



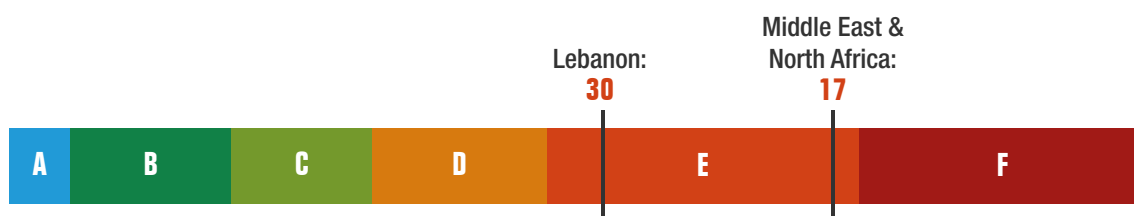
COUNTRY OVERVIEW: **LEBANON**


2020 Government Defence Integrity Index

OVERVIEW: LEBANON

Lebanon has seen some key changes over the last years, which have strengthened the defence sector against a number of risks. As part of commitments made during the 2018 CEDRE Conference in Paris, which conditioned financial aid and investments to Lebanon on a series of anti-corruption and governance reforms to restore investor and government trust, the Lebanese government has adopted several key pieces of anti-corruption legislation; yet in light of perceived political stagnation and anger over widespread corruption, major protests broke out across Lebanon in October 2019 which led to the Prime Minister's resignation; Lebanese citizens have been expressing their anger at political sectarianism and their desire for concrete anti-corruption measures and reforms.

By contrast, the Lebanese Armed Forces (LAF) have been shielded from public anger, thanks to high levels of integrity and a willingness to remain neutral and avoid force against protesters. The defence sector faces Very High risk levels in practice however, including the lack of effective oversight and accountability to Lebanese citizens, the absence of clear independent auditing mechanisms, and gaps between the laws adopted in the last two years and their implementation.

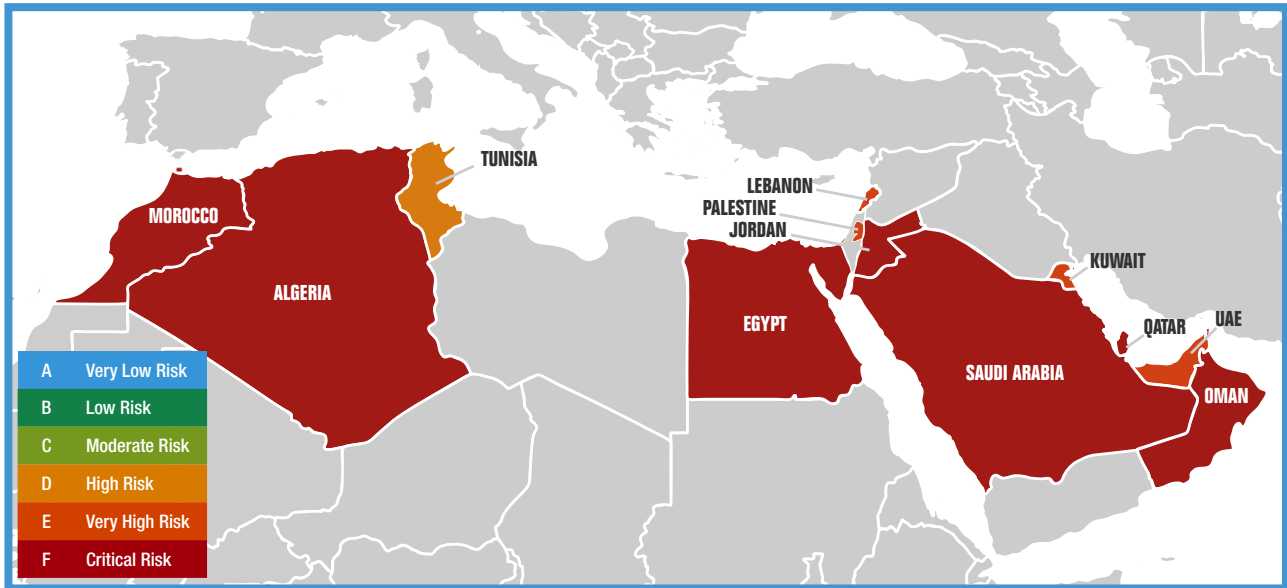


Lebanon Quick Facts

OECD fragile state	No
Significant defence exporter*	No
Significant defence importer*	No
Volume of arms trade 2015-2018 (US\$ mil)*	0
Defence Budget (US\$ mil)*	2776
Defence Budget as % of GDP*	5%
Total armed forces personnel#	80,000
UN Convention Against Corruption	Ratified in 2009
Arms Trade Treaty	Ratified in 2019

*SIPRI, #World Bank

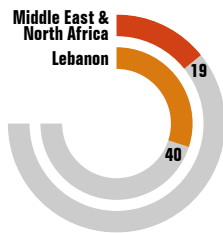
Middle East & North Africa: Regional Issues in Defence Integrity



Defence sectors across the Middle East & North Africa (MENA) continue to face a high risk of corruption. At the same time, protracted armed conflicts in Syria, Libya, and Yemen persist, while public protests against corruption and authoritarianism continue in a number of countries – reflecting an overall context of insecurity and fragility. Although some governments have publicly committed to stepping up anti-corruption efforts, there remains a gap between existing legislation and implementation in practice. Military institutions in the region are characterised by a high degree of defence exceptionalism, resulting in a lack of transparency that precludes oversight actors from effectively scrutinising defence budgets and policies at a time when defence spending and arms imports continue to surge. These concerns are further compounded by authoritarian governance systems seen in many MENA countries. Resurgent protests and uprisings in the region after the 2011 Arab Spring demonstrate that corruption is a central and persistent public grievance. Continuing to treat the defence sector as an exception and failing to meet public expectations of transparency and accountability could further fuel public distrust, result in a loss of legitimacy for defence institutions, and facilitate the recruitment efforts of non-state armed groups. It is therefore crucial that governments in the region disclose more information about defence spending and strategy, make decisions that serve the public interest, and rectify loopholes that allow for corruption to thrive, in turn bolstering national security and stability.

The Lebanese Armed Forces benefit from widespread popular support in Lebanon due to their sectarian neutrality and good practices, and have demonstrated a commitment to respecting international and national regulations relative to anti-corruption. Nonetheless, Lebanon's defence sector is aligned to regional practices with regards to limited access to information and high secrecy. While Lebanon has strong legislation in place, the delays in implementation of the Access to Information Law and Whistleblower Protection Law have limited the possibilities of addressing these gaps.

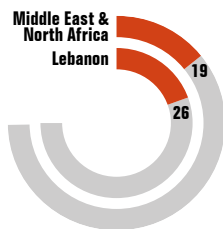
RISK AREAS



Political Risk

Political oversight of the military is established within the constitution: the executive branch, through the Council of Ministers and the Supreme Defence Council, sets the defence policy and oversees its implementation. However, the legislature is not accorded oversight over defence policy, and parliamentary scrutiny of defence affairs is absent, aside from approving the state budget.

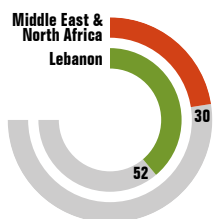
Despite clear national security risks, Lebanon does not have a recent defence policy and security strategy guiding relevant decisions, despite some officials' calls for one to be established (including the President). In terms of corruption-specific oversight, Lebanon does not have an official anti-corruption strategy, nor has the Anti-Corruption Commission mandated by law been established.



Financial Risk

Following years of political disagreements, the government has been able to adopt annual budgets since 2017, and the defence budget is debated and published within the context of this budget; off-budget military expenditure still occurs due to the lack of resources in the defence budget, which is primarily dedicated to staff salaries. The primary source of LAF equipment and funding is generally military assistance from foreign allies who also support, equip, and train military personnel; military assistance is subject to rigorous controls and end-user monitoring from allies.

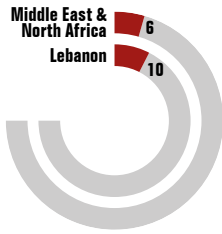
Access to information related to the armed forces does not take place, despite an Access to Information Law which does not exclude the defence sector having been adopted in 2017. The law covers all public sectors. Implementation has however been weak across all sectors, for lack of an implementation decree.



Personnel Risk

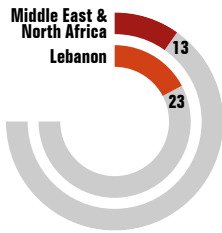
The LAF is perceived as being the least corrupt government institution, and has taken internal measures to increase transparency and integrity. Bribery and corruption are defined offences within the Code of Military Justice, and the Armed Forces are clear that sanctions are applied to those who transgress, including dishonourable discharge.

In 2018, Lebanon adopted a whistleblower protection law applicable to all public administration employees; implementation has been weak across all sectors, including defence, for lack of an implementation decree. There is no evidence of ghost soldiers, and pay rates and civilian and military allowances are available online; payments are made on time but remain linked to the chain of command.



Operational Risk

Operations are Lebanon’s highest risk area. The LAF is aware of corruption as a strategic issue and reminds its personnel of existing laws and regulations, but has no explicit anti-corruption doctrine. Anti-corruption trainings have taken place as part of broader training courses, though these are sporadic rather than ingrained within the training curriculum. The LAF does not conduct regular military operations and where it does, there is no evidence that it deploys trained personnel to conduct corruption monitoring, nor does it have monitoring and evaluation guidelines. There are also no laws or policies in place surrounding private military contracting companies.



Procurement Risk

The LAF are exempt from the law requiring a public tender for goods and services over US\$535, and are subject to special procurement procedures. Additionally, there is no clear legislation related to corruption risks in defence and security contracts, and only registered and listed companies are able to access military procurement contracts, limiting competition. Oversight of procurement is conducted by the General Directorate of Administration; this body is not independent as it is a part of the LAF, but it appears to take misconduct seriously; additional oversight is carried out as part of foreign military support. Additionally, while no specific laws prohibit collusion, and despite undue political influence being present in Lebanon’s public procurement, rules and procedures are firmly applied within the LAF.

THEMATIC FOCUS

The following section presents discussion of the four main challenges facing Lebanon, and suggests areas of reform that are possible, based on GDI findings.

Oversight

Oversight functions exist in the form of anti-corruption bodies, audit functions, and/or parliamentary committees, but defence institutions have historically been exempt from this degree of scrutiny. Oversight mechanisms instil confidence that systems are resilient against undue influence and efficient in the face of resource challenges. Well-functioning oversight mechanisms ensure that national defence decisions around operations, budgets, personnel management, and arms acquisitions are robust and aligned with strategic needs, and can note problems at an early stage, before they threaten to hollow out defence and security institutions.

The LAF would benefit from consistent and competent civilian oversight of the institution, to complement the executive's defence and security decision-making mandate. For instance, civilian bodies should be involved in the adoption of a national defence policy and oversight and audits of LAF resources, to ensure that these align with the priorities of all Lebanese citizens.

Transparency

Transparency facilitates more effective government, not only by allowing oversight mechanisms to function effectively, but also by creating opportunities to streamline processes for greater impact and efficiency. Its absence is marked by mistrust in government and insecure political power. A lack of transparency over military capability, defence budgets, and acquisitions can increase the risk of arms proliferation, which in turn creates the potential for instability and pressure to increase defence spending. While some items may need to remain classified, opacity should be a well-founded exception, not a rule.

While acknowledging that some information cannot be shared because of national security concerns, the government should determine appropriate criteria and guidelines for classification of information, including defence and security information, and make these guidelines publicly available.

Implementation Gap

Passing laws, even excellent ones, can only effect so much change. It is their implementation that is crucial in achieving outcomes across government, yet it continues to be a critical failure point in reform efforts. Implementation is a function of political commitment, expertise, and availability of resources, and includes not only policies and practices, but also plans and stable institutional arrangements. The gap between the quality of the legal framework and the effectiveness of implementation cuts across all areas of risk, affecting ministries and militaries in equal measure.

The Lebanese defence sector is supported by strong legislation, in particular adopted over the last couple of years. However, gaps in implementation should be closed. In particular, the government should prioritise the establishment of the National Anti-Corruption Commission to enable the full implementation of whistleblower protection and access to information legislation.

Operations

Since many military operations, both domestic and international, take place in fragile and (post)-conflict states where corrupt practices can be widespread, planners and leaders need to contend with the risk that corruption can pose. Corruption in operations wastes resources, empowers criminal networks, and contributes to conflict and insecurity. Equally, inserting missions – which come with financial resources and can grant political support to local stakeholders – can exacerbate corruption risks as much as it can diminish them. Military doctrines, pre-deployment training and monitoring in the field can all help prepare troops to counter these risks.

The Lebanese Armed Forces receive regular training from international allies and internally. While some of this has related to corruption, much of the anti-corruption courses have been sporadic. The armed forces would benefit from including counter-corruption into the induction of armed forces and a regular course syllabus to ensure that personnel are well aware of the risks of corruption to their operations, and the consequences for corrupt behaviour.

COUNTRY SCORECARD: LEBANON

Overall Country Score	E	30	Very High Risk
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Political Risk		D	40
Q23	Export Controls (ATT)	A	100
Q19	Organised Crime Links	B	75
Q18	Natural Resources	B	67
Q12	Budget Transparency & Detail	C	63
Q5	Conventions: UNCAC / OECD	C	63
Q14	Budget Availability	C	58
Q4	CSO Engagement	C	58
Q16	Internal Audit	C	50
Q20	Organised Crime Policing	C	50
Q22	Intelligence Services Recruitment	C	50
Q7	Anticorruption Policy	C	50
Q8	Compliance and Ethics Units	D	42
Q6	Public Debate	D	38
Q11	Acquisition Planning	D	33
Q17	External Audit	E	31
Q13	Budget Scrutiny	E	25
Q15	Defence Income	E	25
Q2	Defence Committee	E	20
Q1	Legislative Scrutiny	E	17
Q10	Risk Assessments	F	0
Q21	Intelligence Services Oversight	F	0
Q3	Defence Policy Debate	F	0
Q76	Lobbying	F	0
Q9	Public Trust in Institutions	NS	

Financial Risk		E	26
Q26	Secret Spending	A	100
Q31	Beneficial Ownership	C	50
Q33	Unauthorised Private Enterprise	C	50
Q27	Legislative Access to Information	E	25
Q30	Access to Information	E	25
Q32	Military-Owned Business Scrutiny	E	25
Q77	Defence Spending	F	13
Q24	Asset Disposal Controls	F	0
Q25	Asset Disposal Scrutiny	F	0
Q28	Secret Program Auditing	F	0
Q29	Off-budget Spending	F	0

Personnel Risk		C	52
Q39	Pay Rates and Allowances	A	100
Q40	Payment System	A	92
Q44	Bribery for Preferred Postings	B	67
Q49	Corruption Prosecutions	B	67
Q50	Facilitation Payments	B	67
Q34	Public Commitment to Integrity	C	50
Q35	Disciplinary Measures for Personnel	C	50
Q42	Objective Promotions	C	50
Q45	Chains of Command and Payment	C	50
Q46	Military Code of Conduct	C	50
Q48	Anticorruption Training	D	42
Q36	Whistleblowing	D	33
Q37	High-risk Positions	D	33
Q38	Numbers of Personnel	D	33

Q41	Objective Appointments	D	33
Q47	Civilian Code of Conduct	F	0
Q43	Bribery to Avoid Conscription	NA	

Operational Risk		F	10
Q51	Military Doctrine	E	25
Q52	Operational Training	E	25
Q53	Forward Planning	F	0
Q54	Corruption Monitoring in Operations	F	0
Q55	Controls in Contracting	F	0
Q56	Private Military Contractors	NS	

Procurement Risk		E	23
Q63	Procurement Requirements	B	75
Q62	Business Compliance Standards	C	50
Q58	Procurement Cycle	D	42
Q60	Potential Purchases Disclosed	D	38
Q65	Tender Board Controls	D	38
Q69	Supplier Sanctions	D	33
Q59	Procurement Oversight Mechanisms	E	25
Q74	Financing Packages	E	25
Q66	Anti-Collusion Controls	E	17
Q67	Contract Award / Delivery	F	6
Q57	Procurement Legislation	F	0
Q61	Actual Purchases Disclosed	F	0
Q70	Offset Contracts	F	0
Q71	Offset Contract Monitoring	F	0
Q72	Offset Competition	F	0
Q75	Political Pressure in Acquisitions	NS	
Q64	Competition in Procurement	NEI	
Q68	Complaint Mechanisms	NEI	
Q73	Agents and Intermediaries	NEI	

Legend	Range of Scores	Corruption Risk
A	83 - 100	Very Low
B	67 - 82	Low
C	50 - 66	Moderate
D	33 - 49	High
E	17 - 32	Very High
F	0 - 16	Critical

Key

NEI - Not enough information to score indicator.

NS - Indicator is not scored for any country

NA - Not applicable

Transparency International Defence & Security

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