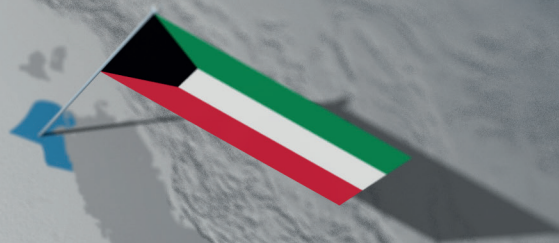




**Government Defence  
Integrity Index**



**2020**



Country Brief:

**KUWAIT**



# KUWAIT

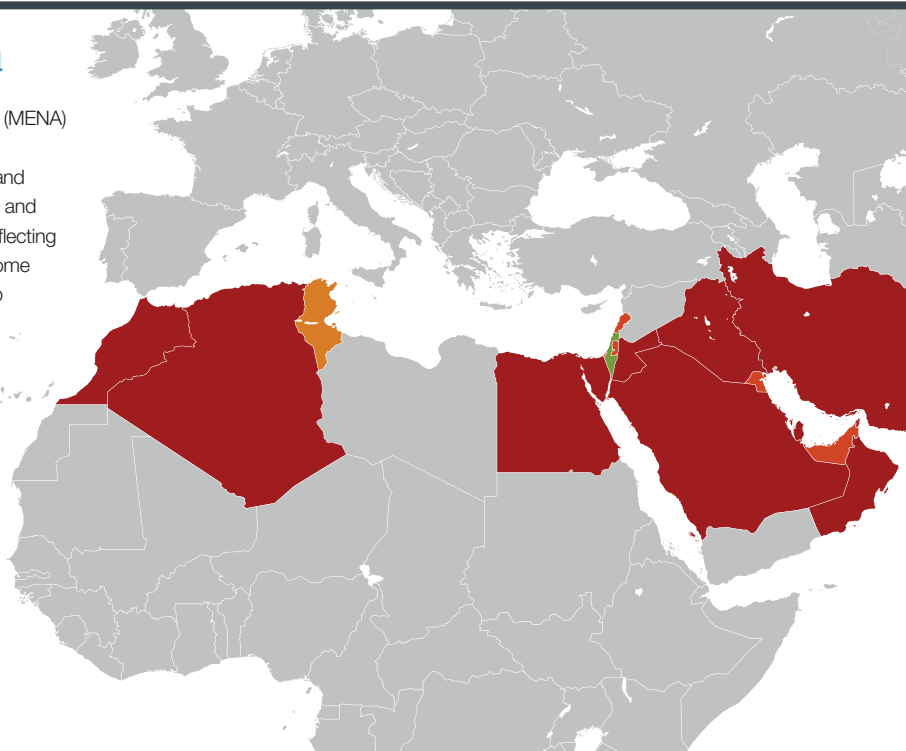
After several politically challenging years, the death of Emir Sabah Al Sabah and his succession by Crown Prince Nawaf al-Ahmad<sup>1</sup> in 2020 represents a significant challenge to Kuwait. Long held to be one of the most politically stable states in the Gulf, opposition voices have grown louder in recent years, amplifying calls for reform.<sup>2</sup> Corruption scandals, a lack of transparency, and accusations of mismanagement have spurred parliamentary debates,<sup>3</sup> while the authorities have cracked down on dissent, tightening media controls and incarcerating political opponents.<sup>4</sup> Kuwait has mediated various regional tensions, including during the blockade against Qatar, and has engaged with Iraq and Iran, while assuaging its powerful Saudi neighbour.<sup>5</sup> In this fraught context, the Kuwaiti defence forces have been receiving considerable investment, as defence expenditure has grown consistently since 2013.<sup>6</sup>

A long-time US military ally,<sup>7</sup> Kuwait hosts 13,000 American troops and has strengthened its cooperation with NATO in recent years.<sup>8</sup> With troops deployed as part of the Saudi-led coalition in Yemen, Kuwait's focus on counter-terror operations and the growing geopolitical rivalries in the region,<sup>9</sup> this investment is likely to be accentuated in coming years. Though the government has embarked on an anti-corruption drive, much remains to be done in the defence sector. The National Assembly is under executive influence and cannot utilise the oversight tools at its disposal, while audit bodies are similarly restricted. Defence procurement processes are characterised by secrecy and an overreliance on certain suppliers, while military budgeting is opaque and secretive. Finally, access to information rights are non-existent, whistleblowing remains weak, and military operations are highly vulnerable to corruption.

Member of Open Government Partnership	No
UN Convention Against Corruption	Ratified in 2007
Arms Trade Treaty	Has not signed.

## Middle East & North Africa

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.



<sup>1</sup> Amélie Mouton, 'Who is the Nawaf Al-Ahmad al-Sabah, the New Emir of Kuwait?', *The Arica Report*, 19 October 2020.

<sup>2</sup> Kenneth Katzman, 'Kuwait: Governance, Security and US Policy', *Congressional Research Service*, 14 October 2020.

<sup>3</sup> Bertelsmann Stiftung, BTI Country Report 2020 – *Kuwait*, Gutersloh, Bertelsmann Stiftung, p. 3.

<sup>4</sup> Katzman, 'Kuwait', p. 4.

<sup>5</sup> Bertelsmann Stiftung, *Kuwait*, p. 4.

<sup>6</sup> SIPRI, 'Military Expenditure by Country in constant 2018 (US\$ m), 1988-2019', SIPRI 2020.

<sup>7</sup> US Department of State, 'US Security Cooperation with Kuwait', *Bureau of Political-Military Affairs*, 20 January 2021.

<sup>8</sup> NATO, 'NATO and Kuwait Move Their Long-Standing Partnership Forward', 14 November 2019.

<sup>9</sup> Katzman, 'Kuwait', p. 16.



# KUWAIT

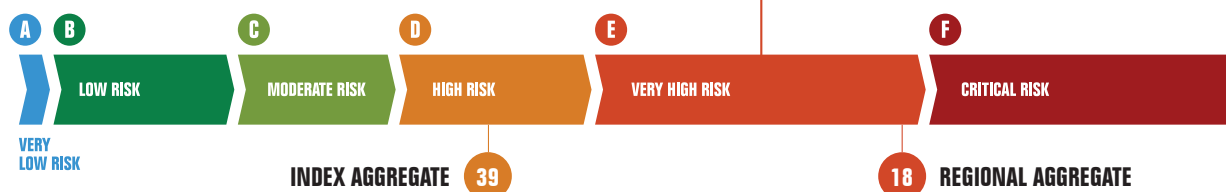
## Overall scores

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

**KUWAIT SCORE**  
**VERY HIGH RISK**

**E**

**21**



A > 83-100 VERY LOW

B > 67-82 LOW

C > 50-66 MODERATE

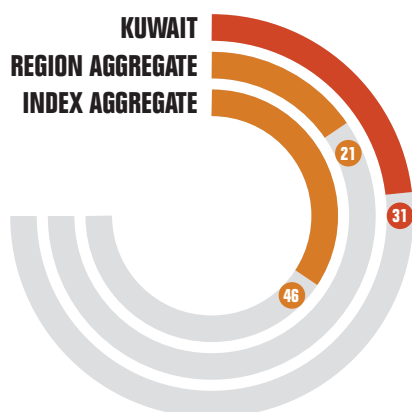
D > 33-49 HIGH

E > 17-32 VERY HIGH

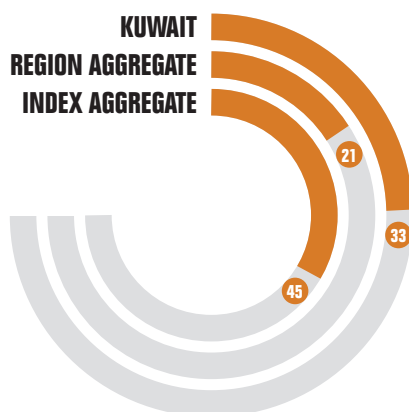
F > 0-16 CRITICAL

## Risk Comparison

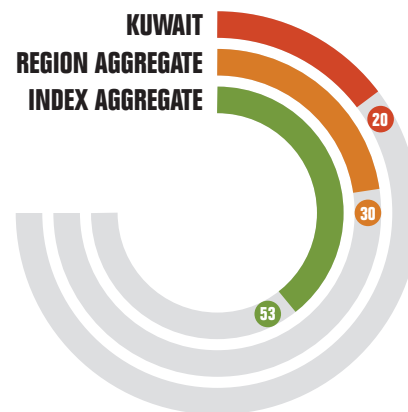
### POLITICAL



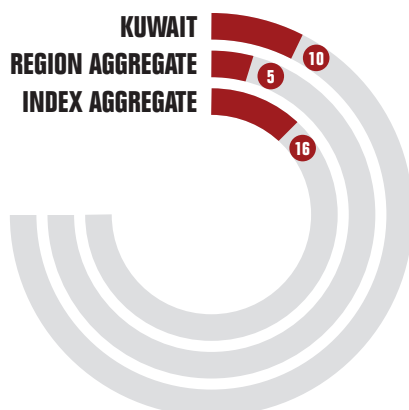
### FINANCIAL



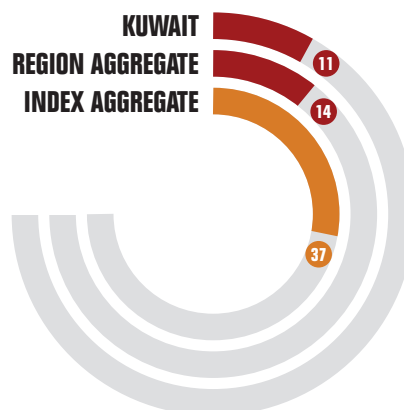
### PERSONNEL



### OPERATIONAL



### PROCUREMENT





# KUWAIT

## Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, 2019)	<b>Not ranked.</b>
Military expenditure as a share of government spending (SIPRI, 2020)	<b>10%</b>
Committee members with defence expertise (%)	<b>20% (1 of 5)</b>
# of meetings/year	<b>24 (twice per month)</b>
Last review of defence policy/strategy	<b>Data is not publicly available.</b>

With an elected Assembly and a history of political openness, Kuwait is somewhat of an outlier in the region.<sup>10</sup> Though the Emir remains the head of state and can dissolve parliament, political opposition exists despite prohibitions on political parties,<sup>11</sup> and the National Assembly is empowered to legislate and debate on vital issues.<sup>12</sup> These powers extend to the defence sector, where the Assembly can request information from the executive, summon ministers for questioning, initiate no confidence votes, and conduct investigations.<sup>13</sup> It regularly reviews the budget and military expenditure and holds sessions to review major arms procurement deals twice a year. The Defence and Interior Affairs Committee is empowered to scrutinise the sector's performance, budgets and policy and convenes twice a month. However, committee members are reported to be close to the executive, undermining their independence. Moreover, as a whole, the legislature's impact on the policy-making process is negligible. Despite strong formal parliamentary powers, the constitution guarantees the government at least a quarter of seats, assigned to ministers. This leads to significant pressure from the Emir and ministers to follow the party line or risk the dissolution of parliament.<sup>14</sup> Equally, legislation passed in 2016 makes it a criminal offence to 'insult' the Emir and bans politicians convicted of this offence from running for office, which acts as a powerful disincentive for parliamentarians to go against executive wishes.<sup>15</sup> As a result, parliament frequently defers to the executive and fails to utilise the oversight tools at its disposal. Although the Ministry of Defence has an internal audit unit, it is tightly controlled by the Minister who sets its work programme and ensures that assessments avoid addressing sensitive issues. The State Audit Bureau is also nominally mandated to inspect the defence sector, however in practice, it is frequently left in the dark and cannot access key information. As a result, its annual audits lack detail and the Ministry is not compelled to incorporate its recommendations.<sup>16</sup>

## Financial Transparency

Defence-related access to information response rates	(1) % granted full or partial access: <b>None</b> (2) # subject to backlog: <b>None</b>
Defence-related complaints to ombudsman/commissioner #	<b>None</b>
Does the commissioner have authority over the MoD?	<b>N/A</b>
Audit reports on defence (2015-2020) #	<b>Annual State Audit Bureau Reports</b>
Open Budget Index (IBP, 2019)	<b>Not ranked.</b>
World Press Freedom Index (RSF, 2021)	<b>105th out of 180.</b>

The question of government transparency has come to the fore in recent years. The fight for greater transparency in the decision-making process has been high on the agenda of opposition groups and media reports have regularly covered corruption scandals.<sup>17</sup> In response, the government has launched an Anti-Corruption strategy, designed to increase transparency and accountability throughout government, in order to improve governance standards.<sup>18</sup> However, work remains to be done to translate these ideals into concrete progress as transparency remains the exception rather than the norm, particularly with regards to defence. The defence budget is published by the Ministry of Finance, however it is highly aggregated and vague. There is a breakdown but it does not include detailed information on training, arms procurement or research and development, nor does it include any substantive justifications for different lines of expenditure.<sup>19</sup> In 2018, for instance, 50% of military expenditure went to unknown services as part of vague and secretive budget categories.<sup>20</sup> The financial picture is further clouded by off-budget income from sources such as asset disposals. While the total amount of this income is disclosed, no information is provided on how these funds are then allocated and spent, despite the Ministry of Finance providing this information for all other government agencies. The lack of financial transparency is compounded by the fact that Kuwait has no freedom of information legislation. As a result, the public has no recourse to request additional information beyond what is released by the authorities. The public's only option is to go via lawmakers who have the power to request government information, yet the executive has constricted space for meaningful opposition in parliament, making it unlikely such demands will be communicated.

<sup>10</sup> Courtney Freer, 'How Politics at Home Shapes Kuwait's Foreign Policy', *Brookings*, 19 November 2020.

<sup>11</sup> Katzman, 'Kuwait', p. 2.

<sup>12</sup> Bertelsmann Stiftung, *Kuwait*, p. 4.

<sup>13</sup> Kingdom of Kuwait, 'Parliament's Internal Laws, Law no. 12 of 1963', Kuwait National Assembly.

<sup>14</sup> Gulf News, 'Kuwait parliament dissolved nine times in 54 years', 17 October 2016.

<sup>15</sup> Reuters, 'Kuwait bans people convicted of insulting emir from contesting elections', 23 June 2016.

<sup>16</sup> See for instance, State Audit Bureau Reports 2015, 2016 & 2017.

<sup>17</sup> Bertelsmann Stiftung, *BTI Kuwait*, p. 13.

<sup>18</sup> Khalid Al Hamrani, 'Float Like a Butterfly, Sting Like a Bee: Kuwait's National Anti-Corruption Strategy Takes the Fight to Graft', *Al Tamimi*, March 2019.

<sup>19</sup> Ministry of Finance, 'State Budget Archive'.

<sup>20</sup> Ministry of Finance, 'Final Report 2017-2018', Kuwait, 2018.



# KUWAIT

## Personnel Ethics Framework

Whistleblowing legislation	Law Establishing the Anti-Corruption Commission (2016)
# defence-sector whistleblower cases	None
# Code of conduct violations	Military: Data is not publicly available. Civilian: Data is not publicly available.
Financial disclosure system	# submitted: Data is not publicly available. # of violations: Data is not publicly available.

Recent corruption scandals, most notably the resignation of the cabinet in 2019 over the disappearance hundreds of millions of dollars from a military aid fund,<sup>21</sup> have raised serious issues around ethics and anti-corruption in Kuwait's defence sector. Though the establishment of Nazaha, the Anti-Corruption Authority, has compelled defence officials to submit financial disclosure forms to auditors,<sup>22</sup> further progress is required to entrench a culture of integrity and anti-corruption throughout the sector. Codes of conduct for military and civilian personnel remain very poorly enforced and there is little clarity as to whether they include provisions for corruption-related offences. There are very few investigations for breaches and enforcement of anti-bribery and anti-corruption provisions in general. Additionally, the weakness of whistleblower protection measures dissuades personnel from coming forward to report wrongdoing. Though Kuwait does have legislation in place guaranteeing the rights and protection for public sector workers reporting corruption,<sup>23</sup> there is very little trust in the ability of the Anti-Corruption Authority to provide protection against reprisals. As a result, since its creation in 2016, very few people have come forward and there are no reports of any whistleblowers working for defence institutions. Military recruitment and promotion systems are also vulnerable to abuse. There is no established, independent and transparent appointment system for middle and top management levels in the defence sector, nor are there objective job descriptions or standardised assessments. Defence and security agencies have great discretion to appoint and promote staff as they see fit, exposing the process to political and undue influence. Though these procedures are supposed to be audited by the State Audit Bureau, its auditors are routinely pressured by security agents to rubber stamp appointments with few checks.

## Operations

Total armed forces personnel (World Bank, 2018)	24,500
Troops deployed on operations #	Unknown number in Yemen.

Though Kuwait does not usually deploy sizeable military contingents on operations, it has contributed some units to the Saudi-led intervention in Yemen.<sup>24</sup> However, such deployments are highly vulnerable to corruption as a result of institutional deficiencies in the training, planning and execution of military operations. Kuwait does not have a military doctrine that addresses corruption as a strategic issue for the success of operations. Though some military leaders have unofficially acknowledged they recognise the risk, there remains no unifying policy or strategic document that outlines the risks posed or that details appropriate mitigation strategies. As a result, anti-corruption is largely absent from operational planning and there is no specific training on corruption issues for commanders ahead of deployments. Senior officials get some anti-corruption and ethics training but it is sporadic, broad and not yet systematic. This lack of understanding of corruption risks is compounded by a failure to monitor and evaluate such risks in the field, as the military has no policy of deploying personnel to conduct corruption risk assessments.

<sup>21</sup> Fiona MacDonald, 'Kuwait Cabinet Quit Over Corruption Suspicions, Minister Says', *Bloomberg*, 17 November 2019.

<sup>22</sup> Law No. 2 of 2016, 'Establishing Kuwait Anti-Corruption Authority and the Provisions on Disclosure of Assets and Liabilities', Article 37-43.

<sup>23</sup> Law No. 2 of 2016, Articles 37-43.

<sup>24</sup> Giorgio Cafiero, 'Kuwait's Yemen Foreign policy', *Middle East Institute*, 12 August 2020.



# KUWAIT

## Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	6,940
Open competition in defence procurement (%)	Data is not publicly available.
Main defence exports – to (SIPRI, 2016-20)	N/A
Main defence imports – from (SIPRI, 2016-20)	United States, France, Switzerland, United Arab Emirates, Turkey

While Kuwait's defence capabilities are more modest than many of its powerful neighbours, its Defence Cooperation Agreement with the United States has long guaranteed the kingdom access to cutting-edge weapons systems.<sup>25</sup> Equally, under the impetus of regional rivalries, conflicts in Yemen and Syria, and the threat of terrorism, Kuwait has embarked on a multi-year military modernisation programme, the locus of which is the acquisition of new military hardware and combat equipment.<sup>26</sup> However, high levels of corruption risk in Kuwait's defence procurement procedures risk wasting substantial amounts of public funds. The acquisition planning process and needs assessment for instance are not formalised and is highly secretive. Ministries are not compelled to publish their acquisition plans and the purchase of "defence materials" is not subject to the oversight of the Public Tenders Authority.<sup>27</sup> Individual purchases do not have to

be tied to strategic requirements and the defence strategy is extremely vague, granting authorities considerable leeway in justifying purchases. Fundamentally, most procurement decisions are driven by the political influence of the United States, which is the main supplier of weapons, and holds considerable sway over Kuwaiti defence acquisitions.<sup>28</sup> Additionally, undue political influence is strong and leaves Kuwait with no independent or effective control mechanisms over defence procedures. Though security agencies are required to obtain pre-purchase approval from parliament,<sup>29</sup> the executive's control over the body means the process is more of a formality than an exercise in substantial scrutiny. Similarly, auditors from the State Audit Bureau are subject to political influence and have limited access to information on major procurement deals. Moreover, Kuwait's reliance on US suppliers for weapons has led some analysts to suggest that the vast majority of defence procurement is single-sourced and not put to open tenders, as defence contracts are beyond the purview of the Public Tenders Authority.

<sup>25</sup> See for instance, Aaron Mehta, 'Kuwait Wants to Spend Over \$1.4 billion on Patriot Upgrades', *Defense News*, 29–8 May 2020.

<sup>26</sup> *Defence World*, 'Kuwait Allocates Additional \$10 Billion for Military Modernisation', 19 January 2016.

<sup>27</sup> Kingdom of Kuwait, 'The Public Tenders Act - Law no. 49 of 2016', Article 3.

<sup>28</sup> In 2019 for instance, US arms represented 70% of Kuwaiti imports, see SIPRI, 'Trends in International Arms Transfers, 2019'.

<sup>29</sup> State of Kuwait, 'General Rules'.

Version 1.0, October 2021

GDI data collection for **Kuwait** was conducted July 2018 to September 2019. 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.

# KUWAIT 2020 GDI Scorecard

		Grade	Score
<b>Political Risk</b>		<b>E</b>	<b>31</b>
Q1	Legislative Scrutiny	E	25
Q2	Defence Committee	C	50
Q3	Defence Policy Debate	E	19
Q4	CSO Engagement	E	17
Q5	Conventions: UNCAC / OECD	C	63
Q6	Public Debate	D	38
Q7	Anticorruption Policy	C	63
Q8	Compliance and Ethics Units	E	17
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	E	25
Q11	Acquisition Planning	E	25
Q12	Budget Transparency & Detail	D	38
Q13	Budget Scrutiny	D	38
Q14	Budget Availability	E	25
Q15	Defence Income	D	33
Q16	Internal Audit	E	31
Q17	External Audit	E	25
Q18	Natural Resources	B	67
Q19	Organised Crime Links	A	88
Q20	Organised Crime Policing	E	25
Q21	Intelligence Services Oversight	F	0
Q22	Intelligence Services Recruitment	F	0
Q23	Export Controls (ATT)	F	0
Q76	Lobbying	F	0

		Grade	Score
<b>Financial Risk</b>		<b>E</b>	<b>33</b>
Q24	Asset Disposal Controls	F	8
Q25	Asset Disposal Scrutiny	F	8
Q26	Secret Spending	E	25
Q27	Legislative Access to Information	E	25
Q28	Secret Program Auditing	F	13
Q29	Off-budget Spending	C	50
Q30	Access to Information	F	0
Q31	Beneficial Ownership	C	50
Q32	Military-Owned Business Scrutiny	A	100
Q33	Unauthorised Private Enterprise	C	50
Q77	Defence Spending	E	31

		Grade	Score
<b>Personnel Risk</b>		<b>E</b>	<b>20</b>
Q34	Public Commitment to Integrity	F	8
Q35	Disciplinary Measures for Personnel	F	13
Q36	Whistleblowing	E	25
Q37	High-risk Positions	F	0
Q38	Numbers of Personnel	C	50
Q39	Pay Rates and Allowances	F	0
Q40	Payment System	B	67
Q41	Objective Appointments	F	8
Q42	Objective Promotions	F	0
Q43	Bribery to Avoid Conscription	C	50
Q44	Bribery for Preferred Postings	E	17
Q45	Chains of Command and Payment	F	0
Q46	Military Code of Conduct	E	25

## OVERALL COUNTRY SCORE

**VERY HIGH RISK**

**21**

### 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	Score
<b>Personnel Risk</b>		<b>E</b>	<b>20</b>
Q47	Civilian Code of Conduct	F	13
Q48	Anticorruption Training	D	42
Q49	Corruption Prosecutions	E	17
Q50	Facilitation Payments	F	0

		Grade	Score
<b>Operational Risk</b>		<b>F</b>	<b>10</b>
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	

		Grade	Score
<b>Procurement Risk</b>		<b>F</b>	<b>11</b>
Q57	Procurement Legislation	F	0
Q58	Procurement Cycle	E	25
Q59	Procurement Oversight Mechanisms	D	33
Q60	Potential Purchases Disclosed	F	0
Q61	Actual Purchases Disclosed	F	0
Q62	Business Compliance Standards	F	0
Q63	Procurement Requirements	D	42
Q64	Competition in Procurement	F	13
Q65	Tender Board Controls	E	31
Q66	Anti-Collusion Controls	F	0
Q67	Contract Award / Delivery	F	13
Q68	Complaint Mechanisms	F	0
Q69	Supplier Sanctions	F	0
Q70	Offset Contracts	E	25
Q71	Offset Contract Monitoring	E	17
Q72	Offset Competition	F	0
Q73	Agents and Intermediaries	F	0
Q74	Financing Packages	F	0
Q75	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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Foreign, Commonwealth  
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Ministry of Foreign Affairs of the  
Netherlands