Country Brief:

CANADA
The impact of the COVID-19 pandemic in Canada has triggered an intensified debate around defence and national security. Prior to the health crisis, national security and defence issues rarely penetrated public debate or generated much political interest. Since then, however, national security is increasingly at the forefront of public concern. The crisis has laid bare key gaps in Canada’s readiness to confront new and emerging security threats, such as the spread of infectious diseases, but also cyberwarfare, an area in which progress has been slow for the Canadian Armed Forces (CAF). Recognising this, the Department of National Defence (DND) has published a new modernisation strategy for the CAF that predicts their involvement across an increasingly broad spectrum of operations and requires them to adapt to more diffuse threats.

Overall scores
The size of the colour band corresponds to number of countries that fall into that category.

Risk Comparison

CANADA

CANADA SCORE
MODERATE
C
54

GROUP AGGREGATE 56
INDEX AGGREGATE 39

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

GOVERNMENT DEFENCE INTEGRITY INDEX
Parliamentary Oversight

| Legislative oversight of budget (Open Budget Survey, 2019) | 59/100 |
| Military expenditure as share of government spending (SIPRI, 2020) | 2.5% |
| Committee members with defence expertise (%) | Data is not publicly available. |
| # of meetings/year | 32 (2020–21) |
| Last review of defence policy/strategy | 2017 (National Defence Policy) |

The re-election of a minority government in 2021 means that defence and security policymaking will require significant consensus-building efforts and political will to address sensitive issues. The current governance make-up will draw significant focus on Parliament as a key arena of defence policymaking and oversight. Parliamentary powers of control over defence policy are anchored in the 1985 National Defence Act, which outlines legislative powers to regulate defence expenditure. Dedicated defence committees in both the House of Commons and Senate are charged with oversight in practice. The committees are empowered to review defence policies, vote on legislation, scrutinize budgets and organise enquiries and hearings. The committees meet regularly and have been active in issuing recommendations to the Department of National Defence (DND) and initiating long-term investigations on strategic defence questions.

The development of the 2017 National Defence Policy is a good example of consultative defence policymaking, as parliamentary and public involvement was key in developing the strategy. While Parliament is generally effective in its role, there remain areas of limited disclosure and transparency, particularly in relation to arms exports, where oversight remains restricted. Moreover, while the DND generally responds to committee recommendations, it should be noted that under minority governments, and particularly during the Harper era, recommendations were less frequently implemented, suggesting that partisan politics can dictate the effectiveness of the oversight function. Parliamentary oversight is also supported by strong financial auditing mechanisms. Internal audits are carried out by the Chief Review Services (CRS), which conducts regular assessments of expenditure which are rated as “good” or “excellent” in terms of their usefulness by senior management in the DND. Nevertheless, there is no obligation for the DND to respond or adapt to CRS findings. The internal audit functions are subject to review by the Office of the Auditor General (OAG), which also conducts external reviews of defence spending, as does the Parliamentary Budget Officer. Both bodies are independent and publish regular reports that are reviewed by defence committees in both houses. However, here too, there is no formal obligation for the DND to integrate findings in practice, which can undermine its effectiveness in practice.

Financial Transparency

| Defence-related access to information response rates | (1) % granted full or partial access: 58% |
| Defence-related complaints to ombudsman/commissioner # | 61 (2020-2021) |
| Does the commissioner have authority over the MoD? | Yes |
| Audit reports on defence (2018-2020) # | 6 (2018); 0 (2019); 2 (2020) |
| Open Budget Index (IBP, 2019) | 71/100 |
| World Press Freedom Index (RSF, 2021) | 14th out of 180 |

Canada is firmly committed to open government practices and in furthering transparency, the government’s InfoBase portal provides significant amounts of financial data that can be filtered by government department and area of expenditure. However, while overall government transparency is strong, when it comes to defence some aspects of financial management remain more secretive. For instance, the published federal budget contains only very broad categories of information related to defence spending. In itself, the budget does not provide a clear breakdown of expenditure across functions as categories are extremely broad. The Departmental Plan contains more detailed spending information, however it is aggregated at high levels (e.g. ‘personnel’, ‘maintenance’) making it difficult to discern where funding is going at a more granular level. Moreover, though parliamentary committees have access to more specific budget information, they rarely exert influence over the budgeting process. Financial transparency is also undermined by the lack of clarity around sources of income outside of central government allocation. Financial data on asset disposals is not publicly available and the Departmental Plan does not specify revenue sources. Revenue generated by the Canadian Forces Morale and Welfare Services (CFMWS), a social enterprise, is also not included in departmental reports, despite the CFMWS generating income equivalent to roughly 1% of the defence budget. Reporting on actual expenditure is fairly robust however, with departmental reports publishing detailed spending information, accompanied with explanations for variances with the initial budget, although this does not cover all items. Finally, it should be noted that Canada has a relatively robust access to information framework for defence. While there are delays in responding to requests in nearly a third of cases, replies are generally detailed and comprehensive and there have been few instances of valid queries being ignored or denied.

11 Department of Defence, ‘Budget 2015’.
## Personnel Ethics Framework

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<thead>
<tr>
<th>Whistleblowing legislation</th>
<th>Public Servants Disclosure Protection Act (2005)</th>
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<td># defence-sector whistleblower cases</td>
<td>Data is not publicly available.</td>
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<td># Code of conduct violations</td>
<td>Military: Data is not publicly available.</td>
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<td>Civilian: Data is not publicly available.</td>
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<td>Financial disclosure system</td>
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The Canadian military’s personnel management, ethics and sanctions frameworks have been the subject of sustained public scrutiny in the wake of a series of sexual misconduct scandals that have revealed the scale of the issue within the armed forces. The issue is partly rooted in a culture of impunity, born out of the weak enforcement of sanctions that extends to anti-corruption issues. Military personnel are subject to the Code of Service Discipline, which sets behavioural standards, as well as specific directives that address corruption issues and provide guidance and protocol on how to adhere to codes of conduct. However, their enforcement has been ineffective and the Supreme Court has determined that breaches are insufficiently investigated due to the opportunities for the chain of command to interfere with investigations. Equally, an Office of the Auditor General report found systemic weaknesses in the military justice system that undermine the process of holding personnel to account for violations of basic laws and anti-corruption standards. Another key obstacle to integrity-building and anti-corruption efforts in defence is lack of emphasis on whistleblowing. Current legislation regulating disclosures of wrongdoing by public servants omits the term ‘whistleblowing’ entirely, while the Public Service Integrity Commissioner, responsible for protecting the identities of those reporting wrongdoing, has limited authority in the defence sector. As a result, whistleblower protections are weak; initiatives to establish an independent body to review whistleblowing complaints have so far failed to materialise, and whistleblowers continue to face the threat of retaliation and punitive action as a result of disclosures.

## Operations

| Total armed forces personnel (World Bank, 2018) | 72,400 |
| Troops deployed on operations # |

| 250 in Iraq (NATO MI), 9 in DRC (MONUSCO), 6 in South Sudan (UNMISS), 5 in Mali (MINUSMA), 5 in Israel (UNIFIL), 5 in Kosovo (KFOR), 5 in West Africa (Op Frequence) |

The Canadian Armed Forces (CAF) are actively engaged in a number of theatres around the world, including as part of multilateral interventions under the aegis of NATO and the United Nations. However, anti-corruption safeguards for military operations are extremely weak, heightening Canadian operations’ vulnerability to corruption. Canada currently does not have any military doctrine that addresses corruption as a strategic issue on operations. Corruption is generally framed only in terms of an issue that can undermine CAF operations or of how such operations can fuel and adversely impact corruption in the host nation. These issues are also not included in forward planning. The Operational Planning Process (OPP) makes no reference to corruption, and there is no evidence of specific anti-corruption training being delivered to commanders and personnel prior to deployment. There is also no evidence of trained professionals being deployed to monitor corruption risk in the field or of specific monitoring and evaluation guidance being prepared for missions, which highlights weaknesses in corruption risk mitigation and identification strategies.

29 Department of Defence, ‘DAOD 7021-1, Conflict of Interest’, Defence Administrative Orders and Directives. 
31 Office of the Auditor General, ‘There were systemic weaknesses in the military justice process’, Report 3 - Administration of Justice in the Canadian Armed Forces, 2018. 
36 Department of Defence, ‘Canadian Forces Joint Publication (CFJP) 5.0: The Canadian Forces Operational Planning Process (OPP)’. 
39 Department of Defence, ‘Canadian Forces Joint Publication (CFJP) 5.0: The Canadian Forces Operational Planning Process (OPP)’. 
Defence Procurement

With procurement a key pillar of Canada’s defence modernisation plans, investment in new equipment, systems and technologies has increased significantly since 2017. Nevertheless, the defence procurement debate is currently dominated by ongoing issues related to the acquisition of new fighter jets that has been stalled for six years, and mismanagement in the modernisation of naval assets. Both cases point to underlying gaps in Canada’s procurement governance framework that increase the risk of corruption. Part of the issue lies with Canada’s complex and convoluted legal framework that requires unanimous agreement among four ministries before acquisitions can proceed, with different ministries in charge of different aspects. The Defence Production Act gives the Minister of Public Services and Procurement the exclusive authority to acquire defence goods required by the Department of National Defence (DND). However, the DND is responsible for defining requirements and managing programs.

The Ministry of Innovation, Science and Economic Development also has responsibility of policy areas such as industry and technology, which frequently cross over with defence, while Treasury can exercise budgetary control over the process. The result is a procurement process that frequently gets bogged down and causes delays that lead to cost overruns, particularly for larger programmes. This also blurs lines of accountability and reduces transparency throughout the whole cycle, undermining the implementation of formally robust procurement plans. Acquisition planning is outlined in the Defence Investment Plan, which is publicly available, and lays out strategic justification for planned purchases, which ties back to the National Defence Policy. Contracting requirements are outlined in the Government Contract Regulations, which stipulate that competitive bidding processes are to be treated as the norm and non-competitive procedures are tightly regulated. The latter requirements have been tightened in recent years to ensure that the recourse to single-sourcing is explicitly justified according to strict criteria. Oversight functions are exercised by the Canadian International Trade Tribunal, the Office of the Auditor General, the parliamentary defence committee, and the Independent Review Panel for Defence Acquisitions. However, their effectiveness can be limited, particularly in relation to the financing aspects of major acquisitions, whose complexity means they can fall through the gaps between the remit of different bodies.
## Government Defence Integrity Index

### OVERALL COUNTRY SCORE

**Grade:** C | **Score:** 54

### MODERATE RISK

#### Risk Grade

- **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

### Grade and Score

- **Personnel Risk:** C | **Score:** 64
- **Operational Risk:** F | **Score:** 16
- **Financial Risk:** C | **Score:** 55
- **Procurement Risk:** B | **Score:** 67

### Canada 2020 GDI Scorecard

**Grade:** MODERATE | **Risk:** C

### Key Indicators

- **047 Civilian Code of Conduct:** A | **Score:** 94
- **048 Anticorruption Training:** E | **Score:** 17
- **049 Corruption Prosecutions:** A | **Score:** 100
- **050 Facilitation Payments:** B | **Score:** 75
- **051 Military Doctrine:** NEI
- **052 Operational Training:** NEI
- **053 Forward Planning:** D | **Score:** 38
- **054 Corruption Monitoring in Operations:** F | **Score:** 0
- **055 Controls in Contracting:** E | **Score:** 25
- **056 Private Military Contractors:** NS

### Grade and Score

- **Procurement Legislation:** B | **Score:** 75
- **Procurement Cycle:** B | **Score:** 67
- **Procurement Oversight Mechanisms:** B | **Score:** 75
- **Potential Purchases Disclosed:** C | **Score:** 63
- **Actual Purchases Disclosed:** A | **Score:** 100
- **Business Compliance Standards:** F | **Score:** 0
- **Procurement Requirements:** A | **Score:** 83
- **Competition in Procurement:** C | **Score:** 63
- **Tender Board Controls:** C | **Score:** 56
- **Anti-Collusion Controls:** B | **Score:** 75
- **Contract Award / Delivery:** B | **Score:** 67
- **Complaint Mechanisms:** A | **Score:** 100
- **Supplier Sanctions:** A | **Score:** 92
- **Offset Contracts:** C | **Score:** 50
- **Offset Competition:** B | **Score:** 75
- **Agents and Intermediaries:** NEI
- **Financing Packages:** C | **Score:** 50
- **Political Pressure in Acquisitions:** NS

### KEY

- **NEI:** Not enough information to score indicator
- **NS:** Indicator is not scored for any country
- **NA:** Not applicable
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