

GOVERNMENT DEFENCE ANTI-CORRUPTION INDEX FREQUENTLY ASKED QUESTIONS (FAQs)

1. What is the Government Defence Anti-Corruption Index?

The Government Anti-Corruption Index is an in-depth measurement of levels of corruption risk in 82 countries around the world. Countries are scored on 77 questions that examine integrity and anti-corruption mechanisms to combat corruption within the sector. These questions are based on Transparency International UK's Defence and Security Programme's (TI-DSP's) typology of corruption risks in the sector and the existing body of knowledge covering the treatment of such risks.

The information used to compile the Index is based on an independent expert's analysis of the set of questions, peer reviewed by independent analysts, and where possible, commented on by government reviewers and Transparency International national chapters.

2. Why are you doing this index?

The defence sector is crucial to a country's security, and corruption in it is dangerous, divisive, and wasteful. It has a detrimental effect on governments and companies alike. In the current period of austerity, corruption in the sector is a huge waste of money as well as lives – something which must be stopped.

There is a risk of corruption in the defence sector because the amount of money involved in contracts is enormous, which can allow corrupt individuals to hide money in these contracts. There needs to be more transparency so that citizens know how their tax money is being spent. We think defence establishments can be leaders in integrity and openness, providing an example for other institutions and sectors within the country.

Not only will the index raise awareness of this problem and of countries' performance across risk areas, it will enable comparison geographically, by risk, and—as are planning to repeat the exercise every two years—over time. The index will provide a comprehensive measurement into an elusive sector, acting as a basis for reform within it.

3. Why are you doing it now?

The issue of corruption increasingly dominates daily headlines and public debate around the world. As the defence sector appears to have maintained a reputation for dishonesty and corruption, it is timely to rigorously examine exactly where – across countries – corruption risk in the sector exists. Transparency International UK has been working to improve anti-corruption standards in the global defence industry since 2004. Since then, governments have repeatedly asked us about what constitutes good practice by both governments and companies, and this study is part of trying to answer that question.

4. What are the main findings of the research?

The index grades countries from low to critical corruption risks (bands A to F) and finds that over two-thirds of the countries lie in the bottom three bands with high to critical risk. Of the 82 countries assessed, only nine countries were found to have very low to low risk (Bands A and B) and of these, only two lie in the top band. In light of these findings, much concerted effort is required worldwide.

In terms of specific risk areas, personnel risk is the area where governments have exhibited their highest scores overall. Countries tend to do well in relation to internal controls, such as establishing strong payment mechanisms for personnel. Where controls span more complex areas, especially operations risk, performance is weaker.

5. What are the risks measured by the index and why are they important?

TI-DSP has created a typology of core risk categories of defence and security corruption on the basis of extensive experience from engagement with governments, armed forces, defence companies, sector experts and civil society organizations – and from extensive research.

Political risk encompasses the risk of defence legislation and controls being compromised by corruption. **Financial risk** arises from the abuse of extensive and potentially secretive defence budgets and sources of income. **Personnel risk** includes corruption among armed forces and defence ministry personnel. **Operations risk** covers corruption occurring during military operations home and abroad. Lastly, **procurement risk** involves corruption arising from the processes of purchasing defence equipment and arms.

The above typology underpins the framework used to develop the questionnaire for the index.

6. Do the countries which scored the lowest have the highest levels of corruption?

By definition, corrupt activity is secretive and therefore very difficult to accurately measure. The index focuses instead on the risk of corruption occurring in national defence and security establishments and estimates at what level corrupt activity can take place when it does. As such, it is an assessment of the controls and processes in place to combat and prevent corruption and to build integrity in defence institutions.

7. How did you account for subjectivity in the assessment?

Each question was accompanied by model answers corresponding to the scores (0 to 4), which were objective where possible to aid consistency in score selection across independent researchers. Assessors were also requested to define value-laden terms in the context of the country being analysed. Finally, the scores and research were reviewed and standardised by experts in the TI-DSP team, who take ultimate ownership of the finalised scores and banding.

8. Who set the questions for the assessment?

TI-DSP used expert internal and external feedback to guide question set development. The evolving questionnaire was consistently subject to review by experts from the sector globally to ensure that the questions and associated answer guidelines were satisfactorily comprehensive, pertinent, and relevant to countries with political and cultural diversity. The question set was underpinned by the TI-DSP typology of corruption risks in the sector, which was developed in consultation with experts with many years of experience in anti-corruption, or the defence sector, or both.

9. What sources did assessors use to answer the questions?

Assessors used a range of materials, including academic books and articles, non-specialist publications and news articles, and government laws and websites. They also used interviews with defence staff, acting and retired armed forces personnel, academics and analysts. The sources used for each question are listed in a references box. For security reasons, all interviewees listed in the references in the assessments were made anonymous, though TI-DSP has a record of the individuals in question when this has been the case.

10. How were the countries in the index selected?

We selected the countries on various criteria that included the size of their arms trade, the total and per capita size of their military and security sectors, and on ensuring geographical diversity across the selection.

These characteristics were likely to reflect increased reason for corruption risk in defence to be important and relevant

More specifically, the criteria deployed were:

- 1) Aggregate arms exports volumes, 2001-2010;
- 2) Aggregate arms imports volumes, 2001-2010;
- 3) Size of military (absolute terms), 2010;
- 4) Size of military (per capita), 2010;
- 5) Size of police force (absolute terms), 2003-2008;
- 6) Size of police force (per capita), 2003-2008;
- 7) Geographical diversity across the selection.

11. What do the bandings mean?

Countries are banded according to their levels of transparency and institutionalised activity to address corruption risks in relation to their national defence and security institutions. This is measured on the basis of the average score across the 77 questions. The banding runs from A to F, according to the following scoring principles for questions and banding rules:

QUESTION SCORING PRINCIPLES:	BANDING BRACKETS			
	BAND	LOWER SCORE (%)	HIGHER SCORE (%)	CORR. RISK
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 with significant shortcomings.	A	83.3	100	VERY LOW
1 = Generally low transparency; weak activity to address corruption risk.	B	66.7	83.2	LOW
	C	50.0	66.6	MODERATE
	D	33.3	49.9	HIGH
0 = Low transparency; very weak or no activity to address corruption risk.	E	16.7	33.2	VERY HIGH
	F	0	16.6	CRITICAL

12. How were 'not applicable' responses treated arithmetically in compiling the final scores?

They were omitted from calculation, which was the simplest solution and ensured that countries' scores are only calculated from the answers to questions that apply to that country. We therefore calculated overall scores only on what we know. This means weightings across countries diverge very slightly – but this did not have a substantive effect on the bandings.

13. How do we treat connected questions? For example, if there are no military-owned businesses and a country scores well on that fact, is the follow up question on scrutiny of military owned businesses scored N/A?

Yes. This is fair, and avoids countries being rewarded twice-over for lacking military-owned businesses, for example, or for lacking off-budget spending. Although such countries should be credited for lacking such risk areas, to double-count a good score relating to a sub-risk of this form would be unrepresentatively generous.

14. Did governments see the results of this index before they were published?

A unique element of the index was that, as far as possible, we engaged with governments to offer them the opportunity to comment and critique on the research during the research process. The governments of countries included in the index were contacted prior to launching their assessments, and where they responded to us in a timely manner, a Government Reviewer was appointed to undertake a review of on-going research.

Some governments, while keen on participating, got back to us at a later date. They were not able to contribute to the research but they were invited to view the draft assessment and submit a report for publication on our website: www.defenceindex.org Finally, a copy of each country's finalised assessment was sent to the appropriate Minister of Defence before publication.

15. What kind of changes could governments make to the research?

Governments were able to provide additional comments and perspectives in response to the Assessor's research. They offered corrections and were able to promote accuracy. They also had the capacity to challenge the Assessor.

16. How many times were governments contacted?

During the course of the project, governments were contacted at least three times, but more often four or five times, by a mixture of letter, email, and fax. Once a point-of-contact was established, we developed on-going dialogue to facilitate commentary on the research, and asked them again for comments a month before launch if they had not responded with a report before then. In 40% of countries, a point-of-contact was established. Three governments, those of Bahrain, Belarus, and the USA, declined to participate.

17. How does this index relate to the previously released Defence Companies Anti-Corruption Index and what do they aim to do in conjunction?

The focus of the Government Anti-Corruption Defence Index is the institutions of government and the practices of those in power, so the question set and typology of corruption risks is, of course, different to that relating to companies. Yet the focus on robust controls and transparency as key ingredients to promote integrity and best practice are consistent across both indices.

In conjunction, the indices provide governments with a means to examine how well companies control corruption risk, and companies with a means to examine how well governments control corruption risk. They can therefore act to mutually incentivise a cleaner arms trade, by allowing one to keep an eye on the other.

18. Who funded this index?

Transparency International UK's Defence and Security Programme (TI-DSP) is mainly funded by the UK Department for International Development (DFID), which provides strategic support to Transparency International through both a General and a Conflict, Humanitarian, and Security (CHASE) Programme Partnership Arrangement (PPA). Under the current arrangement from 2011 until 2014, TI-DSP is responsible for the implementation of the CHASE PPA. The majority of the funding of the index came from this source. This index also received financial support from the Swedish International Development Cooperation Agency, the German Federal Foreign Office, and the UK Foreign and Commonwealth Office.

At no point did the funders of this index have any input into the research process and they remain entirely removed from the results.

19. Will this research be repeated?

It is our intention to publish the index again in two years, to enable progress over time to be monitored and to see if promises made by governments during the course of the index research were fulfilled.

20. What have been the trends in arms imports in the last ten years?

Worldwide, we have seen a 66% increase in arms imports from 2002 to 2011 in real terms, to a value of approximately \$50bn in 2011. This increase has been most pronounced in sub-Saharan Africa (a 156% increase), and MENA (a 97% increase). The lowest growth was seen in Europe and Central Asia (a 15% increase).

ANNEX 1: LIST OF COUNTRIES ANALYSED

AMERICAS

Argentina	Brazil	Chile	Colombia	Mexico	United States
Venezuela					

ASIA PACIFIC

Afghanistan	Australia	Bangladesh	China	India	Indonesia
Japan	Malaysia	Nepal	Pakistan	Philippines	Singapore
South Korea	Sri Lanka	Taiwan	Thailand		

EUROPE AND CENTRAL ASIA

Austria	Belarus	Bosnia	Bulgaria	Croatia	Cyprus
Czech Rep.	France	Georgia	Germany	Greece	Hungary
Italy	Kazakhstan	Latvia	Norway	Poland	Russia
Serbia	Slovakia	Spain	Sweden	Turkey	Ukraine
United Kingdom		Uzbekistan			

MENA

Algeria	Bahrain	Egypt	Iran	Iraq	Israel
Jordan	Kuwait	Lebanon	Libya	Morocco	Oman
Palestine	Qatar	Saudi Arabia	Syria	Tunisia	UAE
					Yemen

SUB-SAHARAN AFRICA

Angola	Cameroon	Cote d'Ivoire	DRC	Eritrea	Ethiopia
Ghana	Kenya	Nigeria	Rwanda	South Africa	Tanzania
Uganda	Zimbabwe				