RULE OF LAW/ GOVERNANCE	SECURITY	CONTRACTS
Corrupt senior appointments; abuse of power by officials	Lack of transparency of security spending	No transparency of contracts
Lack of punishment of corrupt senior officials	Salary theft, eg ghost soldiers/police	Non delivery/poor quality of outcome, espec construction
Lack of meritocracy in public positions	Security outsourcing	Cabals controlling procurement
Narcotics; and narcotics mafia inside government	Lack of control over armed groups	Multiple sub contractor layers
Organised crime	Bribes for protection of convoys	Minimal use of local contractors
Lack of spending transparency	Sale of weapons/equipment	SMALL BRIBES
Lack of transparency of aid flows	Inadequate border controls	Overly complex daily processes; bribes needed
Corrupt management of national assets, eg mining, land, licenses		Extraction of money by militias and at checkpoints

Yellow highlight = problem partly caused by international community

Linkages between Conflict & Corruption

- Corrupt Actors (& Drivers of Conflict)
- Corrupt Institutions
- Weak Settlements
- Unintended Impact of International Interventions

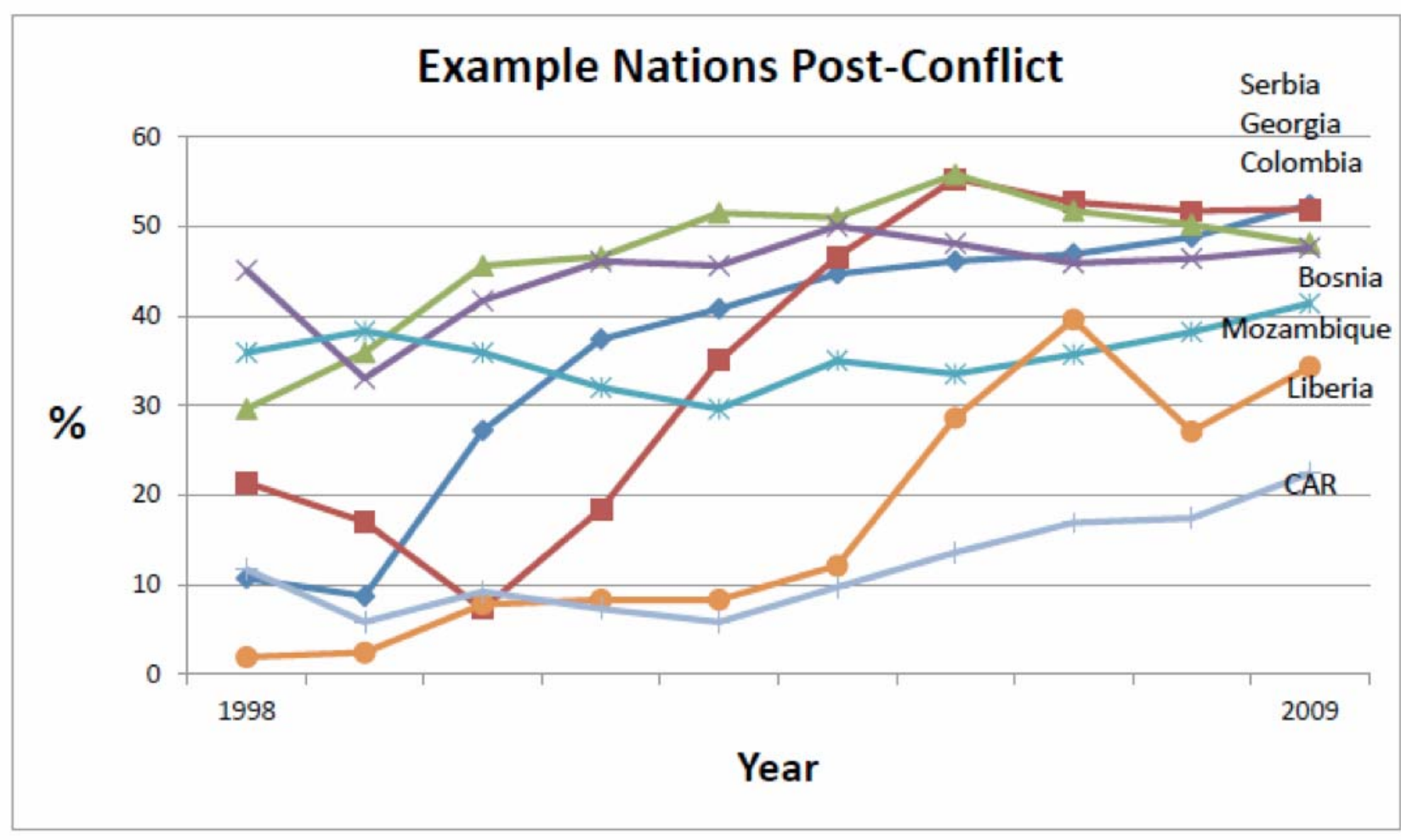
Why Bother with Corruption?

- Clean Settlements are more durable (and cheaper!)
- Turning a blind eye now costs effort and money later; organised crime becomes embedded
- Alienates public opinion
- The military often want help
- Success is possible

What Defence and Security people say about corruption

- Waste of scarce resources
- Impacts operational effectiveness
- Reduces public trust in the armed forces and police
- Defence corruption can be **very** easy; so is a target for politicians, re-election funds and reward for favours
- International companies avoids corrupt economies

Success is Possible



Stages of Conflict

- Before an International Mandate
- Adoption of the mandate
- Negotiating Phase (Pre-Settlement)
- Implementation (Post-Settlement)

I. Before an International Mandate

- Analysis of the Conflict
(History/Drivers/Key Players)
- Knowledge of Key Personalities
(Domestic/International)
- Analysis of the Political Economy

The Political Economy

- How Government extracts Income
- Whom it Co-opts to do so
- How existing Institutions are structured, run and owned
- Analysis of licit and illicit financial flows
- Economic Potential
- Development Needs

Corruption-Related Issues

- Key Personalities (& how they operate)
- Political Economy (no standardized tools)
- Licit and illicit financial Flows help identify Elites, institutions/channels used to divert money, key drivers of Conflict

II. Adoption of the Mandate

- Scope of Mandate critical in establishing requirements of the Toolkit
- Objectives for success
- Appointment of key Negotiators
- Design of Mission Structure

Counter-Corruption Objectives

- Marginalizing corrupt individuals, practices & structures
- Minimizing corruption impact from international intervention
- Disrupting organised crime development
- Cleaning up existing corrupt Institutions
- Creating new Institutions where needed
- Strict contracting guidelines for PSC's etc.

Impact on Mission Structure

- Counter-corruption & combat procurement training for international forces
- Counter-corruption elements included in military & other assistance provided as part of settlement (c.f. *Shafafiyat*)
- Counter-corruption task force with broad expertise in international mission

III. Negotiation Phase

- Clarity on tools/levers available:
 - Powers confirmed by Mandate
 - Knowledge of protagonists' interests & positions
 - Application of both 'soft' and 'hard' power
 - Basic templates for future Institutions from Rule of Law to Economic Development

Corruption-Related Issues

- Counter-corruption measures unlikely to be decisive or immediate, so
- **Retain strategic perspective**
- Tailor outcomes to local circumstances; in countering-corruption deliberate action usually works best

IV. Implementation

- Key Enablers (support from local population, effective mission design, credible interlocutors)
- Strategic Implementation Plan
- Effective Coordination Mechanisms
- Cross-Cutting International Support from a variety of sources

Cross-Cutting Support

- Political/Political Economy Reporting
- Mapping Tools
- Institution-Building Expertise
- Economic & Development Planning
- Expertise on Foreign Investment

Corruption-Related Issues

- Counter-Corruption work should be fully integrated in implementation plan (c.f. Transition in Afghanistan)
- CC elements incorporated in all areas of cross-cutting support
- National Anti-Corruption Commission
- Mapping tools
- Standard-setting & Monitoring (by NGO's)

Emerging Findings

- Corruption matters; it can't be ignored
- Defence & Security sectors can have a disproportionate impact at times of conflict
- Much good work out there; challenge to bring it together in a useful way
- Priorities for further study: Political Economy, Mapping Tools, Financial Flows

Thanks & Questions