

# United Arab Emirates

## 2015 Country Summary

### Country Recommendations

The UAE's GI ranking in Band E places it in the high-risk category for corruption in the defence and security sector. The country's lowest risk area is Personnel, where it scored second highest in the region, followed by Operations. UAE's highest risk area is Finance. To reduce corruption risk and build integrity, security sector reforms are urgently needed across the following areas:

#### **Increased transparency and scrutiny in procurement and budgeting**

- The UAE has no defined process for acquisition planning – the process through which the state identifies what arms it will buy – and all Emirati military procurement is exempted from public tender, with evidence indicating that most contracts are single-sourced. To increase accountability and competition for defence procurement, we recommend that the government amend legislation to establish a principle of open competition, with clauses to specifically address corruption risks and narrowly define cases of single source procurement. Exempted or single sourced items should include provisions for other forms of independent scrutiny.
- Information on military procurement is not shared with the Federal National Council (FNC), or the Committee for Internal Affairs and Defence, neither of which is permitted to scrutinise defence purchases. While there is a State Audit Body, it does not publicly release its findings. To increase the independence and activity of procurement oversight mechanisms, State Audit reports should be published and the FNC given the power to scrutinise defence purchases.
- It is unclear if there is an active audit function in the MoD. An independent internal audit function with sufficient resources, training and independence could help ensure that the budget is spent on arms and equipment that actually meet UAE's strategic needs. We recommend that both internal and external audit findings be acted upon by a relevant enforcement body to maintain public trust in the defence sector. Furthermore, since 2012 the State Audit Body has been preparing a draft Anti-Corruption Law, this should be enacted without further delay.
- The UAE releases no details on defence spending. To allow for effective civilian and parliamentary scrutiny, the government should publish a defence budget that includes detailed information on expenditure across functions including research & design, training, salaries, acquisitions, disposal of assets, maintenance and personnel expenditures.
- The Emirati government does impose legal restrictions on the use of agents and intermediaries in defence contracts however it is not clear if this law is subject to any oversight to ensure that it is not circumvented. The Emirati government imposes no

anti-corruption requirements in contracts with suppliers. To mitigate corruption risks connected to suppliers, agents, and intermediaries, we recommend that enacted procurement legislation should mandate what anti-corruption procedures and standards potential suppliers are required to demonstrate - such as compliance programmes and business conduct programmes - in order to be able to bid for work. These controls should be public and well known to potential suppliers.

### Transparency and openness towards civil society

- UAE places restrictions on freedom of assembly and association and has a variety of legal measures to inhibit the activities of civil societies, which it has used in recent years, including sanctions or replacing the board members of NGOs that criticise the authorities.
- These restrictions should be lifted and the UAE government should allow a space in which civil society can operate freely and assist in formulating policies to enhance transparency and build integrity in the defence sector. This would send a strong signal that the defence sector is there to defend the state and serve the needs of the general population.
- Unlike Saudi Arabia, Jordan, Tunisia and Iraq, the UAE government did not complete a government review of the 2015 GI research. We urge the government to take part in this dialogue during the next review.

## Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	0
		Defence Committee	1
		Defence Policy Debated	1
		CSO Engagement	0
		International AC Instruments	2
		Public Debate	1
		AC Policy	1
		AC Institutions	2
		Public Trust	3
		Risk Assessments	0
		Defence budgets	Acquisition Planning
	Budget Transparency & Detail		0
	Budget Scrutiny		0
	Budget Publicly Available		0
	Defence Income		0
	Internal Audit		0
	External Audit		1
	Other Political Areas	Natural Resources	0
		Organised Crime Links	3
		Organised Crime Policing	1
		Intelligence Services Oversight	0
Intelligence Services Recruitment		1	
Export Controls		1	
Finance	Asset Disposals	Asset Disposal Controls	1

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