Conflict & Corruption
Designing a Toolkit for Conflict Negotiators

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Transparency International

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

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 Corruption Typology

<table>
<thead>
<tr>
<th>POLITICAL</th>
<th>PERSONNEL</th>
<th>PROCUREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defence &amp; security policy</td>
<td>Leadership Behaviour</td>
<td>Technical requirements / specifications</td>
</tr>
<tr>
<td>Defence budgets</td>
<td>Payroll, promotions, appointments, rewards</td>
<td>Single sourcing</td>
</tr>
<tr>
<td>Nexus of defence &amp; national assets</td>
<td>Conscription</td>
<td>Agents/brokers</td>
</tr>
<tr>
<td>Organised crime</td>
<td>Salary chain</td>
<td>Collusive bidders</td>
</tr>
<tr>
<td>Control of intelligence services</td>
<td>Values &amp; Standards</td>
<td>Financing packages</td>
</tr>
<tr>
<td>Export controls</td>
<td>Small Bribes</td>
<td>Offsets</td>
</tr>
</tbody>
</table>

## FINANCE

<table>
<thead>
<tr>
<th>Asset disposals</th>
<th>Disregard of corruption in country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secret budgets</td>
<td>Corruption within mission</td>
</tr>
<tr>
<td>Military-owned businesses</td>
<td>Contracts</td>
</tr>
<tr>
<td>Illegal private enterprises</td>
<td>Private Security Companies</td>
</tr>
</tbody>
</table>

## OPERATIONS

| [Image 36x36 to 576x756] |
## Conflict Typology

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

Example Nations Post-Conflict

<table>
<thead>
<tr>
<th>Nation</th>
<th>Year 1998</th>
<th>Year 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Serbia</td>
<td></td>
<td></td>
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<tr>
<td>Georgia</td>
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<tr>
<td>Colombia</td>
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<tr>
<td>Bosnia</td>
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<tr>
<td>Mozambique</td>
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<tr>
<td>Liberia</td>
<td></td>
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<tr>
<td>CAR</td>
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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