Greece-OECD Project:
Technical Support on Anti-Corruption

Draft Integrity Action Plan for the Ministry of Defence: Assuring High Integrity and Low Corruption Risk in Defence Contracting
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About the OECD

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About the Greece-OECD Project

The Greek government is prioritising the fight against corruption and bribery and, with the assistance of the European institutions, is committed to taking immediate action. Under the responsibility of the General Secretariat Against Corruption, Greece’s National Anti-Corruption Action Plan (NACAP) identifies key areas of reform and provides for a detailed action plan towards strengthening integrity and fighting corruption and bribery. The OECD, together with Greece and the European Commission, has developed support activities for implementing the NACAP. This project is scheduled for completion in 2018 and is co-funded by the European Commission and Greece. For further information, please see the project webpage.
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Summary of the plan

A unified defence procurement organisation

**Measure 1:** The Hellenic Ministry of National Defence (MoD) will implement a unified MoD procurement organisation, whilst but still keeping service-specific teams within the overall organisation. The MoD will also implement a unified set of procedures across all the branches. The MoD will find the optimum way to achieve this result within organisational constraints.

**Measure 2:** The MoD will implement a policy requiring the use of standard MoD contracts and framework contracts across all the branches.

**Measure 3:** The MoD will re-shape the resulting organisation so that more attention is paid to the strategic and monitoring aspects of high-integrity defence procurement, as noted above.

Ensuring high professionalism of defence procurement officers

**Measure 4:** MoD procurement officers will be developed as a professional cadre across all three services. A certification process (training) for officers dealing with procurements/contract monitoring as well as experience retention measures (e.g. minimum service years in procurements, lessons-learned process, mentoring, etc.) will be developed as a realistic first step.

**Measure 5:** The MoD will implement a policy that procurement officers, both military and civilian, will rotate between different aspects of procurement and related disciplines (e.g. being responsible for different markets, in the technical requirements groups, in post-award teams, etc.) every few years. They should not stay in any one position more than a certain number of years.

**Measure 6:** The MoD will place a specific obligation on MoD procurement officers, both military and civilian, to look out for corruption concerns, and a legal obligation to report these when they suspect them.

Improving procurement laws and procedures for clarity and reduced risk

**Measure 7:** The MoD will set up a permanent working group of defence procurement officers to routinely consider all the more strategic aspects of MoD procurement.

**Measure 8:** At the plan implementation stage, the MoD will specify exactly which procedures and laws will be proposed for modification and clarification.
Measure 9: The MoD will prepare a simple manual outlining the main procurement routes and practices in use in the MoD.

Measure 10: The MoD will make increased use of IT tools to streamline and improve procurement procedures.

Improving and monitoring the compliance programmes of contractors

Measure 11: The MoD will make a public policy statement regarding what it expects from its contractors by way of integrity and avoiding corruption. The MoD will request that every bidding company signs this policy as a condition of bidding.

Measure 12: After two years, the MoD should require every contractor who wishes to work with the MoD to certify that it has put in place an ethics and anti-corruption compliance programme.

Measure 13: The MoD will write to every bidding contractor at the start of a new tender reminding them of the contractor integrity policy and their obligations, and enlisting their assistance to report or advise of any concern that they may have during the tendering process or afterwards.

Measure 14: The MoD will actively exercise its contractual rights to monitor contracts and contractors where it has a cause for concern.

Making better use of procurement data and market information

Measure 15: The MoD will demand easier access and increased authority of access to the public procurement platform data.

Measure 16: The MoD will routinely conduct analysis of each of their markets and contractors.

Measure 17: The MoD will open discussions with representatives from the General Secretary of Commerce and the Single Public Procurement Authority to use the new technology to enable the exchange of information and knowledge of black-listed companies.

Strengthening the integrity of technical specifications

Measure 18: Extend the use of technical dialogue for defining the technical specifications. The MoD will also use the new unified procurement structure approach (see Element 1) to ensure that service knowledge and experience in technical specifications are shared and centralised.

Measure 19: The MoD will ensure that the task of technical specification writing and approval is formally separated from the task of operating the tendering process.

Caution and due diligence in government-to-government contracts

Measure 20: The MoD will tightly limit the use of sole source G2G procedures.
Measure 21: The MoD will actively support participation in NATO collaborative programmes because the track record is that they do not experience corruption issues.

Improving sanctions, discipline and scrutiny of contracts and offsets

Measure 22: The MoD will strengthen its investigation of possible wrongdoing among staff and contractors, collaborating as required with the relevant competent authority.

Measure 23: The MoD will modify its internal audit capability so that it separates investigations from preventive internal audit functions.

Measure 24: The MoD will consider possible merits of setting up a suspension and debarment unit, along the lines of the one used by the US air force.

Measure 25: The MoD will review all the still active programmes, including all offset contracts, to see if there are others that should also be investigated and/or referred to the prosecutor.

Improving post-contract follow-up and monitoring

Measure 26: The MoD will take a stronger approach, and make more use of qualified procurement officers in contract operation activities.

Publishing forward procurement intentions and plans

Measure 27: The MoD will publish their forward procurement plans for military and non-military spending, within the limits of non-secret information.

Measure 28: In respect of non-military forward forecasting, the MoD will investigate the use of simple IT tools to improve forward procurement planning.
Introduction

The Minister for National Defence, the Chief of Defence (CHOD), and the procurement services of the Hellenic Ministry of National Defence (MoD) are determined to ensure that the integrity of MoD contracting is of the highest standard. The same actions will lead to the risks of corruption - a risk which is ever-present in all procurement operations - being as low as is realistically possible.

The plan will also ensure that the MoD is in line with current good standards of integrity in defence ministries in Europe and worldwide, as outlined by NATO, by defence industry organisations and in line with other good international standards.

National context

The Greek government is preparing a National Anti-Corruption Action Plan, based on the following elements:

- modernisation of internal and external audit mechanisms
- advanced tailor-made anti-corruption approaches for high-risk policy areas
- strengthened institutional capacity of the General Secretariat against Corruption (GEGAD)
- enhancing anti-corruption awareness across relevant stakeholders in the field of corruption prevention and public integrity
- strengthened whistleblower mechanisms in the public and private sectors
- improved processing of corruption complaints received via the existing complaints and reporting channels – proposal to create a complaints management system
- improved integrity safeguard through enhanced asset declaration, conflict of interest and political financing systems
- integrity mainstreamed in the educational system

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• enhanced public and private sector partnership in combatting corruption and mutual legal assistance
• improved asset recovery system.

The government considers that certain policy areas are more susceptible to corruption risks, due to the increased interactions between the public and private, ambiguities in the regulation and/or high financial stakes. Greece has identified six high-risk policy areas prone to corruption:

1. tax and customs
2. health
3. public procurement
4. defence sector
5. local government entities (LGEs)
6. private and public investment.

The government requested technical assistance from OECD to develop standards and principles that will help effectively mitigate fraud and corruption risks in these high-risk sectors. The OECD objective is to increase integrity and reduce corruption in Greece through technical empowerment of the Greek authorities for the implementation of the National Anti-Corruption Action Plan.

The MoD is fully committed to this National Anti-Corruption Strategy. The MoD believes that this plan, once implemented, will be a bright example of good practice in Greece, achieving better value for money from its defence procurement budget and ensuring that corruption risks in relation to defence procurement remain low and under tight control.

International context

In relation to building integrity and reducing corruption risks in defence, there have been many developments internationally in the last ten years.

NATO took up this subject in 2006 and published a formal policy on the topic in 2016 (see Reference 2, Annex B). NATO is concerned about good operational effectiveness, value for money procurement, and the public reputation of military forces in each NATO nation. It is also keen to promote better understanding about having to deal with corruption when NATO forces are on operations in other countries, and in relation to the way that corruption is a significant factor in fomenting international insecurity. Several NATO countries have specific programmes to ensure high defence integrity in both national and international activities (e.g. Norway, see Reference 3, Annex B). Many of the NATO nations also have specific integrity committees, standards and guidelines within the national defence industry organisations (see Reference 4, Annex B).

NATO high-readiness military forces are also responding, with the incorporation of corruption issues into live exercises, into training programmes, and into officer training academies. NATO and NATO nations have also collaborated extensively with the
specialist defence experts in the international anti-corruption organisation ‘Transparency International’ (TI) to develop its expertise in this area.

In the vulnerability assessment of all NATO nations and partners by TI in 2015, Greece was ranked in the middle of NATO members (see Reference 7, Annex B).

Preparation of the plan: The MoD working group

The MoD established a working group comprising officers from the planning division, the military procurement directorate, and the procurement teams of each of the three services. The working group was assisted by GSAC, by technical experts from OECD, plus consultancy support from a defence sector anti-corruption expert, Dr. Mark Pyman.

The plan has been built on the basis of detailed MoD contracting data prepared by the working group members, in response to questions from Dr. Pyman. The data they provided is reproduced in a separate, detailed supporting document. The elements of the plan have been subject to detailed discussion by the working group.

Implementation of the plan

Once the formal approval of the defence minister to turn this document into the detailed implementation plan has been obtained, the MoD will create the detailed action plan and timetable.

The MoD will also decide on the following:

- who in the MoD will be the senior officer responsible for the successful implementation of the plan
- the nature of any steering committee required in the MoD
- the nature of any working group required in the MoD
- the way in which the plan will be monitored and progress published.

Vulnerabilities in defence procurement

There are a number of different defence procurement corruption risks. These are:

- **Bias in technical requirements or specifications**: Where the specification for the tender is written in such a way that the products of one company are found to be preferable to those of other companies.

- **Lack of competition or single sourcing**: Where there is no competition, corruption is much easier. A similar problem occurs where there is officially an open, competitive tender, but in practice, only one company makes a bid, or only one is found to be technically compliant.

- **Corruption through agents/brokers**: It is a common practice in defence for intermediaries – such as agents and brokers – to take commissions and pass them on to those who have corruptly facilitated the tender result.
• **Collusive bidding**: It is quite common for contractors to seek to control the outcome of tenders by agreeing – colluding – on which contractor will put in the best tender. This varies greatly from market to market and over time.

• **Corruption hidden in the financing package**: There is a form of defence corruption where the corruption element – the pay-off to those who have facilitated the tender outcome – is hidden in the details of the financing that is used to purchase the product. An example would be the deliberate triggering of unreasonably high penalty payments. This is not so relevant to Greece and is not considered further in this plan.

• **Corruption in offsets programmes**: An offset contract is a parallel contract to the main defence purchase, in which the company agrees to provide a package of other products and services to the country as an integral part of the overall deal. Offsets are a major feature of defence contracts, but less common in other sectors. They have a history of high levels of corruption. In Greece, it is no longer allowed to set up new offset programmes, but the country has a significant legacy of continuing offset programmes from past deals. Several of the Greek offset programmes have been sent to the public prosecutor with major corruption concerns.

• **Corruption in the operation of the contract**: Much of the corruption risk is at the stage of the initial contract award; there are also corruption risks after the contract has been signed and is in operation.

• **Corruption through subcontractors**: Many defence contracts operate through sub-contractors, often multiple layers of them. This opens up opportunities for corrupt pay-offs to be routed through the subcontractor, leaving the prime contractor looking entirely “clean”.

• **Seller influence**: The larger defence contracts are usually decided as a matter of national political strategy, not just on a commercial basis. In such cases, the purchase is carried out not between the national government and the company, but on the basis of a government-to-government deal. Typically called G2G deals, these can include a competitive element, or can be using just one company from the selling nation. In both situations, but especially when only one company is involved, it is possible for corrupt payoffs to be hidden within the structure of the deal. The particular risk arises because the purchasing government often does not have the right, or the capacity, to examine the details of the costs and payments. The US variant of G2G deals is called “foreign military sales” or FMS.

**Military and non-military defence procurement**

The MoD purchases significant amounts of both military equipment/services and non-military equipment/services. Whilst the figures vary from year to year, the amount is split about 60% on military materiel and 40% on non-military materiel. For example, in 2015, the split was approximately EUR 550 million on military and approximately EUR 350 million on non-military.
The integrity plan

1. A unified defence procurement organisation

**Issue:** The MoD is currently decentralised for non-military procurement - with separate procurement teams in the ministry, army, navy and air force – and centralised for military procurement (in GDDIA). This is appropriate for large military procurement, and in line with good international practice. However, it is less effective and a corruption risk for non-military procurements (e.g. hospital supplies, uniforms, food, telecoms). The process is also not efficient for smaller military procurements (e.g. supplies for engine maintenance).

Unifying all the procurement groups in a single overarching organisation across the MoD will have multiple integrity and effectiveness benefits:

- It will allow for more attention to the particular risks in each of the markets where the MoD procures.
- It will allow for more attention to building a competitive and wider supplier base in these markets.
- It will build better critical mass of the rarest resource - experienced defence procurement officers.
- It will allow for much greater effectiveness in the use of framework contracts across the services.
- It will reduce the waste of resources of experienced procurement officers in the current duplication of near identical tenders in each of the services, which will allow these same officers to be used much more strategically: in making the supplier base more competitive, in leveraging the use of IT tools to improve the efficiency of all phases of the procurement cycle, in building up a solid procurement trends and statistics database, in monitoring international contracts and practices.
- And, most of all, in having the capacity to pay proper attention to minimising corruption risks.

**Measure 1:** The MoD will implement a unified MoD procurement organisation, whilst but still keeping service-specific teams within the overall organisation. The MoD will also implement a unified set of procedures across all the branches. The MoD will find the optimum way to achieve this result within organisational constraints.

**Measure 2:** The MoD will implement a policy requiring the use of standard MoD contracts and framework contracts across all the branches.
Measure 3: The MoD will re-shape the resulting organisation so that more attention is paid to the strategic and monitoring aspects of high-integrity defence procurement, as noted above.

2. Ensuring high professionalism of defence procurement officers

Training

There is no uniform, professional approach to the training, deployment and monitoring of professional procurement officers across the MoD and the three branches.

The concept of professional procurement officers needs to be further substantiated and integrated into the procurement structure in order to become meaningful. The MoD can make a joint programme with the national school of public administration, academia and professional associations in their capacity as public servants. The MoD will seek to do something especially for defence procurement within this context, though there is no official certification.

Measure 4: MoD procurement officers will be developed as a professional cadre across all three services. A certification process (training) for officers dealing with procurements/contract monitoring as well as experience retention measures (e.g. minimum service years in procurements, lessons-learned process, mentoring, etc.) will be developed as a realistic first step.

Measure 5: The MoD will implement a policy that procurement officers, both military and civilian, will rotate between different aspects of procurement and related disciplines (e.g. being responsible for different markets, in the technical requirements groups, in post-award teams, etc.) every few years. They should not stay in any one position more than a certain number of years.

Procurement officers: Legal obligation to look out for, and report, corruption concerns

Procurement officers are not explicitly required to be attentive to corruption risks. The legal obligation is implicit within the broader legal context of the code of criminal procedure but needs to be explicitly stated.

Measure 6: The MoD will place a specific obligation on MoD procurement officers, both military and civilian, to look out for corruption concerns, and a legal obligation to report these when they suspect them.

Strategic thinking

The MoD needs to have a routine structure of bringing together experienced procurement officers to ensure that the strategic aspects of defence procurement are regularly and routinely discussed. For example:

- reviewing the development and implementation of tender procurement from the stage of the inquiry until their completion
- sharing information on red flags and specific corruption concerns
- initiating due diligence to detect unusual or suspicious behaviour of both companies and boards
- raising the concerns where necessary to provide adequate explanations or conducting rechecks
- examining potentially corrupt market structures
- examining how to encourage a more competitive supplier base in key market areas.

**Measure 7:** The MoD will set up a permanent working group of defence procurement officers to routinely consider all the more strategic aspects of MoD procurement.

3. Improving procurement laws and procedures for clarity and reduced risk

**Issue:** The principal laws are regarded as not bad, but difficult to use. There is a multitude of interrelated procedures in statutory and guidance documents for different stages of the procedure (endorsement of operational requirements – technical specifications – general/special terms and conditions, applicable procurement method, etc.) with the overall effect of decreasing efficiency while not promoting transparency in a proportionate way. It means, in effect, that the MoD does not have clear procurement procedures for both military and non-military procurement.

**Measure 8:** At the plan implementation stage, the MoD will specify exactly which procedures and laws will be proposed for modification and clarification.

**Measure 9:** The MoD will prepare a simple manual outlining the main procurement routes and practices in use in the MoD.

**Measure 10:** The MoD will make increased use of IT tools to streamline and improve procurement procedures.

4. Improving and monitoring the compliance programmes of contractors

**Issue:** Contractors are often seen as being simply “the problem”. This is increasingly incorrect internationally, as more and more companies are taking strong steps to ensure that they do not participate in corruption. Almost all international defence companies now have ethics and compliance programmes to police this requirement internally. In some countries, such as the United States, this is also a formal legal requirement (see Reference 1, Annex B).

In some companies, this is very real, and these companies behave well in defence contracting. In others, though, they have the programme, but in reality, it is just on paper and has no substance.

The MoD needs to take a more proactive and coercive approach to requiring improved integrity behaviour of contractors. This requires three changes:

- The MoD needs to make it explicit to contractors that only clean behaviour will be tolerated and that companies are expected to self-clean.
• The MoD must make sure that all the contractors who work with the MoD really
do live up to their promises on how clean they say they are. This requires
attention, monitoring and due diligence.

• Where companies do not have integrity/compliance programmes, then the MoD
will require that they put them in place in order to be able to contract with the
MoD. For national contractors within Greece, this may require a transition
period, perhaps two years.

Such policies are required, for example, in the United States. There is extensive public
information available on what such programmes contain and how they are set up. This is
now an international good practice measure in the defence sector.

**Measure 11:** The MoD will make a public policy statement regarding what it expects
from its contractors by way of integrity and avoiding corruption. The MoD will request
that every bidding company signs this policy as a condition of bidding.

**Measure 12:** After two years, the MoD should require every contractor who wishes to
do work with the MoD to certify that it has put in place an ethics and anti-corruption
compliance programme.

The requirement could be proposed partly in lieu, instead of in addition to, the already
existing requirements.

**Measure 13:** The MoD will write to every bidding contractor at the start of a new tender
reminding them of the contractor integrity policy and their obligations,
and enlisting
their assistance to report or advise of any concern that they may have during the
tendering process or afterwards.

**Measure 14:** The MoD will actively exercise its contractual rights to monitor contracts
and contractors where it has a cause for concern.

5. Making better use of procurement data and market information

**Issue:** The MoD does not make proactive use of procurement data. This is important, as
many anti-corruption efforts depend on having relevant data. This shows up in multiple
ways:

• The MoD does not have easy access to the non-military procurement data so
that they can interrogate the data.

• Partly because of this, but also because of their lack of obligation to look for
corruption issues, the procurement officers are not analysing the available data
to identify concerns and patterns that may show up corruption concerns.

• The MoD does not see blacklisting situations in other ministries relating to
companies that also contract with the MoD.

• The MoD are not analysing the data to see how they can encourage a broader
and more competitive supplier base in relevant markets. The Greek supplier base
is small and getting smaller: this needs attention, or else the problems of very
small markets – like collusion – will get worse, and value for money will also get
worse.
Measure 15: The MoD will demand easier access and increased authority of access to the public procurement platform data.

Measure 16: The MoD will routinely conduct analysis of each of their markets and contractors.

Measure 17: The MoD will open discussions with representatives from the General Secretary of Commerce and the Single Public Procurement Authority to use the new technology to enable the exchange of information and knowledge of black-listed companies.

6. Strengthening the integrity of technical specifications

Issue: Adjusting the technical specifications, so that one company is favoured to win the contract, is a classic corruption technique in defence. It happens in both military and non-military procurement. The problem is significant, but is also actually quite complex, because it may arise for several quite different reasons:

- The most basic case is the standard corruption scenario. A mid-ranking officer inserts a particular technical requirement, knowing that only one company is able to provide this. In the later evaluation of the bids, this means the score for that contractor will be improved relative to the other bidders, and therefore make it more likely to win the contract.

- Sometimes there really can only be one supplier for a product; for example, a spare part for an out-of-model engine, where only one company still holds supplies. Sometimes the procurement organisation has to go through the “show” of a competitive tender because the procedures require it, but everyone knows that it’s just not possible to have another supplier. This is not corruption, though it can turn into that.

- The MoD may already have one engine that it uses, and it wishes to continue to buy such engines for reasons of efficiency of maintenance. But the procurement rules still require competition.

- Finally, due to the lengthy bureaucratic requirement for tendering, it can be much easier just to use the same technical requirements as were used in the previous tender cycle. This means that any bad requirements will just be repeated.

Though this is a significant problem, there is no easy answer, and every defence ministry in the world faces this problem.

- Part of the answer lies in simpler procurement procedures (see Element 3 above).

- Part of the answer lies in placing a duty on the procurement officers to pay attention to corruption risks (see Element 2 above).

- Part of the answer lies in more strategic/thoughtful use of the procurement officers. They know where these problems are, and which tenders will require special attention to this risk.
• And part of the answer lies in stronger internal control processes (first and second lines of defence/assurance arrangements), specifically separation of duties: the people who write the technical specifications should not be the same people as those who procure the product.

**Measure 18:** The MoD will extend the use of *technical dialogue* for defining the technical specifications. The MoD will also use the new unified procurement structure approach (see Element 1) to ensure that service knowledge and experience in technical specifications are shared and centralised.

**Measure 19:** The MoD will ensure that the task of technical specification writing and approval is formally separated from the task of operating the tendering process.

7. Caution and diligence in the use of government-to-government contracts

**Issue:** G2G sales also have corruption risks, especially with sole source purchases. In such cases, MoD procurement officers also are usually not able to see the internal details.

**Measure 20:** The MoD will tightly limit the use of sole source G2G procedures.

One mechanism for major international defence purchases that have not had any record of corruption: collaborative purchases by a number of nations together, organised through NATO. The MoD has used such arrangements before, with good results.

**Measure 21:** The MoD will actively support participation in NATO collaborative programmes because the track record is that they do not experience corruption issues.

8. Improving sanctions, discipline and scrutiny of contracts and offsets

There are almost no convictions of MoD defence personnel for corruption or bribery, neither in routine cases nor despite some high profile investigations. Such crimes can be expected to happen in every defence ministry, and thus it is a source of concern, not a positive feature, that there are so few cases in the MoD.

This needs strengthening so that the normal requirement of having an active disciplinary process is seen to be in place. In addition, there are several mechanisms used in other countries that are being used effectively, such as preventive internal audit, and suspension and debarment mechanisms (see Reference 6, Annex B), that can be considered for the MoD.

**Measure 22:** The MoD will strengthen its investigation of possible wrongdoing among staff and contractors; collaborating as required with the relevant competent authority.

**Measure 23:** The MoD will modify its internal audit capability so that it separates investigations from preventive internal audit functions.

**Measure 24:** The MoD will consider possible merits of setting up a suspension and debarment unit, along the lines of the one used by the US air force.
Measure 25: The MoD will review all the still active programmes, including all offset contracts, to see if there are others that should also be investigated and/or referred to the prosecutor.

9. Improving post-contract follow-up and monitoring

Issue: Corruption happens as much after contract award as before it. There is a need for paying attention to the way that the more complex contracts are executed in the MoD.

Measure 26: The MoD will take a stronger approach, and make more use of qualified procurement officers in contract operation activities.

10. Publishing forward procurement intentions and plans

Being clear about forward procurement plans is a good practice that is now common in advanced militaries. It gives more certainty to contractors, and it makes it harder for sudden requirements, which can be poorly or falsely constructed, to be pushed through. It also allows contractors to the MoD to plan on a longer-term basis and to consider widening what they offer.

Measure 27: The MoD will publish their forward procurement plans for military and non-military spending, within the limits of non-secret information.

Measure 28: In respect of non-military forward forecasting, the MoD will investigate the use of simple IT tools to improve forward procurement planning.
Annex A

Standardised approach to building integrity and reducing corruption risks in the defence sector

A standardised approach to assessing the vulnerability to corruption of defence ministries and forces was developed in the period 2010 to 2013 by the Defence and Security Programme of Transparency International. This has been applied to 130 countries, many of which use the methodology as the basis for their own integrity and anti-corruption plans (see Reference 7, Annex B).

Defence corruption risks

The approach is based on 29 defence corruption risks, shown in the figure below.

![Diagram of defence corruption risks](image)

Of the risks, nine are in the area of **defence procurement** (see figure above, right-hand side). These risks are mostly well known to defence procurement professionals (except for one – corruption risks in financing packages, which is less common).

Perhaps the most contentious, and serious, is “seller influence”. This is where the selling country uses its national influence to press the case for the products of their national companies. If the resulting contract is a sole source one, even if it is government to government, then it is especially hard for the purchasing country to identify and stop corruption issues that arise.
Vulnerability assessments of national defence ministries

The corruption vulnerability assessments, which have been carried out for some 130 countries worldwide, lead to an overall rating of the corruption vulnerability, on a scale of A (low vulnerability) to F (high vulnerability). The results for NATO nations and partners are shown below. The left-hand column shows the results for NATO nations; the right-hand column shows the results for NATO partners.

In this schema, Greece ranks about in the middle, with a C ranking.

Corruption risks in international defence companies

A similar approach has been used to assess the vulnerability of all the major defence companies. This is valuable information when contracting with these companies, as the MoD does. The companies pay great attention to these assessments. A total of 164 major defence companies have been assessed (see Reference 8, Annex B).
Annex B

International good practice links and references

1. US Defence acquisition regulations: Requirements for contracting companies to have an ethics/compliance programme

Regulation reference: Federal Acquisition Regulations (FAR) 52.203-13, effective December 2008

Summary: The Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) have agreed on a final rule amending the Federal Acquisition Regulation (FAR) to amplify the requirements for a contractor code of business ethics and conduct, an internal control system, and disclosure to the Government of certain violations of criminal law, violations of the civil False Claims Act, or significant overpayments. This final rule implements Pub. L. 110-252, Title VI, Chapter 1.

- DEPARTMENT OF DEFENSE

Discursive articles about the FAR mandatory requirement

See the following discursive articles when the requirement became mandatory in 2008:


2. NATO

**NATO policy on building integrity and reducing corruption risk**


**NATO experience related to lessons learned about corruption on operations**


3. Norway Centre for Defence Integrity (CIDS)

- Centre for Integrity in the Defence Sector: [http://cids.no](http://cids.no)

**Norwegian CIDS guidance on writing integrity plans**


**Norwegian CIDS Guidance on good governance in the defence sector**


4. Defence industry associations: Ethics and integrity commitments

**Global defence industry ethics association (IFBEC)**


**European defence industry: Ethics and integrity standards**


**US Defense ethics initiative (DII)**

- Defense Industry Initiative on Business Ethics and Conduct: [www.dii.org](http://www.dii.org)
UK defence industry association: Ethics and integrity toolkit for companies


5. Defence company ethics and compliance programmes

**Lockheed Martin**

- Ethics: [www.lockheedmartin.co.uk/us/who-we-are/ethics.html](http://www.lockheedmartin.co.uk/us/who-we-are/ethics.html)

**Thales**


**Krauss Maffei Wegman**


**Others** are easily found: Google the company name, plus ethics, compliance.

6. Suspension and debarment in defence contracting


7. Assessments of national defence corruption risk

- Government Defence Anti-Corruption Index: [https://government.defenceindex.org](https://government.defenceindex.org)

Detailed reports for all countries can also be found at this site.

8. Assessments of international defence company anti-corruption strength processes

- Defence Companies Anti-Corruption Index: [http://companies.defenceindex.org](http://companies.defenceindex.org)
ANNEX B. INTERNATIONAL GOOD PRACTICE LINKS AND REFERENCES

oecd.org/corruption