

Germany

2015 Country Summary

Recommendations

Germany's GI ranking in Band B places it in the low risk category for corruption in the defence and security sector. Germany performs well overall, yet there are shortcomings that would be very much in Germany's interest to address. Germany is graded in Band A across three risk areas: Political, Finance, and Personnel, Band B for Procurement, and in Band D for Operations. With 3,000 troops deployed at the moment, Germany should want to properly constitute itself as a responsible power and approach operations risks accordingly. In other areas there is good defence anti-corruption practice that Germany could choose to share with G20 states, for example if it is confirmed to host the G20 summit in 2017.

Adopting a strategic approach to corruption risks on operations

The Bundeswehr has no specific operational doctrine that focuses on corruption, although the latest Weissbuch and Defence Policy Guidelines mention corruption risks indirectly. It seems that while the Bundeswehr is aware of corruption risks in theatre, for example in Afghanistan, it might consider taking an active stance against corruption as too risky. We recommend that the Bundeswehr introduces specific anti-corruption doctrine, which could facilitate useful corruption risk analysis even where Germany is not a lead nation. While commanders are trained on corruption issues more broadly in line with the relevant "Federal Government Directive" (which also covers activities abroad), Germany would benefit from specific anti-corruption pre-deployment training that is not just limited to a small number of personnel.

Regulating the use of Private Military Companies

There are legal restrictions limiting the use of Private Military and Security Companies, but the European Parliament noted that the German government does not have an official definition for either. Evidence indicates that "private business entities that provide military and/or security services, irrespective of how they describe themselves" (as defined in the 2008 "Montreux Document") have been used, including security personnel in Afghanistan and at other locations to protect German embassies and for a wide range of services from transport to garbage disposal. The German Defence Minister stated in 2010 that Private Military Companies were responsible for their own protection, which suggests armed contractors are used. We recommend that Germany clarifies the legal status of Private Military and Security Companies and creates a transparent framework that regulates their use. A thorough consultation on this important issue that touches on the very role and nature of the state seems overdue.

Effective defence procurement driven by needs

Germany has some good defence procurement systems and practices in place. But as far as anti-corruption mechanisms are concerned it could rank in Band A for this risk area. Ursula von der Leyen has clearly identified defence procurement as a priority area in need of reform. We suggest that Germany takes a number of actions that would align with the “Transparency Initiative” announced by the Ministry of Defence: this should include making additional budgetary information from the “Einzelplan 14” publicly available, as the Federal Audit Office had recommended in light of missing data for life-cycle costing for the Eurofighter procurement. We also recommend that exceptions for defence procurement from the Federal Government Directive are minimised. A more strategic approach to defence procurement should be adopted, as outlined by government audit findings.

Robust arms export controls

The German Ministry of Defence remains an important customer for major German defence companies, who at the same time have a strong focus on export markets. TI’s [“Defence Companies Anti-Corruption Index”](#) 2015 analysed five of these companies, with only one scoring in Band “B”, three in Band “D” and one in Band “F”. This is worrying, particularly if considered in conjunction with the poor anti-corruption systems of some major clients of German defence companies active in the MENA region, as was highlighted in TI’s [2015 GI MENA report](#). It is encouraging to see Germany’s commitment to the UN Arms Trade Treaty (ATT) and its relevant corruption provisions, and we look forward to seeing German leadership in this area. This will need to include thorough anti-corruption risk assessments before arms export licenses are being granted – if good practice emerges, this could be shared with others implementing the ATT. It could also demonstrate to allies and German citizens alike that lessons have been identified from past cases.

Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	4
		Defence Committee	4
		Defence Policy Debated	3
		CSO Engagement	2
		International AC Instruments	3
		Public Debate	3
		AC Policy	3
		AC Institutions	3
		Public Trust	3
		Risk Assessments	3
	Defence budgets	Acquisition Planning	4
		Budget Transparency & Detail	4
		Budget Scrutiny	4
		Budget Publicly Available	4
		Defence Income	4
		Internal Audit	3
		External Audit	4
	Other Political Areas	Natural Resources	4
		Organised Crime Links	4
		Organised Crime Policing	4
		Intelligence Services Oversight	4
Intelligence Services Recruitment		2	
Export Controls		3	
Finance	Asset Disposals	Asset Disposal Controls	4
		Asset Disposal Scrutiny	4
	Secret Budgets	Percentage Secret Spending	3
		Legislative Access to Information	4
		Secret Program Auditing	4
		Off-budget Spending in Law	4
		Off-budget Spending in Practice	
		Information Classification	3
	Links to Business	Mil. Owned Businesses Exist	3
		Mil. Owned Business Scrutiny	3
Unauthorised Private Enterprise		4	
Personnel	Leadership	Public Commitment	2
		Measures for Corrupt Personnel	4
		Whistleblowing	2
		Special Attention to Sensitive Personnel	3
	Payroll and Recruitment	Numbers of Personnel Known	4
		Pay Rates Openly Published	4
		Well-established Payment System	4
		Objective Appointments	3
		Objective Promotions	4
	Conscription	Bribery to Avoid Compulsory Conscription	
		Bribery for Preferred Postings	3
	Salary Chain	Ghost Soldiers	4

		Chains of Command and Payment	4
	Values, Standards, Other	Code of Conduct Coverage	3
		Code of Conduct Breaches Addressed	4
		AC Training	4
		Prosecution Outcomes Transparent	4
		Facilitation Payments	4
Operations	Controls in the Field	Military Doctrine	2
		Operational Training	2
		AC Monitoring	2
		Controls on Contracting	1
		Private Military Contractors	2
Procurement	Government Policy	Legislation	3
		Transparent Procurement Cycle	4
		Oversight Mechanisms	3
		Purchases Disclosed	3
		Standards Expected of Companies	2
	Capability Gap	Strategy Drives Requirements	3
		Requirements Quantified	3
	Tendering	Open Competition v. Single-Sourcing	2
		Tender Board Controls	3
		Anti-Collusion Controls	4
	Contract Delivery / Support	Procurement Staff Training	4
		Complaint Mechanisms for Firms	4
		Sanctions for Corruption	3
	Offsets	Due Diligence	
		Transparency	
		Competition Regulation	
	Other	Controls of Agents	4
		Transparency of Financing Packages	1
		Subsidiaries / Sub-Contractors	2
		Political Influence	3