

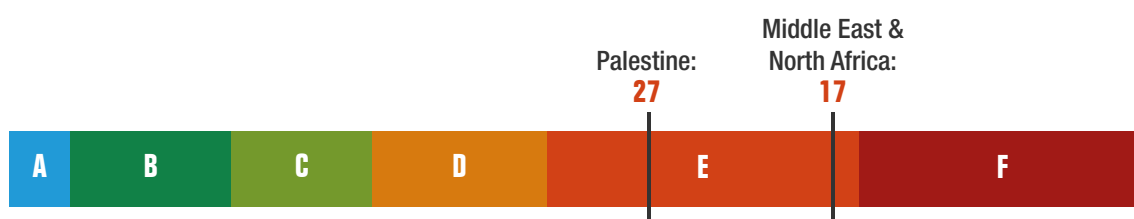


# COUNTRY OVERVIEW: **PALESTINE**

  
2020 Government Defence Integrity Index

## OVERVIEW: PALESTINE

The Palestinian Authority (PA) presents a rare case in the global landscape of security establishments: it does not have a fully-fledged military force or a ministry of defence and relies on a semi-militarised police force to perform the role of a security force. While the PA security forces have undergone a period of professionalization in the last decade, our research shows that the strengthening of anti-corruption systems have failed to keep pace. Instead, the PA security forces have been increasingly politicised, creating a high risk of corruption. The lack of external oversight stemming from the absence of an effective legislative function, presents one of the main threats to the independence of the security forces. The PA security forces are estimated to be around 85,000, which represents one of the highest ratios of security personnel to civilians in the world. Given high levels of public wariness towards the security establishment, it is in the best interest of the PA security forces to establish strong accountability standards. The PA can ill-afford corruption hollowing out its security forces, bolstering civilian mistrust and hampering their ability to respond to threats.

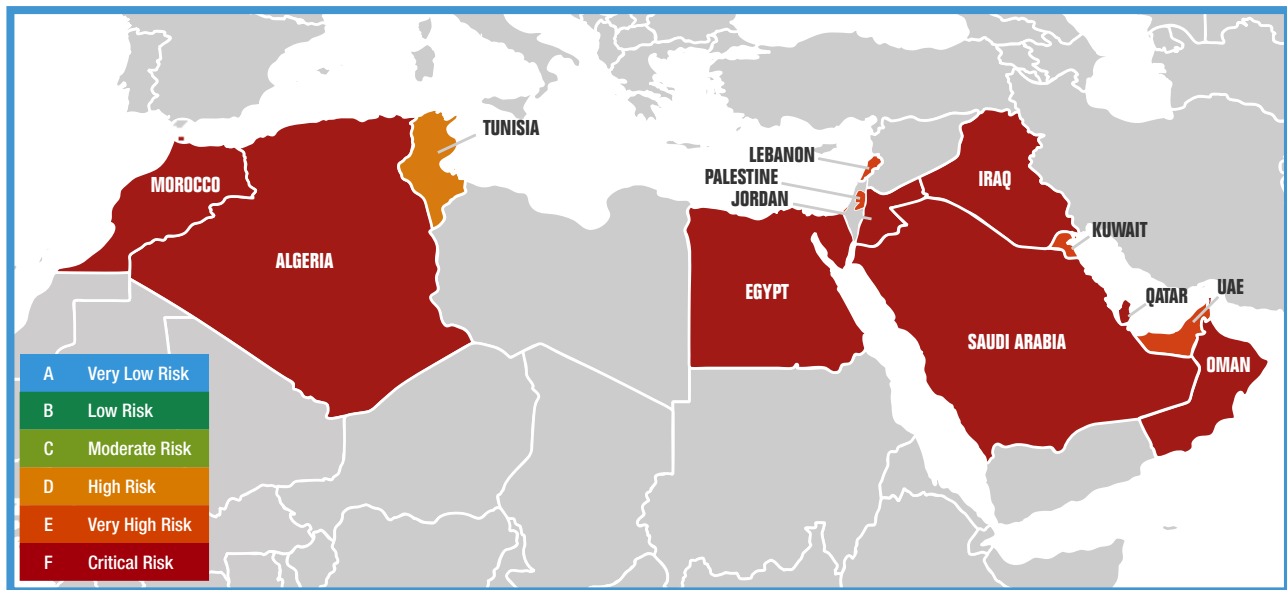


### Palestine Quick Facts

OECD fragile state	Yes
Significant defence exporter*	No
Significant defence importer*	No
Volume of arms trade 2015-2018 (US\$ mil)*	0
Defence Budget (US\$ mil)*	N/A
Defence Budget as % of GDP*	N/A
Total armed forces personnel#	85,000
UN Convention Against Corruption	Ratified in 2014
Arms Trade Treaty	Ratified in 2018

\*SIPRI, #European Council on Foreign Relations

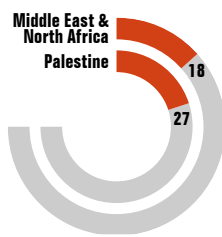
## Middle East & North Africa: Regional Issues in Defence Integrity



Defence sectors across the Middle East & North Africa (MENA) region 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 publically 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.

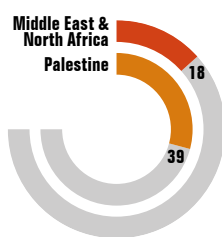
More than conventional defence forces in the region, the PA security forces play a crucial role in maintaining law and order, countering terrorism, and ensuring the stability of the Palestine Authority. Without investing in robust integrity systems, it is unlikely that increased investment in the security sector will enhance public security. Good practice which exists in some areas, such as the management of pay rates for security personnel, needs to be leveraged for use in other areas, in particular in enhancing external oversight functions and improving transparency in security procurement and personnel management.

## RISK AREAS



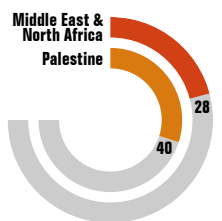
### Political Risk

While the security sector is governed according to a publically available five-year security strategic plan (2017-2022), it does not provide a robust anti-corruption framework. The absence of active legislative oversight since 2007 has been posing systemic challenges in anti-corruption enforcement. It has enabled a concentration of power resulting from the direct line of authority between the security forces and the executive, fostered a growing politicisation of the security forces. The institution mandated to investigate and prosecute crimes and corruption cases in the PA is also subject to undue influence from senior leadership and the executive. The lack of public deliberation has hampered the accountability of the security institution and has fuelled public distrust. Law No 9 of 1995 prevents any citizen to publish any secret information related to public security, as a result of which the security sector has no policy of openness towards sharing critical information with CSOs.



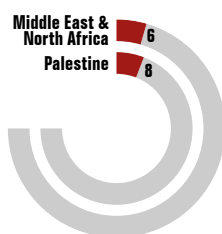
### Financial Risk

The lack of transparency and external oversight over security sector spending remains the norm. Good practice exists in financial management, through the disclosure of planned disposals on the website of the Ministry of Finance and the absence of off-budget expenditures. Yet, in practice, the PA security forces are subject to very little financial oversight, as the audit unit mandated to supervise security-related purchases is headed by the Minister of Finance himself and therefore lacks independence. Audit reports are not made available to the public, and the highly aggregated security budget is subsumed within the general budget and provides very little visibility on sources of income.



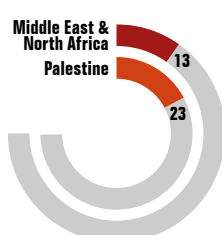
### Personnel Risk

Undue political influence on security matters implies that loyalty is favoured at the expense of merit, despite the existence of legislation regulating the appointment and promotion of personnel. Consequently, security officials have been able to manipulate the security system for personal benefit. Whistleblower legislation is also weak and while corruption is legally recognised as an offence, there are no known cases of military personnel having been prosecuted as a result of a corrupt behaviour. If such a case was to be discovered, evidence suggests that the investigation would be dealt with internally and not lead to a trial, as enshrined in law. In contrast, robust legislation is in place to manage security personnel salaries: pay rates for all personnel in service are available on the website of the Ministry of Interior, facilitation payments are prohibited and there is no evidence of the presence of ghost workers.



### Operational Risk

The PA has yet to design a risk assessment framework and an institutionalised doctrine to address operational corruption risks, as corruption is currently not taken into account in the forward planning of operations. Aside from ad hoc cooperation with civil society organisations to provide security personnel with anti-corruption trainings, there is no evidence that the PA security forces deploy trained professionals to monitor risks in operations or use monitoring and evaluation guidance. They also do not report on integrity and anti-corruption practices or efforts in the sector.



### Procurement Risk

Security procurement remains alarmingly opaque in the PA. It is contained within the general supplies and procurement law of the PA, which is not made publically available, and while it does discourage corrupt practices and collusion, in practice corruption cases are sometimes investigated but not often prosecuted. While procurement is mostly conducted through open competition, procurement needs are not recalled in a dedicated strategic plan and there is overwhelming evidence that individual decisions are able to override strategic needs to influence security procurement. Security purchases are also subject to minimal internal auditing, and there is also no evidence that contractors or suppliers sign anti-corruption clauses.

# THEMATIC FOCUS

The following section presents discussion of several challenges facing the Palestinian Authority in the realm of defence anticorruption and integrity, and suggests areas of reform 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 PA should work towards the reestablishment of the legislative function and of its security committee and ensure its members have adequate understanding and expertise of security-related accountability and integrity standards. The PA would benefit from clarifying the responsibilities of the different services within the security forces (intelligence services, police forces, armed forces) and establishing clear lines of reporting and accountability, to limit undue influence and restore public confidence in the security sector.*

## Undue Influence

The power disparity among different actors in the defence establishment can lead to situations of undue influence, in which one party uses their status to pressure another into making decisions that are not in the best interest of the state. Often it is the executive that coerces parliament or the defence sector in acquisitions, exports, or prosecutions. Undue influence rarely involves direct threats, which are often illegal by law. Any situation in which a process of scrutiny or decision-making is not independent can lead to undue influence, such as with personnel recruitment and oversight mechanisms.

*The PA should consider discouraging any opportunities for personal interests and political affiliations to influence decision-making and overrule strategic needs. It is crucial that the PA hold its security forces to the highest levels of accountability to ensure they operate with integrity on behalf of the Palestinian people, in order to ensure security and maintain public trust. High and middle-ranking positions in the security forces should be filled based on merit and competency.*

## 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.

*The PA would benefit from making audit reports on asset disposals public and from publishing the annual security budget in disaggregated form, with detailed information on expenditure across functions including training, salaries, acquisitions, maintenance. The Ministry of Interior should also consider incentivising corruption-related investigations and prosecutions, make their outcomes available to the public and design and publish a detailed doctrine for addressing corruption risks at strategic, operational, and tactical levels.*

# COUNTRY SCORECARD: PALESTINE

**Overall Country Score**
**E**
**27**
**Very High Risk**

<b>Political Risk</b>		<b>E</b>	<b>27</b>
Q18	Natural Resources	A	100
Q23	Export Controls (ATT)	A	100
Q5	Conventions: UNCAC / OECD	A	100
Q6	Public Debate	C	63
Q19	Organised Crime Links	C	50
Q1	Legislative Scrutiny	D	33
Q4	CSO Engagement	D	33
Q14	Budget Availability	E	25
Q3	Defence Policy Debate	E	25
Q8	Compliance and Ethics Units	E	25
Q15	Defence Income	E	17
Q12	Budget Transparency & Detail	F	13
Q17	External Audit	F	13
Q20	Organised Crime Policing	F	13
Q11	Acquisition Planning	F	8
Q16	Internal Audit	F	6
Q10	Risk Assessments	F	0
Q13	Budget Scrutiny	F	0
Q2	Defence Committee	F	0
Q21	Intelligence Services Oversight	F	0
Q22	Intelligence Services Recruitment	F	0
Q7	Anticorruption Policy	F	0
Q76	Lobbying	F	0
Q9	Public Trust in Institutions	NS	

<b>Financial Risk</b>		<b>D</b>	<b>39</b>
Q29	Off-budget Spending	A	100
Q31	Beneficial Ownership	A	100
Q32	Military-Owned Business Scrutiny	A	100
Q33	Unauthorised Private Enterprise	C	50
Q24	Asset Disposal Controls	D	38
Q25	Asset Disposal Scrutiny	E	25
Q77	Defence Spending	E	19
Q26	Secret Spending	F	0
Q27	Legislative Access to Information	F	0
Q28	Secret Program Auditing	F	0
Q30	Access to Information	F	0

<b>Personnel Risk</b>		<b>D</b>	<b>40</b>
Q39	Pay Rates and Allowances	A	100
Q35	Disciplinary Measures for Personnel	B	75
Q38	Numbers of Personnel	C	58
Q40	Payment System	C	50
Q44	Bribery for Preferred Postings	C	50
Q45	Chains of Command and Payment	C	50
Q50	Facilitation Payments	C	50
Q34	Public Commitment to Integrity	D	42
Q46	Military Code of Conduct	D	38
Q47	Civilian Code of Conduct	D	38
Q48	Anticorruption Training	D	33
Q42	Objective Promotions	E	31
Q36	Whistleblowing	F	8
Q41	Objective Appointments	F	8

Q49	Corruption Prosecutions	F	8
Q37	High-risk Positions	F	0
Q43	Bribery to Avoid Conscription	NS	

<b>Operational Risk</b>		<b>F</b>	<b>8</b>
Q52	Operational Training	E	25
Q53	Forward Planning	F	13
Q51	Military Doctrine	F	0
Q54	Corruption Monitoring in Operations	F	0
Q55	Controls in Contracting	F	0
Q56	Private Military Contractors	NS	

<b>Procurement Risk</b>		<b>E</b>	<b>23</b>
Q58	Procurement Cycle	C	58
Q69	Supplier Sanctions	C	58
Q64	Competition in Procurement	C	50
Q66	Anti-Collusion Controls	C	50
Q63	Procurement Requirements	D	42
Q68	Complaint Mechanisms	D	33
Q65	Tender Board Controls	E	31
Q57	Procurement Legislation	E	25
Q59	Procurement Oversight Mechanisms	E	25
Q67	Contract Award / Delivery	E	25
Q71	Offset Contract Monitoring	E	19
Q60	Potential Purchases Disclosed	F	0
Q61	Actual Purchases Disclosed	F	0
Q62	Business Compliance Standards	F	0
Q70	Offset Contracts	F	0
Q72	Offset Competition	F	0
Q73	Agents and Intermediaries	F	0
Q74	Financing Packages	F	0
Q75	Political Pressure in Acquisitions	NS	

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**

[www.ti-defence.org/gdi](http://www.ti-defence.org/gdi)

[twitter.com/ti-defence](https://twitter.com/ti-defence)