

Georgia

2015 Country Summary

Recommendations

Georgia's GI ranking in Band C places it in the moderate category for corruption in the defence and security sector. Georgia scored higher for Personnel, which scores in Band B (low risk of corruption). The highest risk area is Procurement, which fell in Band D (high risk of corruption).

Anti-Corruption Conventions

Georgia joined the NATO Building Integrity (BI) programme in 2013 and used NATO and Transparency International's self-assessment and training tools to formulate a comprehensive and thorough anti-corruption plan that was published in April 2014. Despite the change of senior leadership in the Ministry of Defence there has been good progress on implementing some of the anti-corruption measures committed to in the plan. For example, the Law on State Secrets has been amended to allow for greater detail on the defence budget to be publicly released; the MOD has started to work on a more accessible programme budget; and the armed forces have begun to use objective job descriptions and promotion boards in their hiring and promotion procedures. The ministry has become more transparent towards civil society in a number of innovative ways, by inviting civil society representatives to scrutinise non-confidential tender board decisions and NGOs to take part in BI training with personnel; inviting journalists for training sessions to understand defence issues; forming thematic civil society-MOD working groups to review draft legislation, policies, and raise issues direct to the senior leadership of the ministry. Furthermore, it has completed a government review of the 2015 GI.

However, there is also evidence of lessening momentum, evidenced by the delay in important reforms. For example, the introduction of the Code of Conduct and sufficiently independent and robust parliamentary oversight are both continuing challenges. To maintain the previously initiated speed of progress for reforms, we recommend that the Minister of Defence re-emphasise the importance of these reforms among departmental heads leading these developments as well as commit to biennial updates of the AC Plan and quarterly progress reports that are published on the MOD's website.

Scrutiny of Military Expenditures

Georgia has made major advances in procurement transparency by dramatically increasing the number of non-confidential tenders added to the State Procurement Website, thus providing for enhanced scrutiny and oversight by the media, civil society, and the independent State Procurement Agency and Procurement. The parliamentary Defence and Security Committee has become more active in its scrutiny of defence spending and policies

since the anti-corruption drive began in 2012. A subset of the Committee, the Group of Confidence, was established in 2014 to provide oversight of classified procurement and intelligence activities. However, the Group on Confidence only started functioning after a two-year delay and it has recently been bypassed by the Minister of Defence. For example, the acquisition of air defence systems from a French company was concluded without its participation in direct violation of a 2013 legal amendment requiring the Ministry to notify the committee of any planned procurements exceeding two million GEL (900,000 Euros) for goods and four million GEL for construction services. It is important that the MOD not undermine the role of the parliamentary committees nor detract from parliamentary scrutiny. Instead, we recommend that the MoD build on the existing institutional mechanisms to ensure that the practices of oversight and consultation become entrenched.

Building Integrity for Engagement in Military Operations

Of all NATO members and partner countries, Georgia has made the greatest effort in the past two years to devise and implement a BI training course syllabus; three pilot courses have now successfully completed. These efforts should be encouraged to achieve the aim of systematic, annual training for all civilian and military staff as well as specialised training courses for those in sensitive positions such as procurement, internal audit and enforcement.

Georgia regularly deploys personnel in complex operational environments in the Middle East and Africa and has employed best-practice amongst NATO members and partners by deploying corruption monitors in the field and providing training in corruption issues for commanders (ISAF-going officers were prioritised for training). We recommend these good practices be reinforced by the adoption of a comprehensive and detailed military doctrine addressing corruption issues for peace and conflict. The MoD should ensure this training is continued systematically (in particular for those on deployment or contracting in operational environments).

Whistle-Blower protection

A general law on the protection of whistle-blowers has been in place since 2009, with a presumption of confidentiality and protection against retaliation having recently been added in 2014. However, the law clearly states that the Ministry of Defence and the Ministry of Internal Affairs ought to regulate whistle-blower protection through internal regulations. While the MOD has taken some actions to encourage whistleblowing, including a reporting hotline, complaint boxes, and discussion of whistle-blower activity in Building Integrity training, relevant regulations protecting whistle-blowers have not yet been introduced. This is a significant gap. We encourage the MOD to build on the steps already taken and introduce robust whistle-blower protection as a matter of priority.

Military-owned businesses

Georgia's establishment of an internal audit function in early 2014 is a highly positive move. Though a small team, they are highly professional. It is important that they be given the resources and support they need to become a fully active, independent, and effective

control mechanism with provisions made for the relevant parliamentary committees to oversee and implement their findings. The MOD has recently taken over control of state-owned defence manufacturer Delta Enterprises, which had previously been managed, for a short period, by the Ministry of the Economy. The governance standards and audit oversight of Delta are not clear. To offset the corruption risks posed by military-owned businesses, the MOD needs to ensure that robust governance and auditing standards are put in place, with annual audits conducted to a recognised international standard.

Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	2
		Defence Committee	2
		Defence Policy Debated	4
		CSO Engagement	4
		International AC Instruments	3
		Public Debate	3
		AC Policy	4
		AC Institutions	2
		Public Trust	3
		Risk Assessments	2
	Defence budgets	Acquisition Planning	2
		Budget Transparency & Detail	1
		Budget Scrutiny	1
		Budget Publicly Available	3
		Defence Income	
		Internal Audit	2
		External Audit	1
	Other Political Areas	Natural Resources	4
		Organised Crime Links	4
		Organised Crime Policing	2
		Intelligence Services Oversight	3
Intelligence Services Recruitment		1	
Export Controls		2	
Finance	Asset Disposals	Asset Disposal Controls	2
		Asset Disposal Scrutiny	2
	Secret Budgets	Percentage Secret Spending	2
		Legislative Access to Information	2
		Secret Program Auditing	2
		Off-budget Spending in Law	4
		Off-budget Spending in Practice	
		Information Classification	2
	Links to Business	Mil. Owned Businesses Exist	2
		Mil. Owned Business Scrutiny	2
Unauthorised Private Enterprise		2	

Personnel	Leadership	Public Commitment	4
		Measures for Corrupt Personnel	3
		Whistleblowing	2
		Special Attention to Sensitive Personnel	2
	Payroll and Recruitment	Numbers of Personnel Known	4
		Pay Rates Openly Published	4
		Well-established Payment System	3
		Objective Appointments	4
		Objective Promotions	3
	Conscription	Bribery to Avoid Compulsory Conscription	3
		Bribery for Preferred Postings	3
	Salary Chain	Ghost Soldiers	3
		Chains of Command and Payment	4
	Values, Standards, Other	Code of Conduct Coverage	2
		Code of Conduct Breaches Addressed	2
		AC Training	2
		Prosecution Outcomes Transparent	2
Facilitation Payments		3	
Operations	Controls in the Field	Military Doctrine	2
		Operational Training	3
		AC Monitoring	3
		Controls on Contracting	1
		Private Military Contractors	4
Procurement	Government Policy	Legislation	2
		Transparent Procurement Cycle	3
		Oversight Mechanisms	2
		Purchases Disclosed	3
		Standards Expected of Companies	1
	Capability Gap	Strategy Drives Requirements	2
		Requirements Quantified	3
	Tendering	Open Competition v. Single-Sourcing	3
		Tender Board Controls	3
		Anti-Collusion Controls	1
	Contract Delivery / Support	Procurement Staff Training	2
		Complaint Mechanisms for Firms	3
		Sanctions for Corruption	2
	Offsets	Due Diligence	
		Transparency	
		Competition Regulation	
	Other	Controls of Agents	0
Transparency of Financing Packages		0	
Subsidiaries / Sub-Contractors		0	
Political Influence		3	