

Oman

2015 Country Summary

Country Recommendations

Oman's overall GI ranking in Band F places it in the highest risk category for corruption in the defence and security sector. Oman's highest risk area is Procurement, followed by Political, Financial, Operations and Personnel risk. To reduce corruption risk and build integrity, security sector reforms are urgently needed across the following issue-areas:

Increased transparency and scrutiny in procurement and budgeting

- Oman has no defined process for acquisition planning – the process through which the state identifies what arms it will buy – and all Omani military procurement is exempted from public tender, with most contracts single-sourced. While there have been some attempts to use the Ministry's Tender Board page it is not used regularly. To increase accountability and competition for defence procurement, we recommend that the MOD list tenders on this website, and 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 Majlis al-Shura, who is not 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 Majlis 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 Oman'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.
- An estimated 27% of Oman's budget is dedicated to defence spending. While an aggregate figure is released, no further details on defence spending are available. 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.
- Despite the enactment of the 2005 Law on Commercial Agencies, Oman imposes no restrictions on the use of agents and intermediaries and no anti-corruption requirements are stipulated 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. In addition, we suggest that agents and intermediaries be forbidden by law, with strict controls to ensure the law is not circumvented. These controls should be public and well known to potential suppliers.

Engagement with the Public

- The Omani government, unlike Saudi Arabia, Jordan, Tunisia and Iraq, 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. The Omani government should allow a space in which civil society can operate and assist in formulating policies to enhance transparency and build integrity in the defence sector. This would send a signal that the defence sector is there to defend the state and serve the needs of the general population.

Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	0
		Defence Committee	0
		Defence Policy Debated	0
		CSO Engagement	0
		International AC Instruments	2
		Public Debate	0
		AC Policy	0
		AC Institutions	0
		Public Trust	1
		Risk Assessments	0
	Defence budgets	Acquisition Planning	0
		Budget Transparency & Detail	1
		Budget Scrutiny	1
		Budget Publicly Available	0
		Defence Income	0
		Internal Audit	1
		External Audit	0
	Other Political Areas	Natural Resources	0
		Organised Crime Links	3
		Organised Crime Policing	1
		Intelligence Services Oversight	0
Intelligence Services Recruitment		0	
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	1	
		Information Classification	0	
	Links to Business	Mil. Owned Businesses Exist	0	
		Mil. Owned Business Scrutiny		
		Unauthorised Private Enterprise	2	
	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	3	
		Objective Appointments	0	
		Objective Promotions	0	
Conscription		Bribery to Avoid Compulsory Conscription		
		Bribery for Preferred Postings	1	
Salary Chain		Ghost Soldiers	3	
		Chains of Command and Payment	3	
Values, Standards, Other		Code of Conduct Coverage	0	
		Code of Conduct Breaches Addressed	0	
		AC Training	0	
		Prosecution Outcomes Transparent	0	
		Facilitation Payments	2	
Operations		Controls in the Field	Military Doctrine	0
			Operational Training	0
	AC Monitoring		1	
	Controls on Contracting		0	
	Private Military Contractors		1	
Procurement	Government Policy	Legislation	0	
		Transparent Procurement Cycle	0	
		Oversight Mechanisms	0	
		Purchases Disclosed	1	
		Standards Expected of Companies	0	
	Capability Gap	Strategy Drives Requirements	0	
		Requirements Quantified	0	
	Tendering	Open Competition v. Single-Sourcing	0	
		Tender Board Controls	0	
		Anti-Collusion Controls	0	
	Contract Delivery / Support	Procurement Staff Training	0	
		Complaint Mechanisms for Firms	0	
		Sanctions for Corruption	0	
	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	1	