Country Brief:
GERMANY
The biggest economy in Europe and a political heavyweight in the EU, Germany has assumed a key leadership role in European affairs, at a time when the EU is in urgent need of stability.\(^1\) Political continuity under Chancellor Angela Merkel, combined with economic stability, has allowed Germany to successfully navigate many of the crises of the past decade, which has helped turn the country into an international political and economic powerhouse. Nevertheless, with Merkel’s near 16-year stint as Chancellor coming to an end, the new coalition government will face major challenges in national, European and international politics.\(^2\) Defence in particular is an issue that requires attention, after years of de-prioritisation.\(^3\)

<table>
<thead>
<tr>
<th>Member of Open Government Partnership</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN Convention Against Corruption</td>
<td>Ratified in 2014</td>
</tr>
<tr>
<td>Arms Trade Treaty</td>
<td>Ratified in 2014</td>
</tr>
</tbody>
</table>

Despite some progress, including a 25% increase of the defence budget between 2015 and 2020, intensifying its commitment to NATO and EU common defence, and demonstrating leadership with regards to the EU Defence Fund, divisions within the Merkel government had also meant that decisions on many pressing issues have been delayed, including those on arms exports, mandates for deploying the Bundeswehr (Armed Forces) in international missions, and fighter bomber procurement.\(^4\) The new government is expected to clarify the future of Germany’s defence and security policy, addressing questions as to what a more effective German and European defence policy should look like.\(^5\) These debates are likely to have a significant impact on defence governance, as reorganising and streamlining the sector are key priorities.\(^6\) Germany’s defence governance standards are robust and largely effective at reducing corruption risk in the sector. Financial transparency is generally strong, as are personnel management systems, while oversight institutions, including the parliament and audit bodies, are generally effective. Nevertheless, risks remain, particularly related to the weak regulation of lobbying and the possibilities for the defence industry to influence policymaking and procurement. Strengthening whistleblowing and access to information mechanisms would also help to further improve anti-corruption efforts.

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

**GERMANY SCORE**
**LOW RISK**

**GERMANY GROUP AGGREGATE INDEX AGGREGATE**

<table>
<thead>
<tr>
<th>Category</th>
<th>political</th>
<th>financial</th>
<th>personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Aggregate</td>
<td>56</td>
<td>39</td>
<td>56</td>
</tr>
<tr>
<td>Index Aggregate</td>
<td>78</td>
<td>81</td>
<td>78</td>
</tr>
</tbody>
</table>

**Risk Comparison**

**GERMANY**

- **Political**
  - Group Aggregate: 78
  - Index Aggregate: 81

- **Financial**
  - Group Aggregate: 81
  - Index Aggregate: 81

- **Personnel**
  - Group Aggregate: 78
  - Index Aggregate: 81

- **Operational**
  - Group Aggregate: 16
  - Index Aggregate: 16

- **Procurement**
  - Group Aggregate: 37
  - Index Aggregate: 37

**GERMANY年**

- **Political**
  - Group Aggregate: 56
  - Index Aggregate: 39

- **Financial**
  - Group Aggregate: 65
  - Index Aggregate: 57

- **Personnel**
  - Group Aggregate: 66
  - Index Aggregate: 46

- **Operational**
  - Group Aggregate: 22
  - Index Aggregate: 22

- **Procurement**
  - Group Aggregate: 75
  - Index Aggregate: 75
Parliament’s remit in defence is rooted in Germany’s Basic Law, which provides for strong parliamentary control of the armed forces.7 Article 45a of the Basic Law outlines parliamentary control of the Ministry of Defence (MoD) through the parliamentary defence committee, which is empowered to scrutinise the governmental bodies responsible for defence and prepare decisions on defence to be taken by parliament.8 Parliament in turn has formal powers to approve and veto laws on defence and to reject or amend defence policy. The defence committee is also endowed with special powers, including the ability to transform into a committee of inquiry, the only committee with this power in parliament.9 Oversight is also carried out by the Budget Committee, which reviews procurement decisions when they exceed 25 million.10 However, the effectiveness and independence of parliamentary oversight is jeopardised by poor conflicts of interest and lobbying controls. Members of parliament can take up unlimited secondary occupations, including with defence companies.11 While these positions must be disclosed, there are no clear consequences when clear conflicts of interest do occur. This means that parliamentary decisions on defence are susceptible to being influenced by the interests of Germany’s powerful defence industry.12 On top of this, lobbying is almost entirely unregulated. Though legislation is due to come into force in January 2022,13 as things stand, there is no lobbying register and lobbying activities in defence are extremely opaque.14 Aside from this, financial oversight is also carried out by audit bodies. The MoD’s internal audit unit engages in ongoing assessments of defence expenditure, while the Compliance Management Team also conducts corruption risk assessments.15 Nevertheless, there is no evidence that their findings are shared with parliament and there is little external scrutiny of this internal function. External auditing is the remit of the Federal Audit Office (FAO), which regularly audits defence spending.16 The FAO is accountable to parliament and communicates its findings extensively. However, recommendations are not always implemented by defence institutions and the FAO has raised repeated concerns about defence’s management of public funds, which have yet to be addressed.17

While financial transparency is generally strong, Germany falls short in relation to political party financing and lobbying transparency, for which it is regularly criticised by the Council of Europe’s Group of States against Corruption (GRECO).18 In relation to defence, however, financial transparency standards are generally strong. Detailed budget information for the MoD and defence agencies is included in Section 14 of the annual Federal Budget, including information on R&D, training, construction, personnel, procurement, asset disposal and maintenance.19 The budget also includes information on sources of income outside of central government allocation. This information is also readily available in a clear format on the Ministry of Finance’s website.20 In parliament, the Budget Committee is heavily involved in budget elaboration and finalisation, but also in its execution, and it can withhold budget funding should the government fail to release the required reports on some programmes.21 The MoD releases additional information for a non-expert audience, including budget comparisons against other years and justifications for expenditure.22 Additionally, detailed data on actual spending is also released within six months of the end of the financial year, although variances between the proposed budget and actual spend are not always fully justified.23 Budget reliability is further strengthened by the strict controls around off-budget spending. Spending can only occur within the framework of the Budget Act and, where additional funds are needed, they need to be justified through a business plan and appended to the original budget.24 This ensures that off-budget spending is extremely rare and the vast majority of defence spending is covered in the budget and additional documents. Nevertheless, weak access to information mechanisms remain an impediment to transparency. Broad and vague exemptions to the Freedom of Information Law mean that defence institutions have significant leeway when implementing legislation,25 leading to overclassification. Equally, the legislation has been poorly implemented, with requests mismanaged and a lack of public awareness as to how the access to information works in practice.26

Parliamentary Oversight

| Legislative oversight of budget (Open Budget Survey, 2019) | 91/100 |
| Military expenditure as share of government spending (SIPRI, 2020) | 2.6% |
| Committee members with defence expertise (%) | Data is not publicly available. |
| # of meetings/year | Data is not publicly available. |
| Last review of defence policy/strategy | 2016 (Defence White Paper) |

Financial Transparency

| Defence-related access to information response rates | (1) % granted full or partial access: Data is not publicly available. |
| Defence-related complaints to ombudsman/commissioner # | Data is not publicly available. |
| Does the commissioner have authority over the MoD? | Yes |
| Audit reports on defence (2018-2020) | 1 (2018); 1 (2019); 4 (2020) |
| Open Budget Index (IBP, 2019) | 69/100 |
| World Press Freedom Index (RSF, 2021) | 13th out of 180 |

18 Council of Europe Group of States Against Corruption (GRECO), Fifth Evaluation Round: Preventing corruption and promoting integrity in central governments (top executive functions) and law enforcement agencies – Germany, December 2020.
26 Fraunhofer Institute, Administrative Court: We Won Two Lawsuits against the Ministry of Defence’, 8 November 2017.
Personnel management standards in Germany’s defence sector are some of the strongest in the world and include robust anti-corruption mechanisms. Military and civilian personnel are subject to a number of codes and guidelines that regulate behaviour and outline anti-corruption measures. The federal administration-wide Rules of Integrity,27 the Guidelines for Corruption Prevention in the Federal Administration28 and the public servant’s Code of Conduct29 all apply to defence personnel and outline expected conduct with regards to gifts, bribes and hospitality. On top of this, the army’s basic law also discusses conflicts of interest and post-separation activities.30 Enforcement of these anti-corruption provisions is reported in the Ministry of Interior’s annual report on corruption prevention, which includes breakdowns of violations across different sectors, including defence.31 Elsewhere, payment systems are formalised, robust and personnel receive the correct pay on time, and there is also significant transparency with regards to pay rates and allowances for defence personnel.32 Appointment and promotion decisions are subject to formal assessment processes,33 although there is limited transparency on the outcome of such processes. In fact, one of the only areas of weakness in German defence personnel management relates to whistleblowing.

Currently, there is no comprehensive whistleblower protection legislation in Germany, although the pending implementation of the EU Whistleblower Directive should help to strengthen this area.34 The MoD has established Unit R III 1 (ES) as the contact point for reporting corruption cases in the sector and implements the provisions of the Federal Corruption Prevention directive. Nevertheless, the absence of strong legislation means that whistleblower protections remain weak35 and there are few incentives to report wrongdoing in the defence sector, which directly undermines anti-corruption efforts.

Despite not having a strong tradition of military operations, Germany has actively contributed to a number of NATO and UN Missions in recent years, alongside its significant engagement with the International Security Assistance Force (ISAF) in Afghanistan.36 However, anti-corruption safeguards in Germany’s planning and execution of military operations have significant gaps, which could expose missions to high levels of corruption risk if left unaddressed. At the strategic level, Germany does not have a defence doctrine that addresses corruption as a strategic issue in operations. The Defence White Paper only mentions corruption in passing as a contributing factor to instability, and does not focus on its impact on operations or outline strategies to mitigate its effects.37 The ripple effect of this omission at the strategic level is that no pre-deployment anti-corruption training is delivered, aside from anti-corruption modules which form part of basic training. Nevertheless, Germany does charge military commanders with corruption prevention during missions,38 and provides for support from dedicated staff (APK) who report back to central command if corruption issues are identified. This indicates that a certain degree of monitoring and evaluation takes place within missions, however reports on corruption risk are not readily available, so it is difficult to determine the extent to which this occurs in practice.

Personnel Ethics Framework

<table>
<thead>
<tr>
<th>Whistleblowing legislation</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td># defence-sector whistleblower cases</td>
<td>Data is not publicly available.</td>
</tr>
<tr>
<td># Code of conduct violations</td>
<td>Military: 3 (both civilian and military)</td>
</tr>
<tr>
<td># submitted: Data is not publicly available.</td>
<td></td>
</tr>
<tr>
<td># Code of conduct violations</td>
<td>Civilian: See above</td>
</tr>
<tr>
<td># of violations: Data is not publicly available.</td>
<td></td>
</tr>
<tr>
<td>Financial disclosure system</td>
<td># submitted: Data is not publicly available.</td>
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</tbody>
</table>

Operations

<table>
<thead>
<tr>
<th>Total armed forces personnel (World Bank, 2018)</th>
<th>181,400</th>
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<tbody>
<tr>
<td>Troops deployed on operations #</td>
<td>411 in Mali (MINUSMA), 242 in Iraq/Syria (Anti-IS), 95 in Lebanon (UNIFIL), 70 in Kosovo (KFOR), 14 in South Sudan (UNMISS), 4 in Western Sahara (MINURSO)</td>
</tr>
</tbody>
</table>

32 German Armed Forces, ‘Remuneration Table: Basic Salaries for Soldiers and Civil Servants’, 2021.
35 Transparency International Germany, ‘Whistleblower Protection’.
36 Bundeswehr, ‘The Bundeswehr on Operations’.
6. GOVERNMENT DEFENCE INTEGRITY INDEX

Version 1.0, October 2021

GDI data collection for Germany was conducted July 2019 to June 2021. The narrative discussion in this GDI brief was produced at a later time with the most recent information available for the country, which may not be reflected in the GDI country assessments or scores.

As the German military begins to adapt to emerging challenges, as outlined in the military’s 2018 future capability profile, defence procurement is becoming an increasingly pressing issue. Despite a real-term increase of 25% in the defence budget between 2015 and 2020, procurement remains underfunded compared to the investment requirements outlined by the military. These pressures have also underscored structural issues in Germany’s procurement system, which is complex and outdated, owing in part to the federalised system where some procurement is decentralised. Procurement is regulated by a number of laws: the Act against Restraints of Competition (GWB) sets out basic procurement rules, with details of procedure provided by the Public Procurement Regulation for Contracts in the Fields of Defence and Security, which implement EU Directive 2009/81/EC into German law. Procurement in the area of defence and security above the EU threshold that is not covered by the Procurement regulation on Defence and Security is regulated by the Regulation on the Award of Public Contracts. However, exemptions related to national security and armament procurement, pursuant to article 346 of the Treaty on the Functioning of the European Union, mean that a significant amount of defence procurement bypasses public procurement regulations. As a result, non-competitive procurement is prevalent in defence, as competitive tendering is frequently suspended on grounds of national security: between 2006 and 2016, for instance, 30% of defence contracts were single-sourced. In turn, this has intensified the interdependence between the domestic industry and the state and has made policy processes more vulnerable to the influence of private interests, while simultaneously limiting transparency and accountability throughout the process.

Military expenditure (US$ mil) (SIPRI, 2020)
51,570

Open competition in defence procurement (%)
30% single-sourced

Main defence exports – to (SIPRI, 2016-20)
South Korea, Algeria, Egypt, Italy, United States

Main defence imports – from (SIPRI, 2016-20)
Netherlands, United Kingdom, United States, Sweden, Israel

41 European Commission 'Public procurement – Study on administrative capacity in the EU: Germany Country Profile'.
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