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PEACE & CONFLICT


# Corruption & peacekeeping

Strengthening peacekeeping  
and the United Nations

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Embargoed until 9 October, 3pm New York time



**“We should be entitled to have effective peacekeeping without waste, without corruption, and without mismanagement”**

**John Bolton, Former US Ambassador to the UN**



# Foreword



Corruption was the most commonly voiced concern in the world in 2010 and 2011 according to the BBC. It is a central factor in national unrest, as in Libya, Egypt, and Tunisia, and in conflict environments such as DRC, Mali, and Afghanistan. Failure to address corruption blights the lives of the people there and increases the likelihood of relapse into conflict.

Peacekeeping and other conflict-related missions, which are the subject of this report, are seriously affected by corruption. Conflict environments are difficult, and the fact that corruption is often rife complicates the work of the UN and other international organisations immensely. Powerful local stakeholders are often corrupt, but cannot be ignored by peacekeepers and policy-makers. Ignoring corruption embeds it more deeply and damages the legitimacy of key institutions, putting the long-term success of international interventions at risk.

Our report makes three powerful arguments. First, it recognises that endemic corruption is an issue that directly affects the success of the mission, and that failure to act allows it to be more deeply embedded. This plays to organised crime—especially in the transnational context—and the threat that this can pose to regional security. Second, it demonstrates that the problem should not be placed in the ‘all too difficult’ category. It is possible—indeed essential—to understand the corruption risks in a way that allows for better decision-making. Finally, we believe it is realistic and practical to establish a robust framework that can form the basis of UN policy, practice and guidance on this subject.

The report also focuses on accountability. The UN needs to be more accountable externally, both to Member States and to the host nation and its people. It should do its utmost to prevent corruption from becoming more deeply rooted in countries emerging from conflict or disaster. At the same time, the UN system needs to be more accountable internally in the way it manages and monitors the corruption risks its peacekeeping operations face.

I hope this report will stimulate a serious and focused debate inside and outside the UN. Policy-makers and practitioners in UN Peacekeeping should focus on how to address corruption by assessing its impact on the ability to implement mandates. Member States and the UN Secretariat itself also have an important role to play.

A handwritten signature in black ink that reads "Mark Pyman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark Pyman  
Programme Director  
Defence and Security Programme  
Transparency International UK  
October 2013

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## Executive summary

**This report articulates the need for the UN and its Member States to initiate a serious discussion on how to consider addressing corruption in the context of peacekeeping.**

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## THE PROBLEM

Corruption is both a cause and a consequence of conflict. Conflicts and revolutions may start because of the excesses of ruling regimes and they perpetuate when corruption becomes more deeply entrenched, so that the warring parties benefit from continuing the conflict and actively seek to prolong it. Corruption is also a consequence of conflict in that it can destroy already weak institutions and potentially expand to compromise the integrity of a state. This is often fuelled by post-conflict money flows, the influence of organised crime or as a result of a post-conflict peace deal entrenching corrupt factions.

Peacekeeping forces coming into such environments have the difficult job of making progress despite the endemically high levels of corruption.

Yet explicit guidance on corruption is largely absent from almost everything to do with peacekeeping. There is no general UN Peacekeeping policy relating to corruption. Peacekeeping mandates rarely, if ever, mention it and peacekeeping training centres currently do not include specific training on how to identify risk or address corruption. The 157-page DPKO-OROLSI 'Planning Toolkit for Peacekeeping Missions' mentions corruption just five times, typically as a general caution or afterthought on 'governance'. There is a sense among peacekeeping and foreign policy professionals that—because corruption is difficult—it is better to adapt and to cope with it than to recognise it more formally and address it.



Peacekeeping forces have the difficult job of making progress despite the endemically high levels of corruption. Photo credit: UN Photo/Staton Winter

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This is an almost universal mental model for diplomats, policy-makers and peacekeeping practitioners. Policy analysts, for example, did not anticipate the emergence of the Arab Spring in 2010, despite signs of growing social discontent with governments that was significantly provoked by endemic corruption. Equally, it was only after nine years of international military involvement in Afghanistan—one of the largest interventions in history—that even modest international action on corruption started to take place.

In addition, there is an internal dimension to corruption risks. Whilst peacekeeping missions are expected to behave with integrity themselves, their record is replete with instances where they have directly contributed to increased corruption levels either by the misdeeds of a few individuals or a failure to understand the consequences. UN oversight institutions also have a poor record of investigating and prosecuting corruption.

The issue is, of course, not an easy one. Peacekeeping forces have to balance a number of competing goals and objectives. They may have no option but to work with local actors involved in corruption in order to help stabilise a particular region. Yet they must also consider the reputational implications; it is never politically easy to 'accept' a given level of corruption and doing so can compromise the success of the force and of its mandate.

But the fact that the issue is difficult does not mean it should be ignored. The actors involved can and should do better. In particular:

- This report articulates the need for the UN and its Member States to initiate a serious discussion on how to consider corruption in the context of peacekeeping missions.
- It goes on to suggest a framework for doing this. While tackling corruption early on may increase the complexity of the early stages of a mission, it is likely to pay dividends in terms of subsequent institution building and stability. It is in the UN's self-interest to get this right so that the outcomes are improved and can be delivered at a lower cost both to the host nation and the international community as a whole.
- The UN needs to be more accountable internally in relation to corruption, and needs to strengthen its system of internal oversight.

### TRANSPARENCY INTERNATIONAL ENGAGEMENT

Since 2004, Transparency International UK's Defence and Security Programme (TI- DSP) has actively engaged defence and security ministries, armed forces, police, defence contractors, and peacekeepers to counter corruption in the defence and security sectors. Our emphasis has been on practical measures that reduce corruption risk, each of them trialled in a real-world national environment. Our work is designed to aid policy-makers and those engaged with managing defence and security institutions to increase transparency and accountability, recognise the threat posed by corruption, and encourage the development of 'clean' establishments.

The main authors of this report are experienced policy-makers and practitioners in anti-corruption, in peacekeeping, and in post-conflict environments.

### **THE WAY FORWARD**

The UN needs to put in place systems that enable peacekeeping missions to contribute to a reduction of corruption in conflict and post-conflict situations in the host nation. Staff members should also have more clarity on what to do and more accessibility to the tools that will help them achieve this. These new systems needs to be codified into the following:

- policies, rules and regulations on recognising risk and addressing corruption
- guidance on what peacekeeping forces may or may not do in corrupt situations
- training requirements for Special Representatives of the Secretary General (SRSGs), their staff, and peacekeeping forces
- a strengthened system of oversight

Taking corruption explicitly into account in a mission represents a change from the way things operate today. But given that the anatomy of conflict and our understanding of it have changed, reform is essential. In addition, public engagement and participation have brought the issue of corruption to the forefront more than ever before. Whilst it will no doubt take a lot of effort to put such systems into place, it will strengthen the UN's reputation and lead to more durable and lasting peacekeeping outcomes at lower overall cost to the host nation and for the international community.

Work by Transparency International UK's Defence and Security Programme and others in the field has shown many ways in which the issue of corruption can be better recognised and better addressed than it is today.

In this report we first present a new way of distinguishing and categorising corruption issues that afflict a peacekeeping mission and the host nation. This helps frame the discussion and allows guidance material to be developed that is practical and constructive, rather than being simply descriptive of the problem.



We lay out a typology of the corruption risks in peacekeeping. This typology is structured around five different areas of corruption risk:

1. corruption risk arising from the political settlement framework
2. corruption risk arising in the troop contributing countries
3. corruption risk within the Mission and emerging from it
4. corruption risks in central UN Peacekeeping procurement
5. the quality of local and central oversight, whistleblowing and investigation of corruption allegations

These five categories are then further broken down into specific corruption risk areas, as shown in the typology opposite. Each of these risks is discussed in the report, with examples from past missions.

**FIGURE 1 | PEACEKEEPING CORRUPTION RISKS TYPOLOGY**

<b>28 Peacekeeping corruption risks</b>		
<b>POLITICAL FRAMEWORK</b>	<b>MISSION OPERATIONS</b>	<b>OVERSIGHT</b>
Mandate	Bribery	Central oversight
Settlement	Theft	Field oversight
Mission planning	Trust funds	Whistle-blowing
Conduction of operations in a corrupt environment	Natural resource exploitation	Investigations
<b>TROOP CONTRIBUTING COUNTRIES</b>	Field procurement	<b>CENTRAL PROCUREMENT</b>
Selection of troops & police	Sexual exploitation & abuse	Single sourcing
TCC/PCC reimbursement	Exploitation of local staff	Agents/brokers
Mission subsistence allowance	Withdrawal of mission	Vendor selection
Skimming of salaries	Asset disposal	Collusive bidders
Contingent owned equipment	Central procurement	Information broking

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## RECOMMENDATIONS

There is no 'one-size-fits-all solution' to the problem of corruption in peacekeeping. However, a passive approach, in which corruption is seen as an inevitable part of the context in which the mission must operate, is insufficient. We believe that many in the UN and peacekeeping worlds agree.

Failure to act allows corruption to become more deeply embedded alongside organised crime at both a local and transnational level. Taking a more robust line on corruption will have a significant and positive impact on mission capability, and thus on the success of a peacekeeping mission in achieving its mandate.

The study suggests a policy framework that the UN can develop and adapt for its own use. This framework consists of a clear statement of UN policy towards recognising corruption, guidance and training requirements, and a more independent and professionalised UN oversight capability.

There are eight actions we suggest the UN can undertake to prevent corruption confronting its peacekeeping missions:

**1. The UN Secretary General should make a strong statement of UN Policy towards recognising the threat posed by corruption.**

This should address the need to prevent corruption arising within the mission and from mission operations, and to stop embedding corruption more deeply in the host nation. The UN, through the Secretary General, should make clear how the Organisation views corruption and peacekeeping, failing-state and other

conflict and post-conflict environments, and how it will develop and implement the necessary action and guidance in its various operations.

The development of this statement and accompanying practical guidance could take various forms: from the most high-profile route of a Security Council Resolution, as was the case for mainstreaming Gender; through to a Guidance Note of the Secretary General supported by the development of appropriate policy documentation. Clearly this will need the support and approval of Member States as has been the case in addressing other cross-cutting issues such as sexual exploitation and abuse (SEA) or gender.

**2. In the light of this report Member States should consider how they can contribute to strengthening the UN's ability to understand endemic corruption and its implications.**

This will enable peacekeeping missions to implement mandates more effectively and to draw lessons for their own participation in peacekeeping operations. Member States are part of several initiatives, such as the Challenges Forum where better approaches to peacekeeping are already being discussed. They could also stimulate a debate outside formal UN structures on countering corruption confronting peacekeeping missions that could assist the development of the policy referred to above, and possibly lead to a resolution in the UN General Assembly.

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**3. The UN should prepare Guidance on how to approach corruption issues in the design of the Settlement and Mission Mandate.**

This guidance should be specific for each of the stages of the mandate: before it begins, for its adoption, and for its negotiating and implementation phases (details on page 53).

**4. The UN Secretariat should prepare guidance for Special Representatives of the Secretary General (SRSGs), their staff and peacekeeping forces on addressing corruption in implementing mandates.**

Guidance should also address host nation corruption issues and their impacts on the mission. It should address corruption inside Mission operations, and recognise host nation corruption issues and their impact on the Mission.

**5. Guidance should be prepared on all areas where there is corruption risk.**

This should include selection of troops and police, troop contributing countries (TCC) and police contributing countries (PCC) reimbursement, and Mission Subsistence Allowance (MSA), amongst others.

**6. The UN Secretariat should establish training requirements for SRSGs, their staff and peacekeeping to recognise and limit corruption risk.**

There is an extensive network of training centres for peacekeeping and peace support operations. Until recently, however, none of these had conducted specific training on corruption risk, either as a stand-alone topic or in conjunction with related topics.



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Photo credit: UN Photo/Marie Frechon

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At a more senior level, relevant counter-corruption training should be included in the UN Senior Mission Leaders' Course for prospective senior appointees, the Senior Leader Programme run for senior appointees and as part of the induction programme for newly appointed SRSGs.

**7. The UN should establish a more independent and professionalised oversight and investigation capability. Work is underway in a number of areas designed to improve the UN's oversight and investigation capability.**

Internal UN bodies such as the Joint Inspection Unit (JIU), the Office of Internal Oversight Services (OIOS), the Ethics Office and other Secretariat departments have been involved in this for a number of years. However, this activity has not resulted in a more independent, transparent and professional system. Nor has the UN yet fully absorbed the lessons learned by other organisations such as the World Bank. Internal discussions inevitably generate internal conflict and ineffective compromise. Despite recent specific initiatives involving OIOS, the JIU and the UN Ethics Office, the Secretary-General should commission a strategic review by an outside organisation designed to establish a clear direction of travel and take the best of the progress already made. Civil society organisations and others with a professional interest in counter-corruption work should be asked to contribute to this review.

The UN Secretariat should strengthen mechanisms through which concerns—whether raised by UN staff, peacekeepers or host nation citizens—can be reported locally and followed up in a transparent and robust way.

**8. The UN must initiate a serious and focused discussion on corruption and practical anti-corruption measures.**

Although it is the UN which should initiate the debate and be prepared to implement the outcome, it may be that most of the detailed discussion would be best conducted outside the formal framework of the Organisation. This could follow the example of work facilitated by Liechtenstein on the definition of 'aggression', where moving a difficult debate away from established UN forums produced results.

**The UN should invite NGOs to join this discussion**, as they are both part of the solution and sometimes part of the problem. They can also advise on how best to strengthen host nation civil society in encouraging the reporting of corruption concerns.

We hope that as a result, Peacekeeping Missions will become more effective, and the UN will become more attuned to recognising corruption as a business-critical issue. The Organisation should also become more accountable to its Member States and to the nations hosting peacekeeping and other conflict-related missions.

**Peacekeeping Missions will become more effective if the UN becomes more attuned to corruption as a business-critical issue.**

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# Introduction

Peacekeeping forces and missions need to be made more effective in highly corrupt environments. Recognising the impact that corruption has on a mission's ability to implement its mandate, the OECD principle of 'Do No Harm' highlights the importance of the linkages between corruption and conflict in designing sustainable settlements (see box below). It also addresses the unintended impact international interventions can have in stimulating and sustaining corruption through, for instance, ineffective contracting and procurement practices.<sup>1</sup>

Peacekeeping operations are large consumers of international funds. The UN Peacekeeping budget was USD 7.9 billion for the fiscal year July 2011 – June 2012; and the estimated cumulative total spend since 1949 is USD 69 billion.<sup>2</sup> With the increasing number and complexity of peacekeeping missions, their annual cost has risen considerably in recent years: the current budget has more than doubled since 2004 when it was only USD 2.8 billion.<sup>3</sup> There is clear potential for corruption in financing troops and equipment, which this report finds are currently subject to ineffective oversight.

## DEFINITION OF PEACEKEEPING

Peacekeeping operations do not occur in isolation. Typically, countries requiring international interventions to bring about stability already host international development and aid organisations. The Brahimi Report advised dividing UN Peace Missions into peacekeeping and peacebuilding operations (see figure 1).

## DEFINITIONS OF CORRUPTION

The definition of corruption used by Transparency International is 'the abuse of entrusted authority (public or private) for illegitimate (private or group) gain'.<sup>4</sup> The concept of corruption is broadly similar around the world and generally understood,

### OECD PRINCIPLES FOR FRAGILE STATES AND SITUATIONS #2: DO NO HARM

*"International interventions can inadvertently create societal divisions and worsen corruption and abuse, if they are not based on strong conflict and governance analysis, and designed with appropriate safeguards. In each case, international decisions to suspend or continue aid-financed activities following serious cases of corruption or human rights violations must be carefully judged for their impact on domestic reform, conflict, poverty and insecurity.*

*Harmonised and graduated responses should be agreed, taking into account overall governance trends and the potential to adjust aid modalities as well as levels of aid. Aid budget cuts in-year should only be considered as a last resort for the most serious situations.*

*Donor countries also have specific responsibilities at home in addressing corruption, in areas such as asset recovery, anti-money laundering measures and banking transparency. Increased transparency concerning transactions between partner governments and companies, often based in OECD countries, in the extractive industries sector is a priority."*

Source: OECD, *Principles for good international engagement in fragile states and situations*, 2007, accessed August 2013, <http://www.oecd.org/development/incaf/38368714.pdf>.

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but the term is of course contextual, as different nations, cultures and other groups place different meanings on 'corruption'. The definition of corruption used by the UN divides it into two main types: grand corruption and petty corruption.<sup>5</sup> There is a wide literature that explores the definition of corruption in conflict environments in much more depth.<sup>6</sup>

#### **THE PURPOSE OF THIS REPORT**

This report is designed to stimulate concrete action to address corruption risk confronting peacekeeping. Our objective is that the UN, through the Secretary General, makes a strong statement on the way in which he and the Organisation view corruption and peacekeeping and other relevant environments, and how they will develop and implement the necessary action and guidance to address it. This includes how to minimise any deeper embedding of corruption within the post-conflict country, particularly in situations that are inherently unstable and offer numerous opportunities for the unscrupulous. The development of this statement and accompanying practical guidance could take various forms: from the most high-profile route of a Security Council Resolution—as was the case for mainstreaming Gender, or language included in other resolutions as has been the case with Sexual Abuse and Exploitation, through to a Guidance Note of the Secretary General supported by the development of appropriate policy documentation.

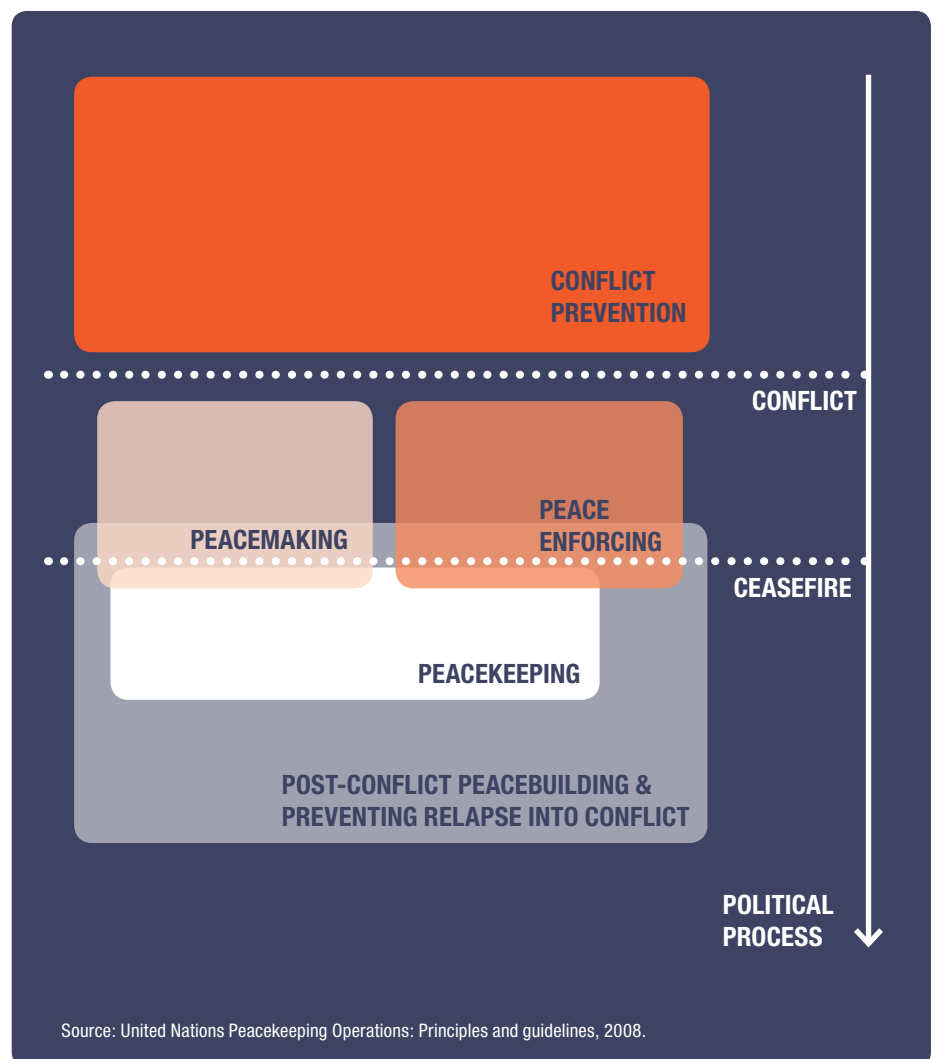
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In addition, we look to the UN to develop guidance on the nature of the corruption challenge in peacekeeping environments, and to develop suitable training for SRSGs, their staff and peacekeeping forces, so that they are better equipped to address this issue. We hope that this report will provide a basis for developing such guidance and training so that SRSG's and their Missions can be held properly accountable in real time.

Finally, despite some recent improvement, we believe it is essential that the UN significantly strengthens its monitoring, oversight and whistle-blowing arrangements, both at UN headquarters and in the field. Senior management responsibilities should be clearly spelled out and appropriate expert support provided.

**FIGURE 2 | ROLES OF A PEACEKEEPING OPERATION**





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**This report is designed to stimulate concrete action to address the corruption risks confronting peacekeeping.**



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# Corruption & conflict

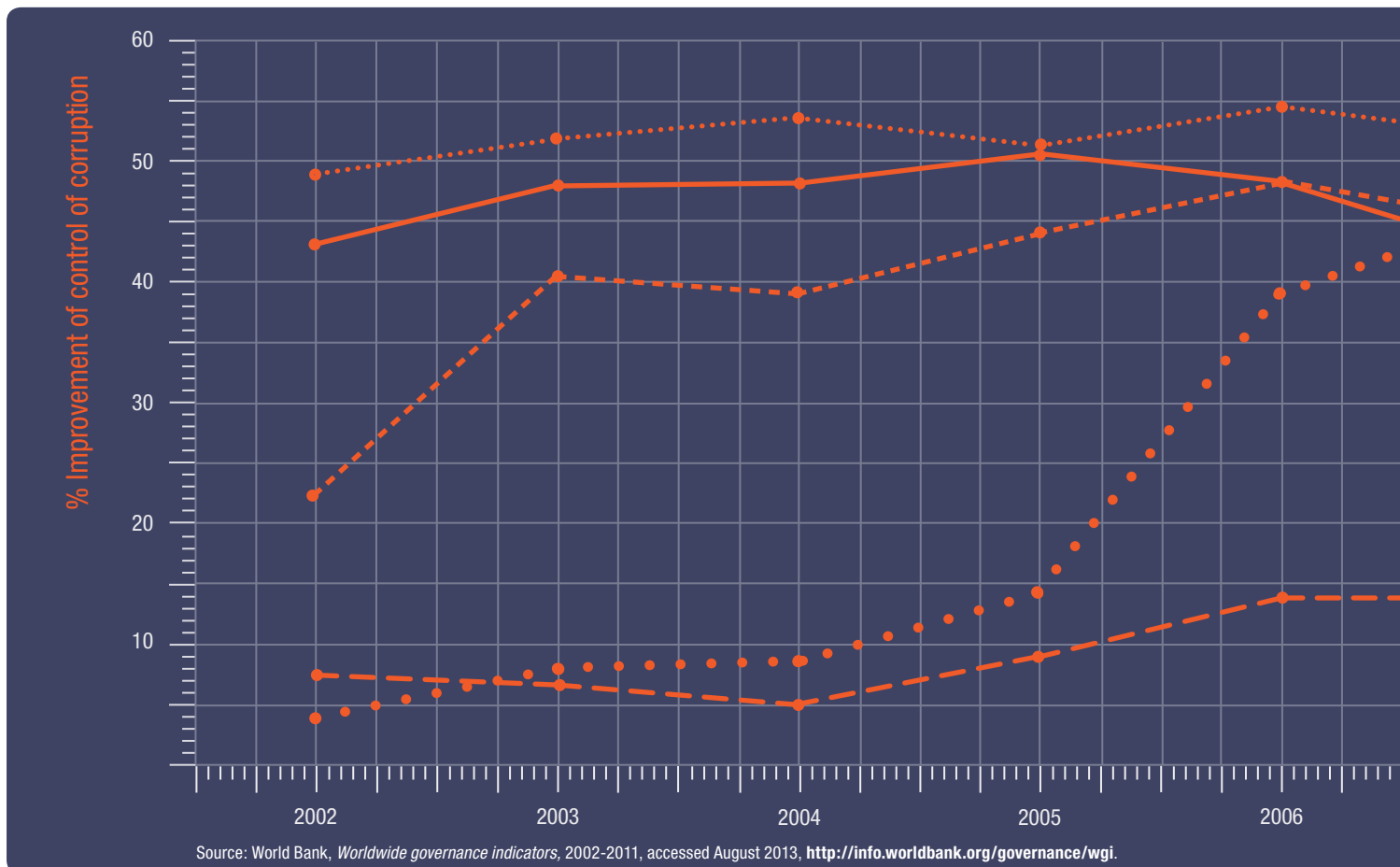
Corruption and conflict will always be linked. Corruption is often a major cause of conflict, it is an almost inevitable consequence of it, and it can become a reason for continuation of conflict so as to continue to provide benefits for the protagonists.<sup>7</sup>

Conflicts that begin for ideological, economic or political reasons can often be taken over by individual interests.<sup>8</sup> It is all too easy for a respectable cause to become tainted by the theft and political manipulation of state resources. Grievances based on economic issues can easily be rooted in corruption, which was much of the fuel for the Arab Spring and other environments such as Iraq and South Sudan.<sup>9 10 11</sup> Conflict often causes institutions to deteriorate and it becomes easier for security forces trying to hold a situation together to behave with impunity.

Prolonged conflict also gives pro-criminal and other anti-government groups greater freedom of manoeuvre. Groups not already exploiting lawlessness for their own financial gain can become corrupted, either through their own abuse of authority, or by collusion with increasingly organised criminal elements, both within the country concerned and transnationally.<sup>12</sup>

These entanglements lead to major dilemmas for negotiators, policy-makers and peacekeeping missions. These situations would generally be less complicated if, despite the difficulties, corruption were addressed from the outset and its effects pre-empted as early as possible.

FIGURE 3 | IMPROVEMENT IN CONTROL OF CORRUPTION FOR POST-CONFLICT COUNTRIES



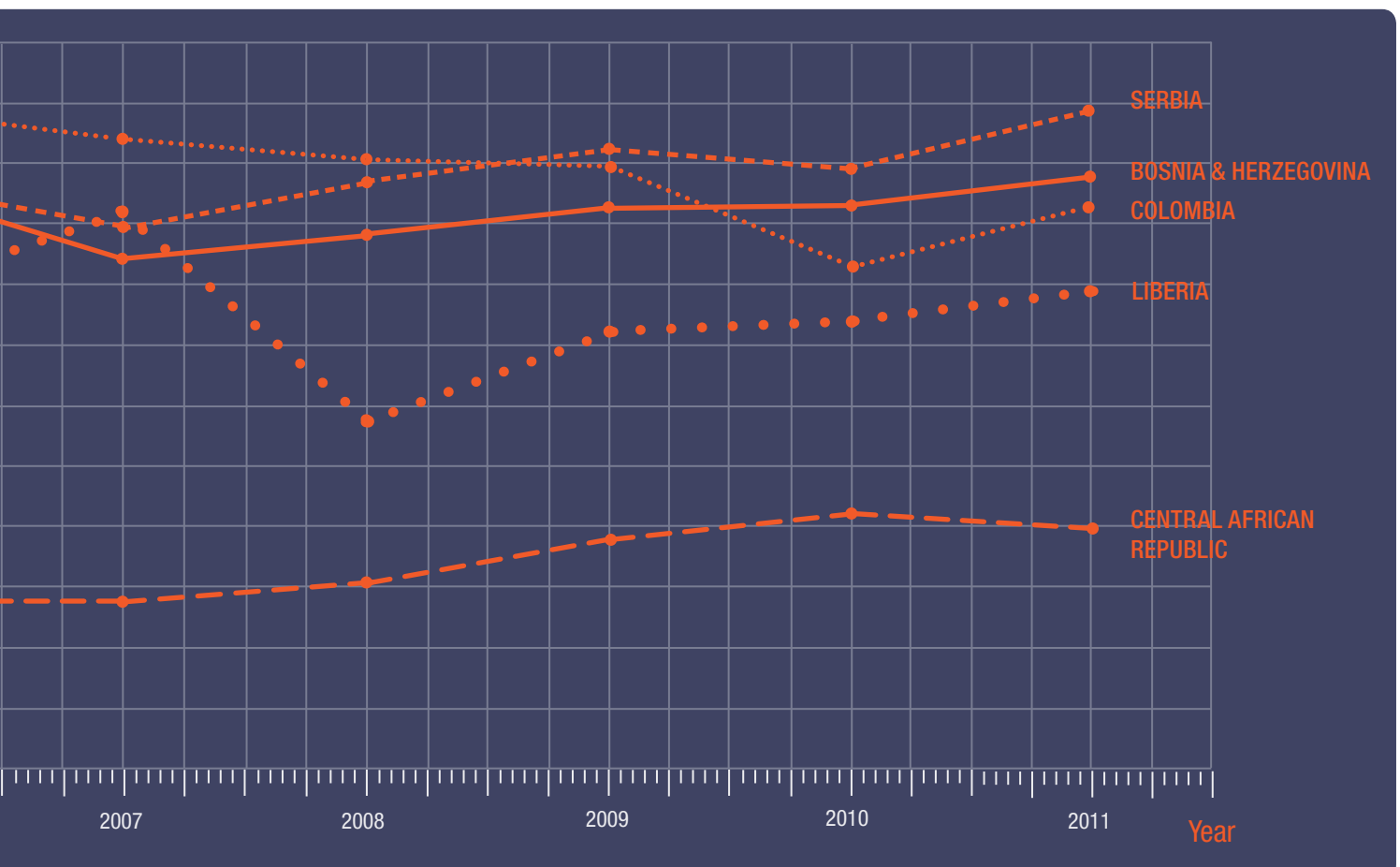
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In the process of negotiating a settlement to a conflict there will be arguments for turning a blind eye—at least temporarily—to certain corrupt practices in the interests of securing a broader deal (e.g. smuggling within the states of the Former Yugoslavia as part of the Dayton Agreement on Bosnia & Herzegovina).<sup>13</sup> This may be done in the full knowledge that it could lead to trouble later on which may prove difficult to put right, such as deeply embedded organised crime or state capture.

Within this difficult and shifting environment, it is important that negotiators, peacekeepers and those supporting state reconstruction are conscious of and able to address institutional corruption and avoid inadvertently amplifying corrupt practices.<sup>14</sup> They also need to understand the threat corruption can pose to their ability to implement their mandate. This requires local contextual knowledge and sensitive judgments about the institutional and political landscape. Too often the necessary understanding, commitment, expertise and preparation are lacking.

Too often too, and under pressure to achieve results, a delicate and difficult matter like corruption winds up getting painted in large brush strokes and often mis-diagnosed, typically under the heading of ‘governance’. It can be particularly easy to give into the temptation to overlook corruption in the defence and security sectors since the need to re-establish domestic law and order can often be overriding.<sup>15</sup> Tackling these issues requires a robust analytical framework, including a clear understanding of the key corruption risks in countries subject to conflict or with the potential for conflict.

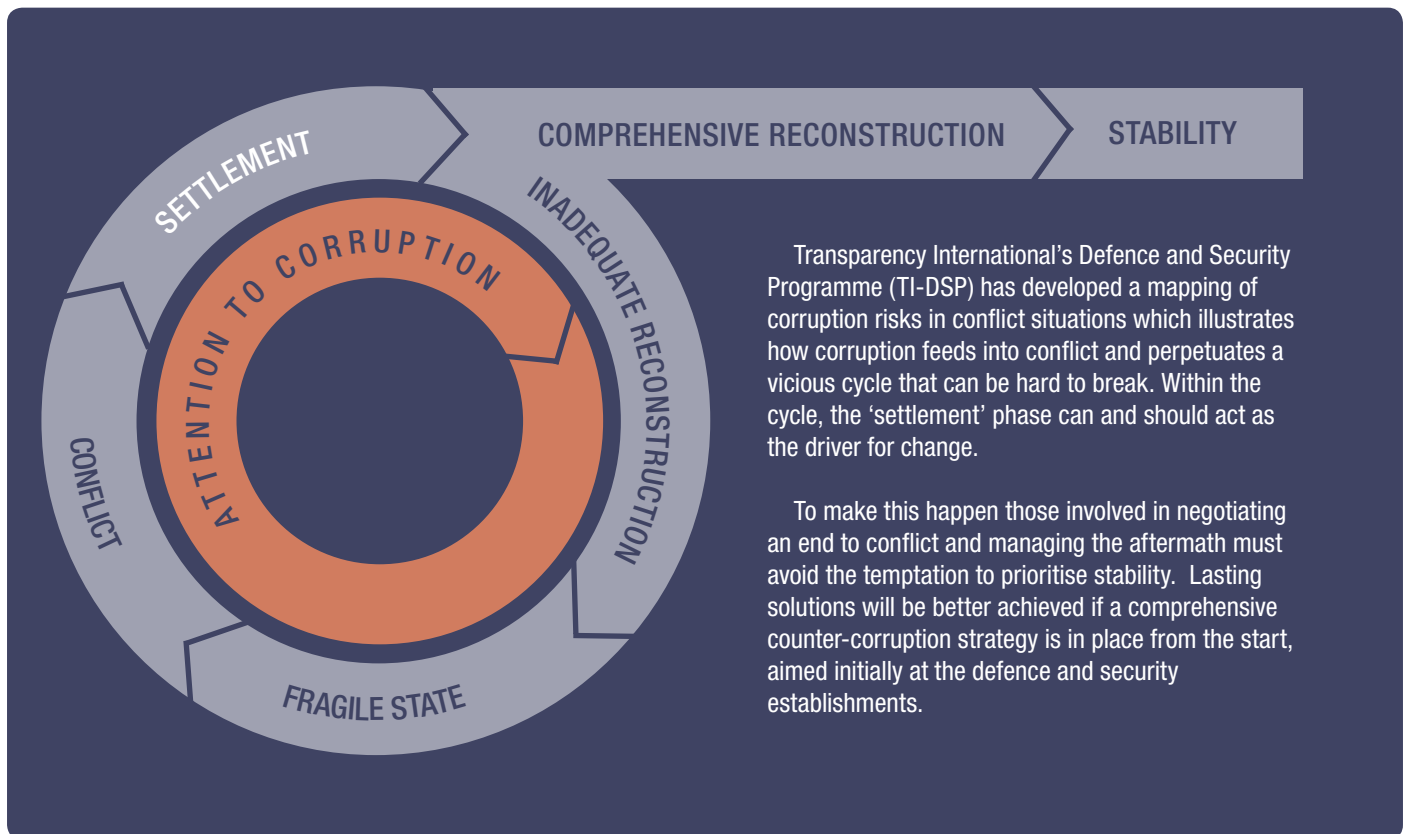
There is evidence that, with the right approach, post-conflict nations can make real progress in fighting corruption. The illustration below shows this for a number of post-conflict countries. Data from the World Bank Institute on the ‘control of corruption’ shows significant improvement over a ten-year period for a number of them. For example, Serbia roughly tripled its scores in the World Bank’s Worldwide Governance Indicators (WGI) ‘Control of Corruption’ metric between 1998 and 2009.



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**FIGURE 4 | BREAKING THE VICIOUS CYCLE OF CORRUPTION & CONFLICT**

The nexus between corruption and conflict, explored in detail in this report, is depicted in the diagram below.



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# Analytical framework

## RISK TYPOLOGY

To identify corruption risks in peacekeeping and peace support missions, this report offers a framework of the different corruption risk areas confronting peacekeeping. This is presented as a 'typology' of the corruption risks that exist from the early planning stage of the mission, through to the operational stage and its withdrawal.

These typologies have proved a useful tool for Transparency International's work in defence and security corruption. We have developed a corruption typology for defence forces that is being used successfully with armed forces and defence ministries in many nations, and a second one for police forces. Bringing together all the risk areas into a single framework provides a powerful overview of the different corruption issues involved. It also means that the very broad issue of 'corruption' can be broken down into specific risks that can be more easily managed. For example, the defence typology was used with the Afghan military and police chiefs to lay out the range of corruption risks faced by the country. The defence typology and the application to Afghanistan are shown in pages 22 and 23.

For peacekeeping, we identify five distinct areas in which corruption is an issue:

**1. Political framework:** The peace settlement and the resulting UN mandate will often be applied in an environment where corruption is endemic and frequently compounded by external interference. The mandate and settlement will thus have a major impact on the way in which corruption develops subsequently. They will set the policy framework for the effort needed to understand corruption in the political context, for the counter-corruption measures needed to fulfill the mandate, and for metrics of

progress. Factors that can increase corruption risk include organised crime, perhaps linked to drugs or a scramble for natural resources; a political leadership that is prepared to put its own self-interest over the national interest; and a lack of accountability and systemic corruption in the police, military and other national institutions.

**2. Mission operations:** Corruption may occur within the mission itself, either as a consequence of the mission presence, or in areas that are the responsibility of contributing nations. The senior leadership of the mission has a particularly important role in addressing these areas of corruption risk. These risks will influence the mission's interaction with national actors and civil society, and affect its approach to the design of post-conflict programmes. Without full awareness of the ways in which corruption can affect the mission's mandate, the mission leadership may risk being seen as condoning corruption or even as being complicit.

Robust guidance and internal systems are needed to address these types of corruption risk. The key principles are to ensure that mission staff:

- Understand that, based on experience of many international interventions, corruption is both a cause and consequence of conflict.
- Take corruption risk into account when conducting assessments, planning programmes and undertaking operations.
- Include building integrity and counter-corruption measures in key programmes such as security sector reform.
- Cultivate a culture of personal accountability and external, real-time oversight.

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- Know how to identify and address corruption and be aware of the consequences of ignoring or delaying action against it.

**3. Troop Contributing Countries:** Troop Contributing Countries (TCCs) and Police Contributing Countries (PCCs) are at the heart of peacekeeping missions. Strengthening their capacity to operate in corrupt environments would greatly improve the effectiveness of peacekeeping operations. There is a range of corruption risks that can affect them, both in relation to personnel and equipment, and in terms of accounting for reimbursement paid to governments under assessed contributions

**4. Central procurement:** Although central UN procurement for peacekeeping may be in a more controlled environment than in the field, it still has its own corruption risks. The case of Alexander Yakovlev, a former UN Procurement Officer who was charged for receiving over USD

1.3 billion in bribes and kickbacks from numerous contractors via the Oil-for-Food Programme in Iraq, illustrates those risks (see Box on page 44). On the plus side, the UN has significantly strengthened central procurement as a result of the Yakovlev experience. The Procurement Task Force recommended and implemented many of those changes.

**5. Oversight:** Inadequate whistle-blower protection and investigations or politically motivated oversight can seriously undermine measures put in place to reduce corruption risk within an operation.

Developing a robust version of this typology should be an important early step in UN action to develop guidance on corruption risk in peacekeeping. Meanwhile, the version opposite should be sufficient to serve as a basis for consideration of different corruption risks peacekeepers have faced over the last decade.

In the next sections, the individual risks are discussed in more detail.

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**FIGURE 5 | PEACEKEEPING CORRUPTION RISKS TYPOLOGY**

<b>28 Peacekeeping corruption risks</b>		
<b>POLITICAL FRAMEWORK</b>	<b>MISSION OPERATIONS</b>	<b>OVERSIGHT</b>
Mandate	Bribery	Central oversight
Settlement	Theft	Field oversight
Mission planning	Trust funds	Whistle-blowing
Conduction of operations in a corrupt environment	Natural resource exploitation	Investigations
<b>TROOP CONTRIBUTING COUNTRIES</b>	Field procurement	<b>CENTRAL PROCUREMENT</b>
Selection of troops & police	Sexual exploitation & abuse	Single sourcing
TCC/PCC reimbursement	Exploitation of local staff	Agents/brokers
Mission subsistence allowance	Withdrawal of mission	Vendor selection
Skimming of salaries	Asset disposal	Collusive bidders
Contingent owned equipment	Central procurement	Information broking

FIGURE 6 | DEFENCE CORRUPTION RISKS TYPOLOGY

## 29 Defence Corruption Risks

POLITICAL	PERSONNEL	PROCUREMENT
Defence and 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	



FIGURE 7 | DEFENCE CORRUPTION RISKS IN AFGHANISTAN

RULE OF LAW/ GOVERNANCE	SECURITY	CONTRACTS	SMALL BRIBES
Corrupt senior appointments; officials' abuse of power	Lack of transparency of security spending	No transparency of contracts	Overly complex daily processes; bribes needed
Lack of punishment of corrupt senior officials	Salary theft (e.g. ghost soldiers, police)	Non-delivery/ poor quality of outcome, especially construction	Extraction of money by militias & at checkpoints
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		
Lack of spending of aid flows	Inadequate border controls		
Corrupt management of national assets (e.g. mining, land, licenses)			

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# Political framework: Mandates & settlements

## INTRODUCTION

This section examines the stages of a mandate's development and implementation. It highlights the corruption risks involved and outlines measures designed to address those risks.

The growing complexities of contemporary peacekeeping have resulted in a proliferation of mandated tasks, but this has not always been matched by the resources and expertise needed to implement those tasks effectively. In a 2009 review of these challenges<sup>16</sup> the Department of Peacekeeping Operations (DPKO) and the Department of Field Support (DFS) emphasised the importance of 'clear and achievable mandates' as 'the foundation of an effective mission strategy', echoing the point made in the Brahimi report a decade earlier. Attempts are being made to enhance the capability to implement new and complex tasks, such as protection of civilians. Nevertheless, the focus of these efforts tends to be on addressing physical shortfalls in capability rather than policy requirements.

Frequently a compromise has been reached with a mission's mandated tasks being qualified 'within its capabilities and its areas of deployment'. Such devices may provide an answer in some short-term circumstances, but they are not an answer for the longer term. A mandate that calls for a mission to support security sector reform but fails to address issues of endemic corruption within the mission area will be challenged from the outset. There is a need to promote a better understanding within the Security Council and elsewhere of the importance of thinking globally about the long-term implications of the mandate and giving clear direction for their implementation.

Experience suggests that settlements designed at an early stage with state-building and 'clean' institutions as primary goals are more durable than those where corruption is put to one side. A good example of this is the experience in Liberia.

Agreements with detailed and explicit anti-corruption provisions negotiated into them stand a better chance of long-term success and sustainability. Counter-corruption considerations need to be factored into the negotiating process and the design of international missions on the basis of a clear understanding of the extent of corruption and how—as well as through whom—it operates. Experience in Afghanistan and the DRC, for example, shows that both the reality and perception of extreme corruption can directly threaten the success of an international mission. In Afghanistan, the depth of this threat is now fully recognised by the International Security Assistance Force (ISAF) leadership, though it took almost ten years for this point to become widely accepted.

The Arusha Agreement, signed in 2000 to end the civil war in Burundi, provides a practical illustration of the importance of counter-corruption considerations in securing a durable settlement. The agreement outlined a wide range of explicit and detailed anti-corruption principles targeted at many sectors of society including public administration, health, justice and the economy. International donor assistance helped fund anti-corruption programmes and build capacity to fight corruption. The Agreement's relative success in delivering 'clean' institutions and services is largely attributable to the fact that reform measures were targeted from the Office of the President of Burundi down to the grassroots of society.

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The growing complexities of contemporary peacekeeping have resulted in a proliferation of mandated tasks, but this has not always been matched by the resources and expertise needed to implement those tasks effectively. Photo credit: UN Photo/Marie Frechon

It is instructive to compare the Arusha process with developments in other countries in the region. A recent study by Bertram Spector, President of the Center for Negotiation Analysis,<sup>17</sup> found that—on average—countries that had integrity provisions negotiated into peace settlements experienced a clear increase in controlling corruption compared to those that did not.

There is real potential in finding ways to harness the force of public opinion in peace negotiations. A good example is Colombia, where public weariness with endemic corruption—especially in the defence and security establishments—was a major political factor in changing the approach towards the Revolutionary Armed Forces of Colombia (FARC) and the drug cartels. The government was able to utilise public antagonism against the traffickers to gain a popular mandate to root out the corrupt elements.

One of the practical problems in working with corruption is that it does not respect functional or organisational divisions. It is an issue both at the highest level of political strategy and at the front-line of peacekeeping. The key point is that, for the reasons set out earlier in this paper, efforts to counter corruption need to become 'mainstreamed' into the policy/planning/operations frameworks that peacekeepers use.

#### **CURRENT UN GUIDANCE**

The UN currently has no clear general guidance on corruption as an issue in its Missions and its operations. Decision No. 2006/47 of the Secretary General's Policy Committee on the rule of law in the context of conflict and post-conflict settings includes anti-corruption activity among a number of sectors that need to be addressed. Security Council resolutions on Burundi, Somalia and Afghanistan also refer to the need to address corruption risk.

But DPKO's 2010 Defence Sector Reform Policy paper makes no mention of corruption, nor does the 2009 New Horizons Paper or the successor to Policy Committee Decision 2006/47, Decision 2012/13. The same applies to other papers dealing with Justice and Corrections in UN Peacekeeping operations and to the Secretary-General's 2009 Report on Peacebuilding in the Immediate Aftermath of Conflict. A clearer and more systematic policy framework would be of considerable benefit.

#### **STAGE I: BEFORE AN INTERNATIONAL MANDATE**

Before an international mandate and the appointment of a negotiating team are put in place, the main players are likely to be a mandating international organisation (UN, EU, NATO, AU, etc.), governments with a particular interest in resolving the conflict, or a combination of both. At this stage the key requirement is to collect background information to the conflict and the region by understanding its history, how this may have contributed to the onset of violence, and which potential mediating parties could be co-opted into a proposed peace process. With regard to corruption, three elements are crucial in completing this strategic assessment:

- 1. Knowledge of key personalities:** An appreciation of the key personalities within the state, the region and at an international level is crucial in designing a negotiating strategy and establishing an anti-corruption approach. This will help map shared interests and present an opportunity to form an alliance around mutual objectives. Key personalities can be either domestic or international, but in both cases they should encompass not just the main political and security actors, but a larger spectrum from both spheres including religious and cultural leaders, and any significant diaspora that can aid in the implementation of a settlement.

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### 2. Analysis of the political economy:

Political economy analysis focuses on the distribution of power and resources in different contexts. In particular it emphasises the incentives, structures, personalities, and institutions that ultimately support or undermine change in order to ensure a more realistic expectation of what can be achieved. Such an evaluation should include information on how existing institutions are run, structured and owned; how the government extracts income from these establishments and from the economy as a whole; and who it co-opts to do so. Supplemented by an analysis of licit and illicit financial flows into and out of the country, such a study is crucial to the design of a long-term and sustainable settlement.

### 3. Tools for mapping licit and illicit resource flows:

Various assessment models have been developed that can help examine societal structures, identify weak points in existing institutions, and determine the disruptive impact of strategically placed corrupt individuals and structures. In their study on political settlements, Thomas Parks and William Cole identify and plot the political constellation of elite groups and analyse the relative strengths of existing institutions in post-conflict societies.<sup>18</sup> Similarly, Tobias Debiel and Ulf Terlinden<sup>19</sup> map relevant actors in fragile states by distinguishing between three types: reformers, preservers, and spoilers. While reformers tend to be the drivers of socio-economic and political transformation; preservers are more often than not the group oriented towards *status quo* due to their current levels of power and influence

over the ruling elite. Spoilers include those whose power and status is closely linked to maintaining the existing political balance, whether they are in or out of power. Their risk needs to be managed.

The World Bank's Poverty and Social Impact Analysis (PSIA) and Problem-driven Governance and Political Economy (PGPE) framework are designed to facilitate understanding of local political economies. These two tools seek to help analysts and practitioners understand the role of politics in society, the factors that can help shape the political process, and the incentives that can act as drivers for change.

There is as yet no set of standardised tools that can readily be adapted to the needs of a conflict negotiator. Self-evidently, a baseline political analysis is necessary to inform the design of a settlement. Annex 1 gives an overview of some of the guidance tools available.

Experience in Afghanistan suggests that an analysis of licit and illicit financial flows in and out of the affected state can help the international community identify the main actors, provide information on channels being used to divert funds, and identify the key drivers of conflict. In the case of Afghanistan these have included drugs, land, power, and influence amongst others. Very often, this information exists, but a lack of coordination and communication amongst the major players, especially with regards to illicit financial flows, means that it is rarely circulated to those who need it. National crime agencies, the civil and military intelligence services, agencies in neighbouring nations, and authorities in the international banking system all have large, but usually isolated, stores of highly relevant information.

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A number of models have been used for studying financial flows, including those advanced by international institutions such as the World Bank and the OECD, and private research institutions such as Global Financial Integrity.

It is important that the UN and other international actors begin to examine the impact of outside intervention on corruption levels, with the ultimate objective of minimising any adverse footprint. Security, economic, and development-related expenditures all need to be included as well as the UN's own operational spend. It will be important to identify where the international community and negotiating team can help, whom it can co-opt and whom it should confront, and areas it needs to avoid—including potential accusations of obvious vested interests. The UN could make a major contribution by developing the capacity to do this analysis, perhaps as a project undertaken with the help of outside expertise.

### STAGE II: ADOPTION OF THE MANDATE

The information acquired in Stage I of the process will be critical in the subsequent design of an international mandate both to end the immediate conflict and to generate a long-term and sustainable solution. The main players at this stage are likely to be the mandating international organisation, the Member States who approve or significantly contribute to the mandate, and collaborating international bodies which may be delivering part of a UN Mandate, such as the African Union or the European Union. The scope of the mandate will be crucial in establishing the requirements of the toolkit. It will directly influence the appointment of key negotiator(s) and other mission-critical personalities such as a Special Representative or military commander; and the requirements needed for a successful outcome.



It is important that the UN and other international actors begin to examine the impact of outside intervention on corruption levels, with the ultimate objective of minimising any adverse footprint. Photo credit: UN Photo/Olivier Chassot

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In terms of countering corruption, it is important to assure that appropriate anti-corruption objectives are built into the mandate early on. These are likely to centre on the following:

- Marginalising corrupt individuals and practices that have the potential to prolong conflict.
- Minimising any adverse impact from international intervention.
- Cleaning up corrupt institutions as part of a long-term settlement.
- Establishing strict contracting guidelines should the need to use private security personnel or contractors arise—as it has in both Iraq and Afghanistan. It is essential for such guidelines to be based on transparency and accountability.
- Periodic monitoring and evaluation, implemented effectively and transparently.

These counter-corruption objectives will directly impact on the design of the mission structure in two major respects. First, appropriate counter-corruption and procurement training should be made available to mission personnel likely to be engaged in supporting the mission or developing programmes. Second, the Special Representative's core decision-making team should include staff with appropriate counter-corruption expertise. These people can be sourced from civil society groups and international organisations, both of whom are able to provide a pool of appropriately trained and qualified personnel. At this stage, it may also be useful to include a counter-corruption task force in the mission to input to rule of law, development, and industrial policy.

Experience in Afghanistan has shown that establishing an institution like *Shafafiyat*—an ISAF agency in Kabul focused on counter corruption activity—is extremely important. The effectiveness of such a body will be influenced by when in the process it is set up, where it stands in the hierarchy, its technical strength, numbers, and overall capacity, and what investigative and prosecutorial powers it enjoys. If given an appropriately high priority, it can send a strong and powerful message from the outset.

### **STAGE III: NEGOTIATING PHASE (PRE-SETTLEMENT)**

The focus at this stage will inevitably shift to the senior conflict negotiator and his or her team. In order to achieve a successful outcome, the negotiating team must be fully clear about the tools and levers available to them. The background information gathered at steps I and II—including a working knowledge of the protagonists and their interests, supplemented by the power conferred by the mandate—can be an important lever to drive through the necessary reforms. The negotiating team must also be in a position to harness public opinion against corrupt officials and push through the necessary reforms.

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The team will have a wide variety of sources from which it can seek advice, including potential implementation partners such as the World Bank, and international law enforcement agencies such as Interpol. Key regional governments that enjoy the trust and confidence of the affected state or have a historic locus and relevant NGOs can also play a part.

There is real potential in the force of public opinion and finding ways to harness this in the negotiations. A good example of this is the case of Colombia and the FARC mentioned at the beginning of this section.

Past experience has shown that a gradual process works best. It would be unusual for counter-corruption measures to be decisive or immediate in bringing a conflict to an end. So a key judgment will have to be made on the areas and institutions in most urgent need of reform. This judgment will in turn inevitably influence the focus and direction of the settlement negotiations.

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### STAGE IV: IMPLEMENTATION PHASE (POST-SETTLEMENT)

At this stage, the main players will be the international organisation(s) implementing the settlement, the Special Representative and his or her staff, key local stakeholders, and foreign governments and organisations with an important stake in the outcome. The agreements reached at stage III will provide the basis for this phase, but a number of other key enablers are important for success. First, the mission should have the support of the local population. Co-option and partnership building can be useful tools in attracting this support. Second, the international mission must ensure that it has sufficient local representation and input in addressing the key areas identified in the mandate. Experience in Afghanistan shows that local stakeholders can play an important role in bridging the cultural and political gap that often exists between the mandating countries and the affected states. Third, the Special Representative should seek out interlocutors who are sympathetic to the aims of the mission and can help take them forward. He or she will also need to build capacity and institutionalise progress, so that the sustainable and clean institutions can survive once the international community withdraws.

One over-arching element should be a strategic implementation plan. Depending on the actors involved in the negotiations, the implementation plan itself may need international approval. However, the task can be eased by subcontracting certain responsibilities to organisations that specialise in key strands of activity such as security, rule of law, development, economic investment, and if need be counter-narcotics.

Experience in Afghanistan and Iraq has shown that since many post-conflict countries lack institution-building expertise; a crucial role that the international community can play is to engage international organisations in the affected state to address this shortcoming. The United Nations or the Organisation for Security and Cooperation in Europe (OSCE) could provide expertise in police and rule of law, for instance. Similarly, NATO or the African Union, depending on the geography of the conflict, can provide additional leverage and defence and security expertise in the short-term, and the tools to develop their local capacity in the long run. Counter-corruption expertise can be provided by civil society organisations such as Transparency International or international organisations such as the United Nations Office on Drugs and Crime (UNODC) and the World Bank.

A crucial need is a coordination mechanism that allows the Special Representative and his or her team to maintain effective real-time oversight and control, whilst balancing the legitimate input of the local government with the autonomy of the contributing organisations.

Political economy reporting, mapping of financial flows, and opinion polls are some of the other tools through which such oversight can be maintained. This capacity should be established within the representative's team with the tacit understanding that it should draw upon outside expertise and take into account the view of civil society organisations. A candid assessment of both how well the government is performing and of public views of those in power can help the Special Representative understand the performance of the central government and what reforms it can realistically be expected to undertake.





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Understanding of financial flows can map the health of the economy, reduce the likelihood of illicit flows into the country, and lessen the corrupt diversion of funds. It would be beneficial for the mission to coordinate with multilateral organisations and donor countries to plan, attract and regulate foreign investment and ensure that appropriate tools are developed for their proper application.

International organisations such as the World Bank and the UNODC can also help by determining key economic, political and social indicators. For instance, in Afghanistan the UNODC started the Afghanistan Opium Survey to ascertain the true value of the opium market, and understand why its cultivation was so popular despite countless international and national measures aimed at eradicating the practice. The World Bank's World Development Indicators also allow a comprehensive study of a country's people, economy, and environment, whilst providing a mechanism to assess its success in achieving the United Nations Millennium Development Goals (MDG).

Counter-corruption efforts should be integrated fully into the implementation plan and should be present in all the crosscutting support mechanisms listed above. It is likely to be good practice to include a national anti-corruption commission into the implementation plan, provided there is confidence that such a commission can operate effectively. Mapping tools to assist reporting of corruption trends will be of particular relevance and importance. TI-DSP's conflict typology, which highlights major defence and security corruption risks in conflict environments, should provide negotiators with an appreciation of the challenges they are most likely to face.

**Crucially, the Special Representative should consider provisions to allow NGOs to monitor government performance, and indeed that of the UN itself, in order to promote greater transparency.**

Whilst monitoring in the initial stages may need to rely on international NGOs such as Transparency International or Global Witness, local capacity building and involvement should be encouraged at an early stage. Similarly, anti-corruption training of peacekeeping forces and others in the mission—including in how to discuss the issue with local authorities—is an important prerequisite for success. This could be similar to the pre-deployment training on corruption that was rolled out by NATO for ISAF in Afghanistan. Without such training, peacekeepers are at risk of exposing themselves to corruption, or being seen to inadvertently condone it.



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### UN AND NATO STATUS OF MISSION AGREEMENTS

There are model Status of Forces/ Mission Agreements ('SOFA', 'SOMA') for both the UN and NATO.

The UN Model—SOFA—does not explicitly mention corruption. Item b/ Section 15/ Article IV talks about preventing abuse of commissaries and sale/resale of free-duty imported goods. In addition, Sec 31/ Article VI states that:

*'the Special Representative/ Commander shall co-operate with the Government ... in ensuring the observance of the customs and fiscal laws and regulations of [host country territory] by the members of the United Nations Peacekeeping Operation...'*

The Agreement goes on to detail the privileges and rights peacekeeping forces enjoy, some of which could be open to abuse.

NATO's Model—SOFA—also lacks explicit mention of corruption. Section 1/ Article XII states that:

*'the customs or fiscal authorities of the receiving State may, as a condition of the grant of any customs or fiscal exemption or concession provided for in [the] Agreement, require such conditions to be observed as they may deem necessary to prevent abuse.'*

Several sections under Article VII of the NATO Model SOFA provide sending states with jurisdiction over members of foreign forces in their territories for civil, criminal and security offences.

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The UN currently has no clear guidance on corruption as an issue in its missions and its operations.

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# Troop & police contributing countries

Troop contributing countries (TCCs) and police contributing countries (PCCs) are at the heart of all peacekeeping missions. Their role and status varies according to the organisation sponsoring the mission, but is of particular relevance in UN missions. It is important that they are subject to effective real-time oversight.

## SELECTION OF TROOPS AND POLICE

Selection of qualified, well-trained troops and police is of central importance to the success of the mission and its reputation for integrity. Contingents whose personnel become engaged in corruption will quickly undermine their own credibility and—by extension—that of the mission itself, not least if it is mandated to conduct reconstruction tasks. Corruption that reduces the physical capability of contingents is equally damaging, as it often means contingents are unable to carry out their responsibilities to the full. This puts both personnel and the mandate at unnecessary risk. A recent case of a police contributor to the UN Mission in Darfur (UNAMID) illustrates the problem well: the contingent was deployed with sub-standard armoured personnel carriers and logistics as a result of corrupt domestic procurement. It is essential that TCCs/PCCs shoulder their responsibility to deploy contingents that live up to the highest standards of integrity and are properly prepared and equipped to meet the requirements of the peace support operation. Unfortunately the absence of clear guidance and training means that the UN can be faced with the dilemma of TCCs/PCCs who may not be aware of the threat posed by corruption and who may inadvertently make the situation worse.

Corruption risks in selection of individual TCC's and PCC's personnel can exist for three main reasons:

1. A lack of effective quality control by the sponsoring organisation over the personnel it receives. NATO's unit certification process is one way of ensuring minimum military standards and the UN has made moves in this direction. However a perennial shortage of contributors and capabilities increases the difficulty of applying standards rigorously. Few other international organisations have similar systems, and historically TCC's and PCC's have resisted certification standards.
2. The selection process within individual Member States often lacks transparency. Of the major UN troop contributing countries surveyed in this report, only one—Canada—has made its selection and training procedures for peacekeeping transparent.<sup>20</sup>
3. Many TCC's to UN and other Peace Support Operations (PSOs) have a relatively high level of domestic corruption, as measured by a number of international indices.

Given the limited amount of research into this area, it is not possible to make a clear judgment on the extent to which corruption pervades systems of recruitment. But given the anecdotal evidence from various missions, it would be wrong to ignore the issue. If personnel have gained their position in a peacekeeping contingent by corrupt methods, there is a high chance they will have a greater predisposition to indulge in corrupt practices during operations. There is also a higher risk they may not be qualified for the job that they are filling—there are many examples of people who have been deployed without being able to meet the requirements of the job to which they have been assigned.

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Becoming a UN peacekeeper can present a significant financial opportunity, particularly for those from low-income countries. So the processes of selection and appointment may be prone to corruption risk. OIOS has recognised the potential for corrupt practices in troop selection during an investigation into other matters when it became clear that an officer had taken bribes as a member of a selection panel prior to contingent deployment.<sup>21</sup>

There have been numerous media allegations suggesting corrupt practices of selection are common in certain TCCs.<sup>22 23</sup> Such practices can take several forms. Kwesi Aning<sup>24</sup> noted a number of mechanisms in certain police forces and armed services, concluding that “from all indications, some level of corruption frequently occurs in the selection process of officers”. There have also been cases of entire units paying bribes to officers to enhance their chances of being selected for peacekeeping duties.

Corrupt practices can continue after the selection process. Once peacekeepers are in the field, they can be reluctant to leave. It is alleged that 35 national police personnel on UN missions paid substantial bribes to officials back home to have their contracts on UN missions extended.<sup>25</sup>

The selection of peacekeepers is quite properly a matter both for the UN and for TCCs and PCCs. However, little systematic attempt has been made to define standards for selection processes designed to increase transparency and reduce corruption risk. The establishment of a Director for Strategic Peacekeeping Partnerships has real potential to reduce these risks by providing oversight of the selection process and monitoring and reporting on the effectiveness of military and police elements. But it is important that the mandate of the new role is robust and independent, that effective sanctions are available to it, and that it operates transparently with published reports of both audits and investigations.



Contingents whose personnel become engaged in corruption will quickly undermine their own credibility and, by extension, that of the mission itself. Corruption that reduces the physical capability of contingents is equally damaging, as it often means contingents are unable to carry out their responsibilities to the full. Photo credit: UN Photo/Martine Perret

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### TCC/PCC REIMBURSEMENT

The incentive to gain a place on a UN Peacekeeping Mission is magnified by two potential financial gains: TCC reimbursement from the UN and the Mission Subsistence Allowance. Reimbursement is paid by the UN directly to TCC governments at a fixed rate in return for the services of their contingents and is intended to cover the cost of providing troops. However, once it is received from the UN, governments are free to use the funds as they see fit.

The extent to which the personnel involved in deployment receive the payment varies considerably between states. Some countries, such as the United Kingdom, do not transfer any of the contingent reimbursement to troops as their troops already receive a standard annual wage. In other countries, the issue is less well defined. There have been a number of cases where reimbursements have been kept by central government treasuries, with funds being taken from these sums by senior politicians: one example concerns an ongoing scandal in the Philippine national army, where peacekeepers have been continuously denied funds.<sup>26</sup>

A decision by the UN to introduce requirements for greater transparency and accountability over the use of reimbursements could greatly reduce corruption risk, although this might be resisted by many TCC's/PCC's. Making them available online would be a good start.

### MISSION SUBSISTENCE ALLOWANCE (MSA)

UN MSA is a daily allowance payable by the Organisation to meet staff members' living expenses in connection with their temporary assignment in the field. It is offered to all civilian, police, and military observers. The rate of MSA varies according to the location of the mission, but is often a relatively high supplementary source of revenue, particularly for those from lower income countries. An OIOS audit of Mission Subsistence Allowance procedures found that there was no clear policy or set of procedures for monitoring the process.

It also found there was a failure to ensure that MSA rates were reasonable 'with the actual subsistence costs in the various mission areas and with the daily subsistence allowance set by the International Civil Service Commission in the same areas'.<sup>27</sup> The introduction of such monitoring procedures would again reduce the potential for corruption.

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A decision by the UN to introduce requirements for greater transparency and accountability over the use of reimbursements could greatly reduce corruption risk, although this might be resisted by many TCC's/PCC's. Photo credit: UN Photo/Martine Perret

### CONTINGENT OWNED EQUIPMENT

Military equipment and supplies for UN Peacekeeping Missions are acquired in three main ways:

1. **UN Owned Equipment (UNOE):** This is supplied, repaired and maintained by the UN. The equipment remains the property of the UN, returning to it when the contingent leaves the mission area or when the mission is liquidated.
2. **'Contingent Owned Equipment' (COE):** This is supplied under a Memorandum of Understanding with the TCC/PCC. Reimbursement is at a rate specified in the COE manual, which is reviewed every 5 years. Rates vary depending on whether the equipment is under wet-lease in which case the TCC/PCC is responsible for repair and maintenance (including sourcing all spare parts and consumables) or dry-lease, where the UN is responsible for repair and maintenance.

There is a system of inspection in peacekeeping missions to try to ensure that TCCs and PCCs provide what is in the MOU and keep it serviceable. Yet it rarely examines whether a particular piece of equipment is still relevant to the needs of the mission. This may result in heavy armoured vehicles or military engineering plant, which are only essential at the outset of a mission, remaining in the mission area (and being paid for) when they are no longer needed because operational requirements have changed.

3. **Letter of Assist (LOA):** The LOA is a contract used to acquire military equipment that is not covered by the UN COE manual and for which no standard specifications or reimbursement rates exist. All military helicopters for UN Peacekeeping operations are covered by LOA, as were vessels that made up the UNIFIL Naval Contingent. Each LOA is individually negotiated although there are greater levels of standardisation as they become more commonly used.

There have been accusations that LOA were used to circumvent competition but this is not the case. Invariably, the offer of the complex military equipment was made by the TCC, accepted by the Force Generation Service at the DPKO, and then the LOA was negotiated. In the vast majority of cases competition was not possible as there was a single offer of equipment. This does, of course, give the TCC a strong hand in LOA negotiations, in particular when setting reimbursement rates.

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Negotiation can suffer from a lack of transparency and competitive bidding processes. The nature of TCC COE procurement prevents a fully open bidding process as a decision on who supplies equipment is inevitably related to the country contributing troops.

The process is also characterised by a lack of transparency in relation to certain specific equipment. COE standard rates of reimbursement apply to all equipment and supplies provided by TCCs,<sup>28</sup> apart from aircraft and naval vessels, which due to the special nature,.....type, quantity and performance will be stipulated separately in Letters of Assist [LOA].<sup>29</sup> Smaller and newer contributing countries can also be disadvantaged in the negotiation process.<sup>30</sup>

One instance concerned a LOA with the Peruvian Military for a helicopter to be sent to the UNTAET Mission in East Timor, despite the Mission having no use for such equipment. The cost for this equipment was paid into a Swiss bank account.<sup>31</sup> OIOS concluded that the Department of Field Support (DFS) may have been overcharged by as much as USD 8 million for the helicopter, and that there was evidence of bid rigging.

Maintenance of equipment and judgments on the value of reimbursements due can also suffer from the poor systems of control, record keeping and oversight in UN procurement.<sup>32</sup> OIOS has found justification for expenses on COE inadequate, a significant example being a claim for reimbursements of USD 2.6 million filed for painting and repainting of equipment.<sup>33</sup> Here again, the introduction of better and more transparent systems of oversight would greatly reduce corruption risk.

A further risk—though not strictly one of corruption—is faced when a TCC may bring equipment knowing that is not required, but expecting to get reimbursements regardless.



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## Mission operations

Peacekeeping missions are at the sharp end of corruption risk. Corruption can affect them both in terms of the strategic implementation of their mandate and at an operational level. The risks include the following:

### BRIBERY

There have been numerous instances of bribery reported in peacekeeping missions. Many examples exist in the risk areas described in other sections of this report: procurement, human resource management, and recruitment. However, bribery of mission staff is a risk that merits considerable attention.

Bribery is a serious corruption risk in peace support operations because these operations have to achieve positive results in environments with weak oversight and accountability structures. The large influx of resources that comes with most international interventions increases the risk of bribery. The prospect of large procurement contracts in situations where commercial opportunity has been restricted by conflict puts mission staff in an exposed position when deciding on the allocation of contracts. There are major opportunities for the offering or soliciting of bribes for favourable consideration in bidding processes and in the recruitment of local staff.

In a UN context there have been numerous allegations substantiated by the OIOS of officials receiving and soliciting bribes. One of the missions where allegations have been most prevalent has been UNMIK in Kosovo (See the Wasserstrom case study on page 50).

### THEFT

Many cases of theft from within peacekeeping missions involve saleable commodities, particularly food and fuel. In a UN context, fuel management has been a particular area of concern for OIOS investigators, with several cases of large-scale theft by local and/or UN staff, and collusion with nationals to sell the goods to local markets. Due to inadequate supervision and poor record keeping by contingents, fuel mismanagement, theft and fraud has been found across a number of UN Peacekeeping Missions including UNOCI (Ivory Coast)<sup>34</sup>, UNTAET (East Timor)<sup>35</sup>, and MONUSCO (DRC)<sup>36</sup>.

The diversion and subsequent sale to local civilians of food, fuel and medical supplies provided to troop and police contingents has been a consistent feature of many peacekeeping missions. In one case, it led to the repatriation of a whole military contingent. The UN has recognised this as an area of risk and has designed systems to combat it. However, such systems require resources to implement effectively, which are not yet considered to be of high priority in the early stages of a mission. The same may also be true of processes for the management of the UN Peacekeeping central disbursement facility in Brindisi.

Inadequate record keeping and guidelines have also been cited several times by OIOS investigators as the cause for theft of food rations. In an audit of MONUC in the DRC, OIOS found that many contingent food officers were unclear about reporting requirements. It also found that, perhaps deliberately, only one member of staff from the Central Rations Unit had been assigned to visit a total of 66 contingents spread across the country and assess that rations were adequately safeguarded. There was a lack of effort on the part of the Office of the Force Commander, the Office of the Police Commissioner and the Special Investigations Unit to investigate the sale of rations to local markets.<sup>37</sup>

## TRUST FUNDS

Peace support operations necessarily involve large transfers of resources in order to mobilise and sustain them. Such transfers have their own risks. A good example of potential risk lies in 'Trust Funds' of UN Peacekeeping Missions. These are intended to finance extra-budgetary activities which, in the case of DPKO, are generally administered locally. In 2003, the Department of Political Affairs and DPKO handled a total of 31 trust funds with a combined balance of USD 170 million. DPKO directly managed seven trust funds worth almost USD 2 million, and peacekeeping missions 11 trust funds worth USD 110 million. An OIOS survey of the mission trust funds managed by peacekeeping missions found that there were no formal procedures or guidance in place for personnel administering the funds.<sup>38</sup>

The potential corruption risk in loosely administered trust funds is illustrated by a case involving UNMIK in Kosovo. In 2004, Germany and Italy contributed EUR 1.7 million into a trust fund for quick impact projects in the Pec and Mitrovica areas but instead of being deposited into the UNMIK Trust Fund, regional administrators requested that funds be paid into their accounts. An OIOS Investigation found that the regional administrator of the PEC region had bypassed normal review and approval methods and thus created gaps in accountability.<sup>39</sup>

The control and oversight of trust funds needs to be tightened up and made more consistent across missions.

## NATURAL RESOURCE EXPLOITATION

In many areas where peace support operations deploy, there are large natural resource deposits. Indeed natural resources may be a key driver of conflict.<sup>40</sup> In a post-conflict environment with limited infrastructure and monitoring, natural reserves can become an easily looted resource. International peacekeepers can be well placed to prevent and deter such abuse within the limitations of the mission mandate.

There have been a number of alleged examples of peacekeepers being involved in the illegal extraction and sale of natural resources. In 2000, peacekeepers in Sierra Leone were alleged to be smuggling diamonds.<sup>41</sup> More recently, peacekeepers from MONUC were found to have facilitated the attempted export of illegally mined unwrought gold.<sup>42</sup>

More effective ways to deal with this risk are needed. These could include:

- better awareness/ training at all levels in a mission, supported by clear policy and direction
- improved mechanisms for reporting suspected issues to the mission leadership, including expanded whistle-blower protection
- stronger oversight and accountability (including through OIOS, amongst others)
- speedy and effective action to deal with alleged cases of corruption

Other options would be for the UN to consider the need for the host State to agree to international protection of major mining sites, other verifiable means of securing production sites, and close collaboration with the Extractive Industries Transparency Initiative (EITI).

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### FIELD PROCUREMENT

In all UN peace support operations procurement from the field is done by the Director of Mission Support or the Chief of Mission Support. Although the process is covered by general procurement guidelines, the risks of corruption can often differ because of the circumstances of operations in difficult conditions.

Offices of mission support are often built from little or no previous organisational infrastructure.<sup>43</sup> Though mission-planning documents exist, the speed with which missions are set up raises a number of risks for procurement. One important aspect is the lack of local knowledge, which should be addressed in the process of defining and preparing for the mission (as addressed in the previous chapter). Although preliminary mission support teams are sent out before the mission for this purpose, their effectiveness can be limited. The existence of start-up equipment packages deployed from the UN depot in Brindisi has not resolved the issue of procurement risk, given that the Mission Support Team may be too small or possess insufficient expertise.

A number of examples illustrate corruption risk in field procurement. The lack of proper guidelines and verification of procedures are important gaps in managing risk. These have increased the difficulties under which procurement staff have to operate: proper vetting of potential vendors is difficult, banking systems and/or historical records may not exist, vendors have no access to the Internet, and kickbacks for the award of work are considered to be normal.

A good example of these difficulties is illustrated by a case in Bosnia & Herzegovina, where the former Chief of the Traffic and Travel Unit of UNMIBH initiated deals with a local travel agent and an airline employee to submit fraudulent invoices for excess baggage charges. One local staff member created a company and used his position in the procurement process to award business to his company, as well as colluding with another firm to rig the competitive procurement process by submitting forged quotations from other bidders. These criminal actions resulted in a loss of approximately USD 800,000 to the UN.<sup>44</sup>

Between February and June 2007, the UN's Procurement Task Force (PTF) received 18 complaints about procurement contracts in MONUC worth at least USD 25 million. During their investigations, the PTF found that companies were required to pay sums of money to five MONUC staff in order to secure contracts.<sup>45</sup> This continued despite complaints from UN staff, and it became widespread knowledge in Kinshasa that this was a common practice for local procurement. The PTF labeled the episode as a collapse of ethics within the mission, caused by managerial impunity, lack of sufficient training, and little rotation of staff.<sup>46</sup> Many of the problems could have been prevented with proper training and more professional oversight.

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The lack of proper guidelines and verification of procedures are important gaps in managing risk. These have increased the difficulties under which procurement staff have to operate: proper vetting of potential vendors is difficult; banking systems may not exist; there are unlikely to be historical records; vendors have no access to the Internet; and kickbacks for the award of work are considered to be normal. Photo credit: UN Photo/Martine Perret

## SEXUAL EXPLOITATION AND ABUSE

Sexual exploitation and abuse (SEA)<sup>47</sup> by UN Peacekeepers has been of major international concern since scandals first erupted in 2000. No UN mission has gone without accusations of SEA.

The experience of dealing with SEA illustrates the damage that can be inflicted on a mission and on the UN as a whole when mechanisms to address potential threats are not factored into planning, and are only considered once the problem has occurred. There is an obvious parallel with the potential consequences of ignoring corruption.

The subject is not addressed further in this report, as significant measures have been taken to try to correct the problem since the Zeid report in 2005.<sup>48</sup>

## EXPLOITATION OF LOCAL STAFF

Management of the recruitment and payment of local staff is a significant risk area in peace support missions. In a UN context, OIOS reports have documented a number of cases of abuse of authority. Discrimination against local staff employed in the UN mission was seen in the UN mission in Kosovo, with many staff paying 'kickbacks' to secure employment.<sup>49</sup> OIOS has also found that two members of the Formed Police Unit in MINUSTAH extorted money from daily-paid workers, using threats and physical abuse, and thereafter paid bribes to the staff member to ensure the continuation of the illegitimate scheme.<sup>50</sup>

## WITHDRAWAL FROM A MISSION

The withdrawal phase of an operation raises a number of specific corruption risks. There are important implications for subsequent international involvement, for example in institution building. DPKO's internal policy on UN transitions in the context of mission drawdown or withdrawal lists five key principles to be applied to transition scenarios,<sup>51</sup> but there is no explicit mention of corruption and the policy emphasises that UN transitions are highly political processes.

There is a real danger of the peacekeeping force stimulating or perpetuating corruption if its assets are not disposed of properly. After completing its mission objectives, the peacekeeping force must ensure that any sale of assets to local organisations are done in a way that avoids empowering corrupt individuals and setting precedents that would only sustain corruption. This could mean conducting verification checks to ensure unscrupulous individuals and organisations do not gain possession of military equipment.

In general terms, the more planning that can be done for withdrawal the better, provided the planning process does not compromise the success of the mission. In Afghanistan, for example, planning to reconfigure and withdraw the international military presence has been conducted over two years and is part of a careful process of handing over responsibility for security to the Afghan authorities. Unfortunately, many peace support operations have not had that luxury and some have been the victims of an abrupt termination of their Mandates.

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### MISSION LIQUIDATION AND ASSET DISPOSAL

Mission liquidation is a clear area of risk. A series of OIOS reports containing audits of the liquidation of the MINURCAT Mission in the Central African Republic and Chad have criticised a lack of effective and timely planning. One month into the liquidation period, important tasks such as closing of local bank accounts and reviewing receivables and payables were yet to be completed: less than two per cent of the USD 3.9 million in recorded receivables had been reviewed, and no review had been done of payables totaling USD 4.2 million.

The UN liquidation and asset disposal manuals state three methods by which assets are commonly disposed of during (and after) the withdrawal of a Mission. If equipment is considered to be in good enough shape to be used again and is cost-effective to transfer, it will be moved to another UN Mission, the central UN facility in Brindisi or perhaps one of the new regional logistics hubs, such as Entebbe in Uganda. If equipment is considered usable but it is not cost effective to transfer, it can be sold or donated to the host nation, other international organisations, or local bodies. Finally, assets can be 'written-off' if they are considered unusable, non-transferrable, damaged beyond repair, or are irrecoverable.

The greatest corruption risk identified by this report in this area relates to the second method of disposal: where assets are sold or transferred to third parties within the mission area. According to UN liquidation and asset disposal manuals, assets of a peacekeeping mission that are not cost-effective to transfer elsewhere can be sold or donated locally. In this situation, there are

two particular areas of corruption risk: the transfer and sale of assets to local governments and other organisations, and 'spot-sales' of assets. The UN 'Liquidation Manual'<sup>52</sup> requires full asset disposal plans to be drawn up to account for the sale or transfer of assets to governments and others. The guidance allowing 'spot sales' of assets valued at less than USD 4000 to be exempted from full compliance with UN procurement guidelines, such as the production of solicitation documents, risks encouraging the under valuation of assets.

### ECONOMIC IMPACT AND LOCAL PROCUREMENT

Much has been written about the local economic impact of UN Missions. There is no doubt that the economic footprint of a peacekeeping mission is large, but its effect is complex and depends on the local financial decision making of the mission. This can be determined by factors ranging from structure, procurement, and recruitment, to how peacekeepers spend their Mission Subsistence Allowance (MSA).<sup>53</sup>

One of the negative impacts of peacekeeping missions cited most often is the inflationary pressures brought upon the local economy by the arrival of the peacekeeping mission. However, such pressures are complicated to disentangle. Many missions have been able to construct supply routes that avoid damaging inflationary effects on local markets. In the case of East Timor, inflation of around 140 per cent was recorded during 1999. However, inflation appears to have resulted not from the arrival of coalition forces, but largely from local factors such as the disruption of supply associated with the conflict, and from the removal of government price subsidies on staple consumer items after the popular consultation of August 1999.

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The first elements of UNTAET arrived only in November and the mission took several more months to ramp up to its operating level. As the Mission upsized dramatically in 2000, inflation in the country was actually low.

In addition, the extent to which changes in prices are due to distortion of supply chains as a result of conflict is unclear.<sup>54</sup> The way in which mission spending affects the local economy also varies considerably between missions: evidence from Carnahan, Durch and Gilmore<sup>55</sup> shows that percentages of Mission spending that ended up in the local economy was as different as 27 per cent in Kosovo's UNMIK and 2.4 per cent in Sierra Leone's UNAMSIL, for example.

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# Corruption risks in UN central procurement

Corruption within the procurement process inevitably attracts attention and the cases that occurred in the period between 2000 and 2007 raised the profile of the issue (see box below on the Yakovlev case). Using the Procurement Task Force's (PTF) figures, it is estimated that corrupt procurement accounted for about two per cent of the overall UN Peacekeeping budget during that period and, subsequently, mechanisms were put in place to monitor the process.

This has had two effects. First, it has undoubtedly reduced the opportunities for corruption in procurement. The downside is that it is making staff at all levels much more risk-averse and, in turn, this has slowed the ability of the UN to undertake procurement activity. DPKO and DFS ability to mount new peacekeeping operations or to respond to changing operational circumstances has been hampered.

An example of this was the non-competitive award of a contract to PAE, a US private company, to construct camps in Darfur in 2007. This contract attracted much investigation and criticism and was portrayed by some as corruption. However, it was only by the use of such a contract that accommodation was provided in a timely manner for the rapidly expanding mission in Darfur. The attributes of any procurement exercise are that it should be good, quick and cheap. Unfortunately, it is rarely possible to achieve more than two of these three attributes in any urgent procurement exercise.

The principal procurement risks in peacekeeping are vendor influence, vendor selection and information broking (which involves illegally giving or selling valuable tender information or tender progress information to other vendors).

## THE YAKOVLEV CASE

In August 2008, Alexander Yakovlev, a former Procurement Officer at the United Nations, was charged and convicted by the United States' Federal Prosecutor for criminal offences in connection with the Oil-for-Food scandal. The Oil-for-Food Programme was set up by the UN to relieve the citizens of Iraq of the hardships of sanctions imposed on Iraq in 1990. The USD 64 billion programme enabled Iraq to export oil in exchange for food, medicines and other basic humanitarian goods and services for its citizens. The United Nations Independent Inquiry Committee established that between the years 2000 and 2005, Mr. Yakovlev had received over USD 1.3 million in bribes and kickbacks from numerous contractors who worked with the United Nations through the Oil-for-Food Programme.



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# UN oversight & whistle-blowing

Oversight is an essential part of all financial control and investigation systems. Corruption is always difficult to investigate so central oversight is doubly important in this area. Some international organisations have made major progress, whilst others have not. The World Bank is an example of an institution that was criticised heavily in the 1980s and 1990s for having poor central oversight. Since then it has greatly strengthened its oversight and control processes, to the point now where many observers view it as having one of the more robust systems worldwide. Although there have been moves over the past decade to strengthen the investigations function within the United Nations system,<sup>56</sup> this function is not yet as well developed as it should be. Recent trends point to fragmentation rather than the development of a rigorous or centrally administered system.

## OFFICE OF INTERNAL OVERSIGHT SERVICES

In many ways the UN relies on the Office of Internal Oversight Services (OIOS) to be its eyes and ears in terms of spotting corruption risk and investigating cases of wrong-doing. Self-evidently, it is vital that OIOS is able to conduct both functions effectively.

However, both insiders and outsiders have expressed concerns about OIOS's capacity. These include worries that OIOS does not have the necessary financial and political independence to perform its tasks fully, as it depends on the General Assembly for funding, and on the UN Secretary General's office for selecting its staff members. Over the last few years, there has been a debate about both the balance of OIOS resources between peacekeeping and other elements of UN expenditure, and where those resources allocated to peacekeeping should be based. A draft report to the 67<sup>th</sup> Session of the General Assembly (GA)—in response to a pilot project requested by the GA three years earlier—recommends that the most effective utilisation of OIOS resources would be to increase its presence in key missions and receive support by regional centres of investigation.

The restructuring of the OIOS Investigation Division (particularly as it relates to peacekeeping operations) has now been largely approved and a proposal to make audits publicly available online was approved in March 2013. These moves are welcome and it is to be hoped they will result in more effective and transparent investigations. However, there is anecdotal evidence of difficulty in securing the necessary positions, and a number of departments—including DPKO—are considering establishing their own cadre of investigators. The intention seems to be for OIOS to train these investigators at least in part, but they are unlikely to end up with the experience of fully qualified OIOS personnel. More seriously, there is a risk that the investigators' will be distributed only to their parent department, with little wider information sharing or transparency.

While any increase in investigatory capacity is in principle to be welcomed, it is essential that those involved are properly qualified, bench-marked by outsiders, and that their reports are openly published. *Prima facie*, there is a strong case for concentrating an enhanced UN investigative capacity in OIOS, rather than dispersing resources to 'front line' departments, as this may result in duplicate efforts and compromise the independence of the process.

Experience has shown that when OIOS conducts investigations, the output often remains confidential. Under UN regulations, none of the individual investigations of the Procurement Task Force (PTF)—set up as part of the OIOS between 2006 and 2008—have been made publicly available, other than courtesy of Wikileaks. Only summary reports on the annual activities of the PTF's are publicly available, despite the General Assembly's decision that all OIOS reports should be public.

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### THE ETHICS OFFICE & WHISTLE-BLOWING

The UN's 'Protection against retaliation policy' was developed in 2005 as part of a package of internal reforms to encourage UN staff members in the reporting of fraud, corruption, waste of resources, and other serious forms of misconduct within the Organisation. The policy was developed in consultation with external stakeholders such as the Government Accountability Project (GAP). However, staff concerns still exist regarding the effectiveness of both the policy and the reporting of serious misconduct at a broader level.

One concern is that the overwhelming majority of reports of misconduct submitted to the Ethics Office have not involved serious misconduct harmful to the Organisation, but rather allegations of inappropriate conduct directed at the complainant from within their management chain. On this basis, the current policy is being overwhelmingly used as a staff grievance mechanism on work performance matters—which ought to be the preserve of the UN Ombudsman—rather than fulfilling its purpose of facilitating reports of serious misconduct that may cause severe damage to the UN's effectiveness and reputation. The UN Ethics Office has recently engaged an external expert to conduct a review of the 'Protection against retaliation policy' and develop proposals to encourage the reporting of serious misconduct, enhance whistle-blower protection, and improve interventions to prevent retaliation from occurring. It is anticipated that the review will be completed by the summer of 2013, and a report to be presented to the General Assembly later that year.

Until very recently, it has been difficult for staff to speak out about corruption within the UN. Only one retaliation complaint made by a whistle-blower to the UN Ethics Office has been upheld, and the whistle-blower concerned received protection in the form of an office transfer in 2012.<sup>57</sup>

Although a recent ruling in the Wasserstrom case by the UN Dispute Tribunal is seen as an important precedent in protecting whistle-blowers within the UN,

### THE PROCUREMENT TASK FORCE (PTF)

The PTF was set up in 2006 initially to investigate allegations of corruption in the Oil-for-Food scandal in 2003. The PTF's mandate following this probe was to cover the previous 5 years of ongoing and closed OIOS investigations. However, according to former U.S. District Attorney Robert Appleton, the PTF faced significant challenges to their work from those unhappy about the prospect of full investigations from the very beginning of the process.

Those committed to the work of the Procurement Task Force pushed for an extension of the PTF's work beyond the initially mandated two years. However, support was not forthcoming. Robert Appleton is of the opinion that the PTF was a victim of its own success: it identified 15 corrupt schemes involving UN contracts worth USD 630 million, contributed to the removal of 32 companies from the approved list of UN vendors, identified 15 staff for criminal offences, and a further 27 for internal UN misconduct. Because of the PTF's success in investigating senior officials, diplomats and contracts in the jurisdiction of certain Member States, the task force was subject to retaliation and criticism from the Member States implicated, according to Appleton. Once the PTF was dissolved, the employment of former personnel proved particularly sparing. Before the PTF was dissolved, Russia put forward a UN resolution to bar any former PTF staff from further employment in the UN for three years.

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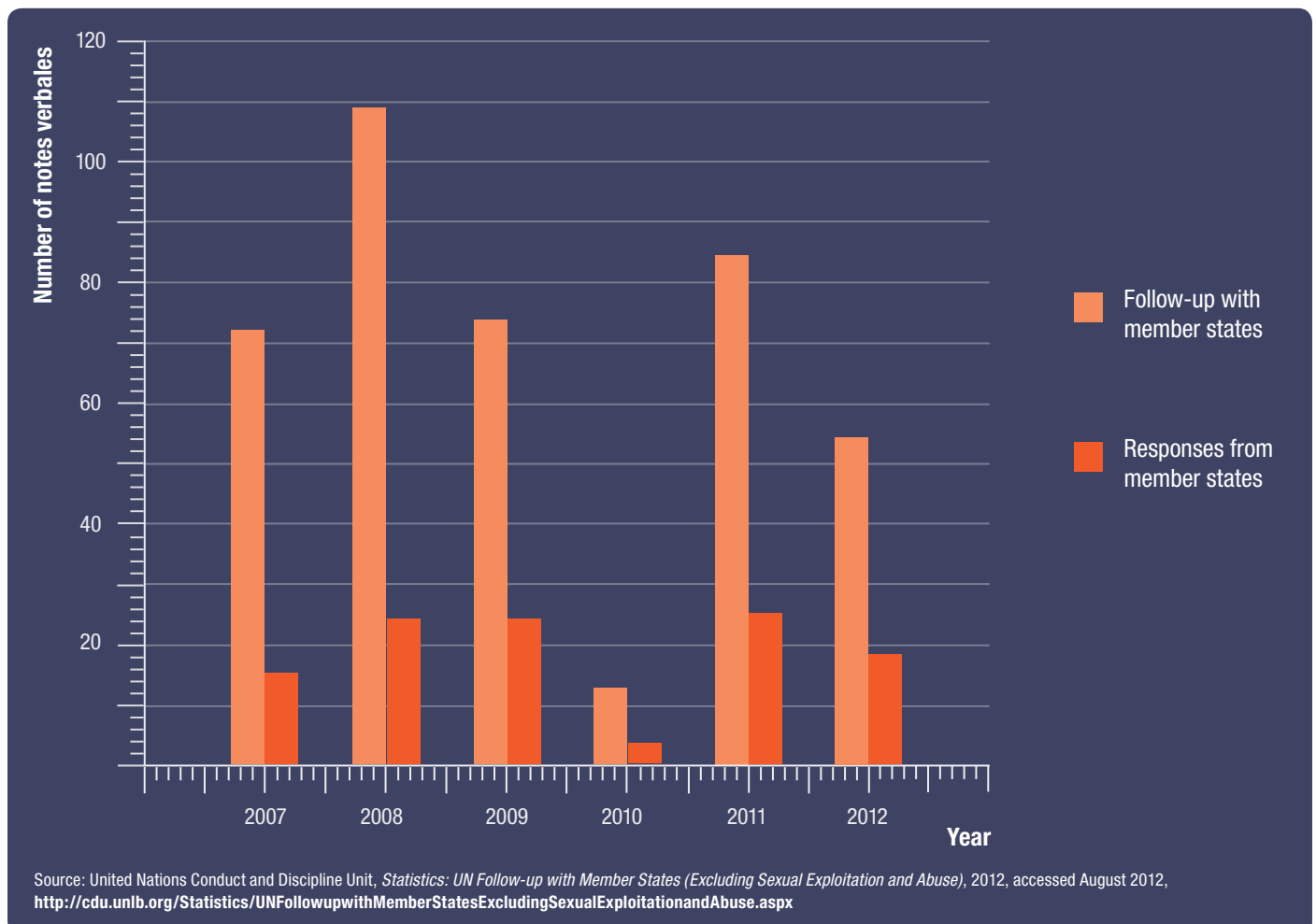
concerns still exist over efforts to limit access to UN internal justice.<sup>58</sup> Recent reforms appear to have fragmented whistle-blower policies, effectively creating *ad hoc*, underfunded and understaffed specialised ethics offices for several different areas with weakened policies<sup>59</sup> and gaps in coverage. A report by the Secretary General on the Administration of Justice has proposed that UN statute be changed so that “determination by the Ethics Office on retaliation should not be the subject to challenge before the Dispute Tribunal”.<sup>60</sup>

### OVERSIGHT OF PERSONNEL MISCONDUCT

Experience shows that misconduct of personnel in UN Peacekeeping operations is

a major problem. However, the UN’s ability to tackle misconduct is limited due to a lack of disciplinary jurisdiction over military and police contingents supplied by Member States. The UN as an organisation has no legal authority to bring forward legal cases due to acts of misconduct. Individuals can be referred to their national jurisdiction for investigation, but many of these referrals either go without investigation or there is a lack of transparency with regard to any action that is taken: the chart in figure 6 shows the low level of responses by Member States to Secretariat requests regarding follow-up on referred allegations of misconduct. This self-evidently increases corruption risk across missions.

**FIGURE 6 | FOLLOW UP AND RESPONSES WITH MEMBER STATES ON ALLEGATIONS OF MISCONDUCT**



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### THE WASSERSTROM CASE

James Wasserstrom was investigating corrupt practices at UNMIK, the UN mission in Kosovo. When he raised concerns about corruption in the senior ranks of the mission, particularly for taking kickbacks on electricity procurement contracts in 2007, press reports suggested he faced serious retaliation from within the UN. And he did. Wasserstrom was detained by UN police, had his flat searched, and staff removed from his team.<sup>65</sup> His role in overseeing energy utilities in the mission in Kosovo was effectively sidelined, which forced him out of his job. Wasserstrom took his case to the UN Ethics Office, which, after finding first hand evidence for retaliation and passing findings on to the OIOS, eventually concluded that there had been no retaliation in this case.

Subsequently, in what has been seen as a key case for whistle-blowers at the UN, the UN Dispute Tribunal ruled in favour of Wasserstrom, on the basis of the “Ethics Office’s uncritical acceptance of the [OIOS] Investigation Report”.<sup>66</sup>

In a judgement of relief on 15 March 15 2013,<sup>67</sup> Judge Goolam Meeran said: ‘The Tribunal finds it difficult to envisage a worse case of insensitive, highhanded and arbitrary treatment in breach of the fundamental principles of the Universal Declaration of Human Rights, including arts. 1, 3, 6, 7, 8 and 9. The failures of the Ethics Office to recognize such gross violations calls seriously into question its suitability and effectiveness as a body charged with the duty, as described in its mandate ST/SGB/2005/22 (Ethics Office, establishment and terms of reference), para. 1.2, to assist the Secretary-General in ensuring that all staff members observe and perform their functions consistent with the highest standards of integrity.’

### FIELD OVERSIGHT

There have been a number of examples where poor oversight or management control by those in charge of oversight in the field have resulted in failure to prevent corrupt practices.

In UNMIL, OIOS found that managers had failed to exercise appropriate command and control over their subordinates, which had directly contributed to the sexual exploitation of the local women.<sup>61</sup> OIOS found that the exploitation by members of the MONUC mission was ‘aided by lax security at the military contingent’s camp which facilitated

unauthorized access by members of the local population into and out of the camp’.<sup>62</sup> Despite allegations being brought to the mission commander, nothing was done about them. It was also found that, in relation to the sexual abuse of a nine-year-old boy, the national contingent commander made the offending peacekeeper pay compensation to the child’s mother, local authorities and others instead of reporting the alleged incident to the Head of Mission. In addition to the issue of ineffective control and reporting by commanders, the lack of a credible threat of punishment by TCCs cannot be ignored.

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In another case involving UNMIL, poor management and oversight of procurement meant that tenders exceeding USD 200,000 were not being properly considered 'thereby compromising the integrity and transparency of the evaluation process'.<sup>62</sup> UNMIL had not established adequate criteria for evaluating bids and there were instances where technical evaluation teams recommended specific vendors, contrary to the guidance provided in the United Nations Procurement Manual. These weaknesses were attributed to the lack of training of requisitioners and the absence of proper management oversight by the Procurement Section. UNMIL stated that the Chief Procurement Officer would henceforth sign off on all evaluation criteria and that requisitioners would be appropriately trained.<sup>64</sup>

Within a Mission, the Special Representative of the Secretary General (SRSB) needs to create a culture of accountability and effective monitoring that will impact the entire command chain and help to reduce the risk of corrupt practices. These considerations need to be built into the selection process and into the current Senior Leadership induction programme.

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# Recommendations

There is no 'one-size-fits-all solution' to the problem of corruption in peacekeeping. But we are convinced that a passive approach, in which corruption is seen as simply an inevitable part of the context in which the mission must operate, is insufficient. We believe that many in the UN and peacekeeping words would agree. Ignoring the problem will merely lead to corruption becoming more deeply embedded, increasing the likelihood of a failure of the international effort.

The study suggests a policy framework which the UN could develop and adapt for its own use. This framework consists of a clear statement of UN policy towards recognising corruption, guidance and training requirements, and a more independent and a more professionalised UN oversight capability.

There are seven broad actions the UN and Member States can undertake to prevent corruption in its peacekeeping missions:

- 1. The UN Secretary General should make a strong statement of UN Policy towards recognising corruption.** It should address the need to prevent corruption arising within the mission and from mission operations, and include a call to stop embedding corruption more deeply in the host nation. The UN, through the Secretary General, should make clear the way in which he and the Organisation view corruption in peacekeeping, failing-state and other conflict and post-conflict environments, and how the UN will develop and implement the necessary action and guidance in its various operations.

The UN should initiate a serious and focused discussion on corruption and practical anti-corruption measures. While the Organisation should initiate the debate and be prepared to implement the outcome, it may be that most of the detailed discussion is best conducted outside formal UN structures. This could follow the example of the work facilitated by Liechtenstein on the definition of 'aggression', where moving a difficult debate away from established UN forums produced results.

The development of this statement and accompanying practical guidance could take various forms: from the most high-profile route of a Security Council Resolution, as was the case for mainstreaming gender, through to a Guidance Note of the Secretary General supported by the development of appropriate policy documentation. Clearly this will need the support and approval of Member States as has been the case in addressing other cross-cutting issues such as sexual exploitation and abuse (SEA) or gender.

- 2. In the light of this report Member States should carefully consider how they might contribute to reducing corruption risk in UN operations,** perhaps by stimulating a debate outside formal UN structures, that can assist the development of the policy referred to above.
- 3. The UN should prepare Guidance on how to approach corruption issues in the design of the Settlement and Mission Mandate.**

This guidance should include:

- **Stage I - Before an International Mandate:** Collecting background information to the conflict and the region. It should include analysing the socio-economic impact of outside intervention on corruption levels in order to minimise the adverse footprint.
- **Stage II - Adoption of the Mandate:** Building appropriate anti-corruption objectives into the mandate early on. These should centre on marginalising corrupt individuals and practices, cleaning up corrupt institutions as part of a long-term settlement, establishing strict contracting guidelines for private security personnel and/or contractors, and proper implementation of periodic monitoring and evaluation.
- **Stage III - Negotiating Phase (pre-Settlement):** The negotiating team should be in a position to harness public opinion against corrupt officials and push through the necessary reforms by applying soft and hard pressure.
- **Stage IV: Implementation Phase (post-Settlement):** One over-arching element should be a strategic implementation plan. Counter-corruption efforts should be integrated fully into the implementation plan and should be present in all crosscutting support mechanisms. Crucially, the Special Representative should consider provisions to allow both international and local NGOs to monitor government

performance, and indeed that of the UN itself, in order to promote greater transparency.

**4. The UN should prepare Guidance for Special Representatives of the Secretary General (SRSGs), their staff and peacekeeping forces** on addressing corruption inside mission operations. Guidance should also address host nation corruption issues and their impacts on the mission. This should include:

- Aiming to build local support to the mission through co-optation and partnership building.
- Developing a strategic implementation plan with built-in counter-corruption instruments at the beginning. A coordination mechanism should also be devised to allow the Special Representative and his or her team to maintain effective oversight, whilst balancing the legitimate input of the local government with the legitimate autonomy of the contributing organisations.
- Including staff with appropriate counter-corruption expertise in the Special Representative's core decision-making team. These people can be sourced from civil society groups and international organisations. It may also be appropriate to include a counter-corruption task force in the international mission to aid in rule of law, development, and industrial policy.
- The Special Representative should also consider provisions to allow NGOs to monitor government and UN behaviour.



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**5. Guidance should be prepared on all areas where there is corruption risk, including:**

- **Selection of Troops and Police:** The establishment of the post of Director, Strategic Peacekeeping Partnerships is a welcome development. However, the mandate of the new role should be robust and independent with effective sanctions available to it.
- **TCC/PCC Reimbursement:** The UN should aim to introduce requirements for greater transparency and accountability in contributing countries over the use of reimbursements.
- **Mission Subsistence Allowance:** The introduction of procedures for monitoring the mission subsistence allowance process would reduce the potential for corruption.
- **Contingent owned equipment:** Better and more transparent systems of oversight should be introduced to reduce corruption risk.
- **Trust Funds:** The control and oversight of trust funds needs to be tightened up and made more consistent across missions.
- **Natural Resource Exploitation:** Improved reporting mechanisms for suspected issues to the mission leadership should be put in place. These should include expanded whistle-blower protection. There is a great need for a stronger regular oversight and taking speedy action in

dealing with alleged cases. Other options would be for the UN to consider the need for the host State to agree to international protection of major mining sites, other verifiable means of securing production sites, and close collaboration with the Extractive Industries Transparency Initiative (EITI), for example.

**6. The UN should establish Counter-Corruption Training Requirements for SRSGs, their staff and peacekeeping forces.**

There is an extensive network of training centres for Peacekeeping and Peace Support Operations.<sup>68</sup> Until recently, however, none of these had conducted specific training on corruption risk, either as a stand-alone topic or in conjunction with related topics.

However, a few such courses have commenced, with TI-DSP and training centres partnering in their delivery. In Africa, anti-corruption modules have been included in a number of peacekeeping courses and there are on-going discussions with several training centres aiming to mainstream building integrity and anti-corruption training in their programmes. TI-DSP is also developing training programmes and tools to counter corruption in cooperation with specific countries for both the military and the police. The team has also been raising awareness of the challenge posed by corruption and the tools available to addressing it through mechanisms such as the annual conference of the International Association of Peacekeeping Training Centres (IAPTC).



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There is an extensive network of training centres for Peacekeeping and Peace Support Operations. Until recently, however, none of these had conducted specific training on corruption risk, either as a stand-alone topic or in conjunction with related topics. Photo credit: UN Photo/Albert Gonzalez Farran

These training courses and modules have evolved from a more general set of anti-corruption training courses for senior officials in defence and security that have been created by TI-DSP over the past five years. A number of nations and training institutes have also developed the capability to run these courses themselves.

The courses have been developed in different formats:

- five day foundation course for Colonel-level defence and security officers and officials
- five day train-the-trainer course for the above
- five day course for non-commissioned officers (NCO)
- modules of varying length, addressing key issues and tailored for insertion into other training programmes
- three day course for prosecutors and investigators in defence and security corruption risk
- one day leadership course for defence and security ministries and for international intervention forces
- pre-deployment training on corruption risk and corruption as a strategic issue in-country for intervention forces
- post-deployment training, learning from experiences of corruption risk, and corruption in-country

At a more senior level, relevant counter-corruption training should be included in the UN Senior Mission Leaders' Course for prospective senior appointees, the Senior Leader Programme run for senior appointees, and as part of the induction programme for newly appointed SRSGs.

### **7. The UN should establish a more independent and professionalised oversight and investigation capability**

Work is underway in a number of areas to improve the UN's oversight and investigation capability. Internal UN bodies such as the Joint Inspection Units, the Office of Internal Oversight Services (OIOS), the Ethics Office, and other Secretariat Departments have been involved in this for a number of years. However, this activity has not resulted in a more independent, transparent, and professional system. Nor has the UN yet fully absorbed the lessons learned by other organisations such as the World Bank. The Secretary-General should commission a strategic review by an outside organisation designed to establish a clear direction of travel and take the best of the progress already made. Civil society organisations and others with a professional interest in counter-corruption work should be asked to contribute to this review.

Following these recommendations should result in more effective peacekeeping missions, and a UN more attuned to mainstreaming corruption as an issue. It would also make the Organisation more accountable to its Member States and to the nations hosting peacekeeping and other conflict-related missions.

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**A passive approach, in which corruption is seen as simply an inevitable part of the context in which the mission must operate, is counter-productive.**

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# Annex: Guidance & tools

There are a number of tools and guidelines that peacekeeping operations can use to benchmark their own conduct, assess the context they are operating in, and inform choices for programmes and projects. Some of the tools and guidelines with an anti-corruption focus are listed below.

## 1. PRINCIPLES FOR OPERATIONS

General guiding principles are important for personnel redeployment training and reminders while on mission. They set a benchmark for personnel behavior and for conducting work in order to minimise corruption risks in complex settings.

### • UNDPKO – Blue Helmet Code of Conduct:

A peacekeeping force should begin with its own guidelines on behaviour. While the Code of Conduct is targeted towards soldiers, the principles should be adapted to civilian and police staff in an operation. While all 10 points of the Code of Conduct address integrity, five in particular address corruption:

*#1: Dress, think, talk, act and behave in a manner befitting the dignity of a disciplined, caring, considerate, mature, respected and trusted soldier, displaying the highest integrity and impartiality. Have pride in your position as a peacekeeper and do not abuse or misuse your authority.*

*#3: Treat the inhabitants of the host country with respect, courtesy and consideration. You are there as a guest to help them and in so doing will be welcomed with admiration: neither solicit or accept any material reward, honor or gift.*

*#4: Do not indulge in immoral acts of sexual, physical or psychological abuse or exploitation of the local population or United Nations staff, especially women and children.*

*#6: Properly care for and account for all United Nations money, vehicles, equipment and property assigned to you and do not trade or barter with them to seek personal benefits.*

*#10: Exercise the utmost discretion in handling confidential information and matters of official business which can put lives into danger or soil the image of the United Nations*

- **OECD – Do No Harm:** This principle and its guidelines were developed with the intention of helping donors and peacebuilding operations in making sure their good intentions minimise unintended consequences and potentially make a fragile situation even worse. The principle covers practical matters, from trying to prevent ‘brain drain’ within a local economy to trying to prevent price inflation. It also covers issues that can be immediately destabilising such as critical self-checks on making sure an intervention does not aggravate grievances between already tense stakeholders.

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### 2. GENERAL GUIDANCE

Conflicts, particularly civil wars, contain complex dynamics. Where corruption is recognised as one of the causes of conflict, it is necessary to analyse corruption in the country-specific context.

A number of international organisations and have begun to acknowledge corruption as a priority issue for any attempts at stabilising fragile states:

- **World Bank – World Development Report 2011: Conflict, Security, and Development:** This report is the World Bank's first comprehensive insight on instability, and corruption is recognised as a 'key stress' that can push already fragile states into conflict. Specifically, corruption destabilises in two ways: by driving grievances, and by weakening institutions that would respond to grievances. The report also emphasises that factors for corruption have to be observed from a nation, regional, and international perspective.
- **UNDP – Strengthening the rule of law in crisis-affected and fragile situations:** UNDP's experience recognises that the dysfunction and collapse of state institutions meant to address the rule of law lead to corruption and escalations of violence. For example, the report acknowledges that a lack of confidence by the public in security services can lead citizens to turn to organised crime for protection.

### 3. MACRO-LEVEL ASSESSMENTS (POLITICAL ECONOMY AND CONFLICT)

These approaches focus on the distribution of power and resources in different contexts at a macro level. In particular, it emphasises the incentives, structures, personalities, and institutions that ultimately support or undermine change in order to ensure a more realistic expectation of what can be achieved. Such an evaluation should include information on how existing institutions are run, structured and owned; how the government extracts income from these establishments and from the economy as a whole; and who it co-opts to do so. The following are examples of available tools:

- **UNDP – Conflict-Related Development Analysis (CDA):** Reviews macro to micro factors of a conflict, emphasising 'structural' issues as opposed to the immediate causes of a conflict. The CDA also assesses all levels of actors' interests in a conflict, from international organisations to local stakeholders. The CDA reviews the different ways findings can be employed, including programme planning, regular monitoring, or early warning. The CDA also takes a development approach to address long-term stabilisation.
- **World Bank – Problem-Driven Governance and Political Economy:** The analytical starting point is addressing the issue as a specific governance problem, as opposed to a whole country or regional context. The analysis then maps the actors, institutions, and structures surrounding the problem to try and understand why it exists.

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While it doesn't necessarily give solutions, the analysis does provide programmers with a greater awareness of the risks involved when developing solutions to a problem.

- DFID – Drivers of Change (DoC):** It analyses the 'agents', 'structural features', and 'institutions' which can enable or hinder change in a country. DoC emphasises the analysis of contextual factors such as the self-interest of individuals and mapping informal institutions which regulate relations. These are important details which help to identify issues beyond actors which are immediately visible. This approach also allows policy and programme planners to critically test assumptions against complex contextual issues.
- DFID – Conflict Assessment (CA):** This analysis is part of an overall planning exercise with three stages: conflict analysis, analysis of responses, and strategies/options. Within the conflict analysis itself, structures, actors, and dynamics are mapped. This judges the motives and capacities of actors, as well as the way they interact with each other both at an individual and at an institutional level. The second and third stages of the assessment force a critical view on what any external engagement may have on a conflict, being sure to bear in mind that 'root causes' are constantly changing. Further, the actual capacity to intervene needs to be taken into account to judge any influence.

#### 4. MAPPING OF INSTITUTIONS

In thinking about power bases and stabilisation, a mapping of state institutions is important. Weaknesses in internal structures, personnel, finance, and human resource management are all elements to be examined for capacity and corruption risk as UN personnel begin to support reform and reconstruction. Non-formal state institutions should also be assessed as they may provide services for large parts of a country after a conflict. Despite sometimes being labelled as 'traditional', this does not negate these systems from corruption risks.

Tools to assess institutions include the following:

- Transparency International - Defence and Police Risk Typologies:** While neither definitive nor exhaustive, the typologies are robust enough to serve as the starting point for most nations. It breaks the generality of defence and security corruption down into five broad headings encompassing different types of corruption. The typologies are a good tool to open the debate within a ministry, department, across defence and security forces, or with civil society. It can identify which issues are relevant and which need to take priority.

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- **UNDP – Capacity Assessment Framework:** The Framework is made up of three dimensions: Points of Entry (enabling environment; organisation; individual); Core Issues (including institutional development, leadership, knowledge and mutual accountability); and Functional Capacities. With the Points of Entry dimension the UNDP recognises that a country's capacity resides on different levels – enabling environment, organisation and individual – and thus needs to be addressed across these levels. For each point of entry, there are functional capacities necessary for the successful creation and management of policies, legislations, strategies and programmes, these technical capacities may need to be assessed as well but there is no predetermined order or scope.
- **World Bank Post-Conflict Needs Assessment (PCNA):** The PCNA generally takes place in the early transition phase from violent conflict to peace. The PCNA approximately covers the Stabilisation/ Transition and the Transformation/ Institution building phases of post-conflict recovery. From an operational perspective the PCNA distinguishes post-conflict situations with 'strong' or 'weak' national capacity. The post-conflict situation of a country affects the process and substance of the PCNA. The PCNA should focus on areas that help stabilise a country and promote successful transition from violent conflict to peace. Typical destabilising factors during a peace process include: weak political institutions;

competition between political/ social groups over control of aid flows; a strong illicit economy. The PCNA should also identify key grievances that could re-ignite conflict and propose actions the national authorities and international community can undertake to mitigate them. The PCNA pays particular attention to the assessment of institutional factors even prior to the main assessment. The methodology of PCNAs is aware that in post-conflict environments the institutional capacities have decayed. An analysis of national institutions and capacity building needs should be mainstreamed across all sectors of the needs assessment.

### MAPPING OF STAKEHOLDERS

In a highly fragmented state which functions on personal networks it is crucial to conduct and maintain an assessment of key power and influence stakeholders in the country. This group usually consists of current political leaders, businessmen who have amassed wealth under the existing administration, and religious and military groups that have enjoyed increased influence and stay under the prevailing political set-up. However, disenfranchised groups should not be overlooked, nor should civil society member. Actors can fall into three categories: Reformers: the drivers of socio-economic and political transformation; Preservers: the group oriented towards the status quo due to their current levels of power and influence over the ruling elite; and Spoilers: those whose power and status is closely linked to maintaining the existing political balance and will most actively try to undermine peace and reform efforts.

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Most stakeholder analysis templates follow a similar pattern. Individuals and groups who have been identified can be further categorised in relation to anti-corruption or peacekeeping programmes based on their power and interest in the programme. The following is a general framework to help map actors:

### 5. FINANCIAL FLOWS ANALYSIS

Financial flows are both domestic and international, as well as licit and illicit. How money is flowing and who is channelling can reveal vulnerabilities to corruption, as well as evidence of corruption. For instance, how the government extracts income from business and from the economy as a whole; and who it co-opts to do so is a key piece of information for analysing state budgets and paths for post-conflict recovery. Financial flows leaving the country and landing in secret offshore accounts are an enormous problem for recovery. Not only is this robbing the state of vital resources, but the ease with which it can unfortunately be done acts as a disincentive for state elites to want to invest efforts into improving their own countries. In a worst case scenario funds are being funneled to accounts run by organised crime, diaspora rebel networks, or terrorist networks. Mapping and addressing financial flows can act as a key tool by the UN and other actors in shutting down a source of grievance that can initiate and perpetuate conflict. It can also help in implementing targeted sanctions.

Agencies that can provide data include national crime agencies, the civil and military intelligence services, agencies in neighboring nations, and authorities in the international banking system all have large, but usually isolated, stores of highly relevant information.

In order to recover stolen assets, the Stolen Asset Recovery Initiative (STAR), established by the World Bank and UNODC, provides the Asset Recovery Handbook. The Handbook provides guidelines for practitioners to follow and adapt to their own context (particularly legal systems) including techniques for gathering and analysing financial data, and for handling cases.



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**It is realistic and practical to establish a robust framework that can form the basis of UN policy, practice and guidance on corruption and peacekeeping operations.**





# Additional reports from the Defence and Security Programme

**Watchdogs? The quality of legislative oversight of defence in 82 countries (2013)**, <http://government.defenceindex.org/parliaments>

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