

Philippines

2015 Country Summary

Recommendations

The Philippines is placed in Band D overall, although Personnel Risks scored in Band C. There are significant provisions for independent oversight through Parliament, but also significant room for improvement in the effectiveness of oversight across the board including through more effective scrutiny of defence spending, and procurement. The government completed a review of the GI 2015 research, which shows a willingness to open dialogue with an international NGO on defence corruption issues.

Ensuring independent, effective oversight

The Philippine Congress has considerable powers for scrutiny and oversight of defence policy. This is supported by legislative defence committees, the Commission on Audit and the Office of Ethical Standards and Public Accountability (OESPA), and a strong institutional anti-corruption framework evident through legislation and initiatives such as the Integrity Development Action Program. But there is a lack of evidence that oversight is effective or that scrutinising defence and military performance has resulted in effective sanctions against non-performers, or even alleged corrupt personnel. The government should review how to strengthen the quality of oversight and follow-up. This might include the following measures:

- Ensuring that the Blue Ribbon Committee's findings are acted upon,
- Increasing the independence and resourcing of the Office of Ethical Standards and Public Accountability (OESPA)
- Looking at options for enhancing scrutiny by the Commission of Audit, given reports on collusion between auditors, legislators and the Armed Forces. One option might be to establish clear guidance on conflicts of interest in codes of conduct for both auditors and military officials.

Curbing private enterprise

There is evidence of unauthorised private enterprise despite clear legislation prohibiting it, with reports of unauthorised private enterprises supplying clothing, shoes, and even arms and ammunitions. There are also still some reports of Civilian Defence Force Geographical Units (CAFGUs) involvement in illegal mining and logging, though recent efforts to tackle this issue are noted. A more robust and empowered OESPA or Blue Ribbon Committee could usefully examine the impact of this on military effectiveness.

Decreasing collusion and increasing transparency in procurement

Given the Philippines security challenges, it's vital to get procurement right and avoid any waste of stretched public resources. But although the process for acquisition planning is in

place, more effective oversight is needed, as described above. The government might also look at measures to prevent collusion between suppliers; legislation is in place but there may be a gap in enforcement. A stronger signal that corrupt practices will no longer be tolerated may be needed, including more due diligence on companies – including evidence of compliance and anti-corruption programmes – and greater transparency through all phases of the procurement cycle to enable public oversight.

Ensuring integrity in military operations

Given military operations in Mindanao region, there is a strong argument for examining the extent to which corruption may be a factor in sustaining conflict. Although issues of governance are recognised as a strategic issue, there was no evidence of consistent and systematic training and guidance for commanders and personnel, or effective independent monitoring.

Scorecard

Political	Defence & Security Policy	Legislative Scrutiny	2
		Defence Committee	2
		Defence Policy Debated	2
		CSO Engagement	2
		International AC Instruments	3
		Public Debate	2
		AC Policy	2
		AC Institutions	2
		Public Trust	1
		Risk Assessments	1
	Defence budgets	Acquisition Planning	2
		Budget Transparency & Detail	3
		Budget Scrutiny	2
		Budget Publicly Available	3
		Defence Income	1
		Internal Audit	2
		External Audit	2
	Other Political Areas	Natural Resources	4
		Organised Crime Links	1
		Organised Crime Policing	1
Intelligence Services Oversight		2	
Intelligence Services Recruitment		2	
Export Controls		1	
Finance	Asset Disposals	Asset Disposal Controls	2
		Asset Disposal Scrutiny	2
	Secret Budgets	Percentage Secret Spending	2
		Legislative Access to Information	1
		Secret Program Auditing	1
		Off-budget Spending in Law	1
		Off-budget Spending in Practice	2
		Information Classification	2

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