

Egypt

2015 Country Summary

Country Recommendations

Egypt's GI ranking in Band F places it in the highest risk category for corruption in the defence and security sector. The country's highest risk area is Finance, followed by Personnel and Procurement. To reduce corruption risk and build integrity, security sector reforms are urgently needed across the following areas:

Transparency and scrutiny in budgeting

- Egypt's entire defence budget (estimated to be around \$4.4 billion) is classified as a state secret and no details on defence spending are available. Even basic information unrelated to defence is classified on the grounds of national security. To allow for effective civilian and parliamentary scrutiny of defence spending, the government should publish an annual defence budget that includes detailed information on expenditure across functions including research & design, training, salaries, acquisitions, disposal of assets, maintenance and personnel expenditures.

Institutional oversight and accountability

- Accurate figures are not known, but the military is estimated to control a significant portion of the country's economy, with no public or parliamentary scrutiny of these activities. In June 2015, the Minister of Defence issued decree number 68 to exempt military facilities from real estate tax, including clubs and hotels. The profit received from these revenue streams is also not subject to any review. We recommend that the government explicitly outlaw private enterprise by defence and security institutions and personnel, overseen by a robust and independent enforcement agency, with strong sanctions in place for offenders.

Personnel promotions and nepotism

- While formal legal provisions for promotions exist, our assessment found evidence that personnel are often selected and promoted based on their loyalty and obedience to those in power rather than for their professional merits. Evidence indicates that the appointment system for the selection of officers at the middle and senior levels is often subverted by favouritism and loyalty. We recommend that legislation be tightened with formal written procedures establishing an independent, transparent, and objective appointment system for the selection of military personnel at middle and top management level. This system should be published, and accompanied by the use of objective job descriptions, assessment processes for appointments, and independent oversight.

Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	0
		Defence Committee	1
		Defence Policy Debated	0
		CSO Engagement	0
		International AC Instruments	2
		Public Debate	1
		AC Policy	0
		AC Institutions	1
		Public Trust	1
		Risk Assessments	0
	Defence budgets	Acquisition Planning	0
		Budget Transparency & Detail	0
		Budget Scrutiny	0
		Budget Publicly Available	0
		Defence Income	0
		Internal Audit	0
		External Audit	0
	Other Political Areas	Natural Resources	0
		Organised Crime Links	2
		Organised Crime Policing	1
Intelligence Services Oversight		0	
Intelligence Services Recruitment		1	
Export Controls		0	
Finance	Asset Disposals	Asset Disposal Controls	0
		Asset Disposal Scrutiny	0
	Secret Budgets	Percentage Secret Spending	0
		Legislative Access to Information	0
		Secret Program Auditing	0
		Off-budget Spending in Law	0
		Off-budget Spending in Practice	0
	Information Classification	1	
	Links to Business	Mil. Owned Businesses Exist	0
		Mil. Owned Business Scrutiny	0
Unauthorised Private Enterprise		0	
Personnel	Leadership	Public Commitment	0
		Measures for Corrupt Personnel	2
		Whistleblowing	0
		Special Attention to Sensitive Personnel	0
	Payroll and Recruitment	Numbers of Personnel Known	0
		Pay Rates Openly Published	0
		Well-established Payment System	2
		Objective Appointments	1
		Objective Promotions	1
	Conscription	Bribery to Avoid Compulsory Conscription	2
		Bribery for Preferred Postings	0
Salary Chain	Ghost Soldiers	0	

		Chains of Command and Payment	0
	Values, Standards, Other	Code of Conduct Coverage	0
		Code of Conduct Breaches Addressed	0
		AC Training	0
		Prosecution Outcomes Transparent	1
		Facilitation Payments	0
Operations	Controls in the Field	Military Doctrine	0
		Operational Training	0
		AC Monitoring	1
		Controls on Contracting	0
		Private Military Contractors	3
Procurement	Government Policy	Legislation	0
		Transparent Procurement Cycle	0
		Oversight Mechanisms	0
		Purchases Disclosed	0
		Standards Expected of Companies	0
	Capability Gap	Strategy Drives Requirements	0
		Requirements Quantified	0
	Tendering	Open Competition v. Single-Sourcing	1
		Tender Board Controls	0
		Anti-Collusion Controls	0
	Contract Delivery / Support	Procurement Staff Training	0
		Complaint Mechanisms for Firms	2
		Sanctions for Corruption	1
	Offsets	Due Diligence	0
		Transparency	0
		Competition Regulation	0
	Other	Controls of Agents	0
Transparency of Financing Packages		0	
Subsidiaries / Sub-Contractors		0	
Political Influence		2	