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Labelle, Huguette

Monterey, California, Naval Postgraduate School

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Dudley Knox Library / Naval Postgraduate School
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From foundation to structure: the hardest part

Huguette Labelle

Chair of the Board of Directors, Transparency International

Address to the NATO conference

Building Integrity and Defence Institution Building
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Admiral Quast, Mr Chairman, distinguished guests, ladies and gentlemen,
I am delighted to be here with you today. My organisation, Transparency International, is the leading not-for-profit organisation in the world that is dedicated to fighting corruption. We are passionate about building integrity and addressing corruption risk across the globe. Our objective is to improve living standards and security for ordinary citizens. Work in the Defence and Security sectors is an important part of that process, so I am particularly pleased to be with you today.

I had the honour of speaking to this conference two years ago. At that time, the collaboration between TI and NATO was only eighteen months old but was showing good results, including from work in Bosnia, Ukraine, Norway and Croatia. There is no doubt any longer that this work has immense potential - the progress in countries such as Ukraine, Bulgaria and Afghanistan has shown that. Now, after two years more - with numerous countries participating - we have a different challenge. ***The challenge is to scale up this work from being a great foundation to being part of the mainstream structures of NATO.***

In most walks of life, such transitions are hard to do. Think of taking an innovative design and turning it into an industrially successful product. Think of taking a new venture from the initial idea to venture capital backing. 90% of such transitions fail.

This is the subject of my speech to you today. I want to focus on three aspects of making the transition into a capability that is a mainstream, regular part of NATO structure:

- ***Being successful and being seen to be successful is the first pre-requisite.***
What are the lessons from around the world on being successful in tackling corruption? And how do we best demonstrate the success so far in defence and security?
- ***The second is the need for mainstream resources and mainstream processes*** - building counter corruption capability into regular NATO processes.

- ***And the third is to emphasise and integrate BI's contribution to Afghanistan.*** Afghanistan is at the centre of NATO's concerns, and counter-corruption capability is not just a useful bit of better governance, it is absolutely central to success in your mission. Some people see this, but I believe that most in NATO do not: You must pick up and use BI as part of the transition thinking; and through this BI can grow to maturity and be central to NATO's doctrine.

[Theme 1: Corruption can be tackled successfully]

- People are so often pessimistic about corruption - arguing that it will always be with us, so why bother? We at TI make no apology for constantly raising awareness of corruption as a major problem. Of course it will always be a problem; it is fundamentally about unfair distribution of resources. Human nature being what it is, this is an eternal challenge.
- ***But nations, companies and specific sectors of society can and do succeed in tackling corruption.***
- A wide range of countries has made progress in control of corruption during the last ten years. Let me show you one of only three slides I am going to use in this talk. It plots control of corruption, as measured by the World Bank Governance indicators on a scale from 0 (very poor) to 100 (excellent), from 1998 to 2009, for a wide range of countries. Countries as diverse as Turkey, Ghana and Poland show significant progress over the last decade.
- I am happy to say the same holds true for some of the countries that have experienced major conflict. Using the same data source, this second slide plots the same metric for ten such countries. Look at Serbia, or Georgia, or Colombia, or Rwanda. I am not trying to show you that it is easy, or argue that specific anti-corruption policies drove the difference on their own. And I am making a point by only showing those countries where the metric has improved. I am simply seeking to convince you that progress can and does happen, and that it can happen in tough unpromising environments. This is directly relevant to the situation in Afghanistan.
- Similar progress can be seen in other sectors of society and in the private sector. I don't have time here to talk you through examples, but let me mention two: the global

construction industry, and the oil and extractive sector, where companies and governments have been collaborating together now for fifteen years and there is solid tangible appreciation that progress is being made.

- And this brings me to this conference. We all know that corruption in defence and security is a major issue. The paradigm for a long time has been that defence needs to be shrouded in secrecy: that Defence & Security institutions can make their decisions outside of the public gaze and without regard to the consequences for the public. This is deeply false – last months events in Tunisia and Egypt point to that. But it is also false because many within defence establishments are determined to drive for greater openness and trust.
- Let me show you a very useful tool that illustrates this. This next and last slide is our ‘typology’ of the different sorts of corruption risk that may be encountered in defence and security organisations. It shows 29 different risk areas, ranging from those of a political nature, through personnel, finance and operations areas to procurement. TI has been using this framework with Defence Ministers and their armed forces chiefs – and they engage fully and constructively. Nations find this framework to be very helpful and we work through it with them to identify those areas that matter for them, and which of those areas are amenable to corrective measures. You can hardly believe how much enthusiasm this generates: almost for the first time ever, the subject is brought out of the shadows and discussed objectively, openly and constructively.

Let me conclude on this first theme: It IS possible for countries to succeed in anti-corruption efforts, even in conflict environments. It IS possible for Defence and Security organisations to make significant progress in countering corruption. This is true for a wide range of nations, not just for a particular few – as the initiative has demonstrated in applications from Norway to Afghanistan. It IS possible for NATO successfully to engage with NGOs to help advance this agenda. This is a strong, positive situation to be in, and it needs NATO nations, particularly allies - to be confident and robust in pushing this agenda to become mainstream in NATO.

[Theme 2 – Counter-corruption initiatives need resources and integration into the mainstream if they are to succeed]

- Let me turn to my second theme. We do see real progress in tackling corruption in many countries and sectors of society. But the landscape is also littered with failures.
- There are three main reasons in nations. First, political will and/or public support is often not sustained. Second, many initiatives start off being too ambitious and/or ill thought out. But most of all there is poor management and integration of the overall Programme. They may have insufficient funds. People may not be willing to risk their career by going into a new political initiative. It may be too difficult to work across the many organisational and national boundaries. It may be hard to change established processes to accommodate the new counter-corruption measures. ***Scaling up is hard to do.***
- While much progress has been made, this NATO initiative is one such potentially fragile flower. It actually has been very fast and very successful so far, gaining authority and rolling out excellent counter corruption training and change leadership in many countries including Afghanistan since its launch in late 2007. But it is nonetheless facing an important step-change that may succeed or fail.
- Let me share with you my worries about resources. First, despite all the strong words of support and appreciation, the ***BI Trust Fund has been rather unsuccessful in raising more than relatively small sums of money.*** Funding means prioritisation, and it seems to me that NATO has not yet given a strong priority to this work. Second, for reasons of national economy, the UK has had to cut back on the resources it can put at the disposal of the initiative through the UK Defence Academy. Third, despite the recently recognised importance of corruption as a strategic issue for the mission in Afghanistan, it has proved very difficult so far for NATO or ISAF to release funds for developing the counter-corruption effort there. Finally, within NATO, this is still a cottage industry, and it is working thanks to the heroic work of just a few International Staff officers, with negligible organisational and logistical support.
- I am also concerned that integrating BI tools and processes into mainstream NATO is going slowly. We have seen one major advance - the main five-day counter-corruption course has become formally accredited within NATO that General Abrial spoke of.

This is a big achievement, and I am pleased that my TI colleague Air Commodore Alan Waldron is formally the CoOPR of the course (Official with Prime Responsibility for the course). However, we have not yet seen progress in amending the mainstream NATO processes to incorporate progress and plans on limiting corruption risk. BI will die without this happening. I hope one of the outcomes of this second Monterey conference will be to set in hand action in modifying formal NATO structures to bring BI into the mainstream of NATO activity following the decisions taken by NATO leaders at the Lisbon Summit.

[Theme 3 – BI has vital application in Afghanistan and in conflict environments]

- Finally, Afghanistan. It is vital that ISAF commanders understand the issue of corruption in-theatre and that their plans include counter-corruption elements. Hitherto this has very rarely been the case. This is one of the reasons for ISAF being seen as complicit in corruption stories. Our work in pre-deployment training, in writing doctrine, and in doing post-deployment debriefs of ISAF troops make this abundantly clear. General Petraeus has been vocal on this, but there is little capability out of theatre to support and assist.
- Let me give you an example. Nations and ISAF needs to be **much** more attentive to the effects of the large flows of money that come with international military interventions. How the money is spent actively impacts the success of the campaign, as General Petraeus has so clearly spelt out in his Counter-Insurgency guidance to ISAF troops. The experience of our team working on Afghanistan and almost everyone we talk to is that hardly anyone in the military contracting world, or their operational commanders, knows how to operationalise the leverage money and contracting bring in support of the campaign rather than making the corruption picture worse. Intelligent direction of contracting should build local capability and popular support rather than the reverse, which plays into the hands of the insurgency.
- And another example: In the coming transition phase, the transition and re-integration negotiations must include a framework for considering corruption issues in the country and their impact on the long-term outcome. State-builders may see their work as inevitably requiring an acceptance of a high level of corruption among some of the

parties, but the consequences, such as the corrosive effects of deepening organised crime, or public distrust, must be considered much more rigorously than they are today. This is not yet part of the dialogue..

- One final example: The work that BI is doing in counter-corruption training of ANSF senior personnel in Kabul is outstanding. Yet it is being done on a shoestring. My own British TI colleagues, who are the real subject matter experts in the BI initiative, have to go out with no insurance support from NATO. This is a tribute to their commitment, but is unsustainable and unsafe.
- Last month we co-hosted a conference on ways that the UN, ISAF, NATO and nations can better help Afghanistan on corruption. I hope we can discuss the main recommendations in the body of this conference.
- At a practical level, the BI initiative desperately needs to be scaled up to be the Centre of Excellence across NATO in tackling corruption in intervention situations like Afghanistan, as well as in nations in more normal circumstances. I deeply hope that this can be a recommendation and an action from this conference.. NATO must show its faith in this new competence by building capability and this Centre of Excellence.

Let me conclude. First, the positive on the report card: the BI initiative - and NATO's cooperation with us at TI – has been a tremendous success so far and is delivering world-class tools to tackle a problem that many have believed in the past to be too difficult or too sensitive to tackle. This success is paralleled in other related initiatives, for example by the major defence contractors. The negative on the report card is that we are not yet making the transition from being an excellent foundation to mainstream structures in NATO. This has to happen within the next two years. If it does not, I believe the lesson of history is that it will die.

It is on that note of concern that I should like to end my remarks to this conference. Between all of us, we need to ensure that this fantastic foundational NATO initiative makes a successful transition, and becomes an integral part of NATO structures. It needs your help to achieve this.

Thank You