

# Pakistan

## 2015 Country Summary

### Recommendations

Pakistan's GI ranking in Band E places it in one of the highest risk categories for corruption in the defence and security sector. Pakistan's highest risk area is Financial, followed by Operational, Political and Procurement. The absence of clear and accountable civilian control over military activity heightens the risk of instability. To reduce corruption risk, TI suggests the following reforms of the security sector to minimize corruption risk.

#### **Strengthen civilian control over the defence and security sector**

Military spending and power are not being matched with sufficient civilian oversight and equivalent checks and balances on the military. Military autonomy in Pakistan limits the civilian authority's freedom to direct defence policy and define national interests. Despite the Pakistani Auditor General's recent findings of large-scale corruption, embezzlement, and misappropriation, significant sums of military aid are still being channelled directly through the military. We recommend:

- Building on an effort in 2014 by the Senate's Defence Committee to discuss military spending publicly, the defence budget should be debated in parliament. The Army General's influence over the budgetary process should be monitored in order to empower the parliament to hold military spending to account, which will help ensure that the budget is spent on arms and equipment that actually meet Pakistan's strategic needs.
- The Auditor General's reports should be publicly available and the recommendations addressed by the MoD.

We recommend that the international community channel military aid through civilian structures. Building the capacity of the military without strengthening civilian control undermines civilian oversight and is ultimately detrimental to the security of Pakistan and its neighbours.

#### **Reducing Military Predation**

The Pakistani military has significant economic power. Military earnings from businesses registered as charities are not reported, recorded, or scrutinised by civilian authorities. The opacity of military institutions heightens corruption risks and limits civilian control. The military's business, industrial, and commercial enterprises should be publicly declared and subject to civilian scrutiny. Businesses owned by the military and military foundations should produce public reports of their income.

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. 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 their personnel. A robust and independent enforcement agency should oversee these prohibitions, with strong sanctions in place for offenders.

## Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	0
		Defence Committee	1
		Defence Policy Debated	1
		CSO Engagement	0
		International AC Instruments	3
		Public Debate	1
		AC Policy	1
		AC Institutions	2
		Public Trust	2
		Risk Assessments	0
	Defence budgets	Acquisition Planning	1
		Budget Transparency & Detail	1
		Budget Scrutiny	1
		Budget Publicly Available	1
		Defence Income	1
		Internal Audit	1
		External Audit	2
	Other Political Areas	Natural Resources	0
		Organised Crime Links	0
		Organised Crime Policing	1
		Intelligence Services Oversight	0
Intelligence Services Recruitment		1	
Export Controls		0	
Finance	Asset Disposals	Asset Disposal Controls	1
		Asset Disposal Scrutiny	1
	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	1
		Mil. Owned Business Scrutiny	0
Unauthorised Private Enterprise		0	
Personnel	Leadership	Public Commitment	1
		Measures for Corrupt Personnel	2
		Whistleblowing	0
		Special Attention to Sensitive Personnel	1

	<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	3
	<b>Conscription</b>	Bribery to Avoid Compulsory Conscription	
		Bribery for Preferred Postings	
	<b>Salary Chain</b>	Ghost Soldiers	3
		Chains of Command and Payment	3
	<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	0
<b>Operations</b>	<b>Controls in the Field</b>	Military Doctrine	0
		Operational Training	1
		AC Monitoring	1
		Controls on Contracting	0
		Private Military Contractors	1
<b>Procurement</b>	<b>Government Policy</b>	Legislation	1
		Transparent Procurement Cycle	1
		Oversight Mechanisms	1
		Purchases Disclosed	2
		Standards Expected of Companies	2
	<b>Capability Gap</b>	Strategy Drives Requirements	0
		Requirements Quantified	1
	<b>Tendering</b>	Open Competition v. Single-Sourcing	1
		Tender Board Controls	1
		Anti-Collusion Controls	1
	<b>Contract Delivery / Support</b>	Procurement Staff Training	2
		Complaint Mechanisms for Firms	2
		Sanctions for Corruption	1
	<b>Offsets</b>	Due Diligence	0
		Transparency	0
		Competition Regulation	0
	<b>Other</b>	Controls of Agents	1
		Transparency of Financing Packages	1
		Subsidiaries / Sub-Contractors	0
		Political Influence	2