



Government Defence  
Integrity Index



2020



Country Brief:

**SAUDI ARABIA**



# SAUDI ARABIA

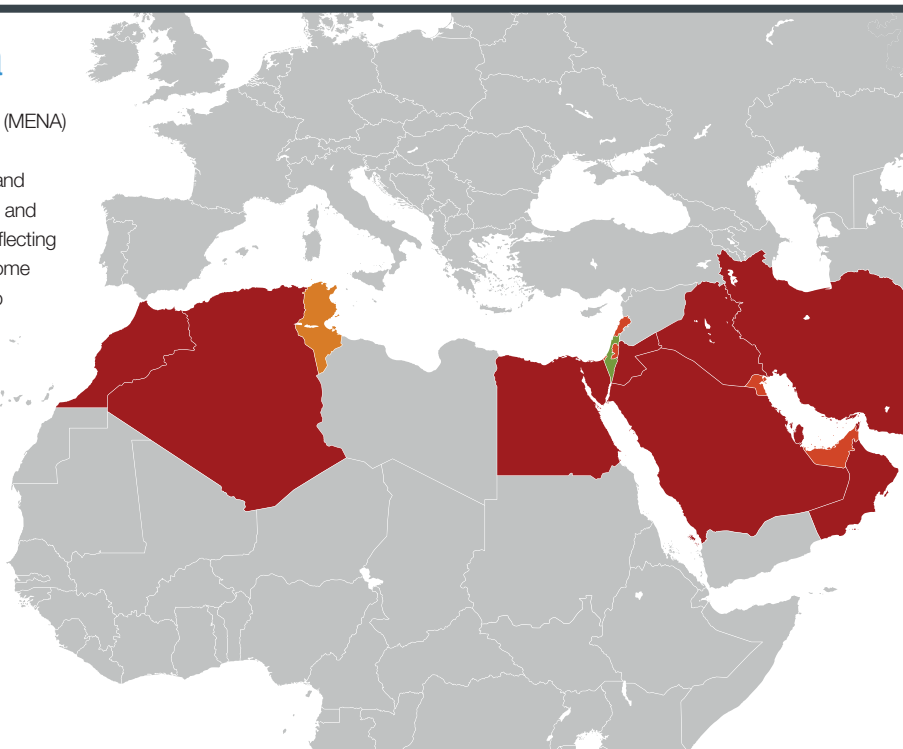
The kingdom of Saudi Arabia's large oil reserves and critical location in the Gulf have seen it become a key ally to major western powers such as the United States and United Kingdom.<sup>1</sup> Strategic considerations have led democratic partners to frequently turn a blind eye to the kingdom's history of human rights abuses and brutal repression of dissent, including after the murder of Jamal Khashoggi in 2018.<sup>2</sup> Since launching a military intervention in Yemen in 2015, Saudi Arabia's arms imports have increased by 61%,<sup>3</sup> with the vast majority of these contracts awarded to Western companies: 79% of imports during this period came from the United States, with another 9% from the United Kingdom.<sup>4</sup>

The Saudi market now represents 24% of American and 32% of British arms exports, leading to accusations that human rights violations are of secondary concern to lucrative weapons contracts.<sup>5</sup> Defence investment has been accompanied by political consolidation, with Crown Prince Mohammed bin Salman acting as Defence Minister and strengthening his grip over the defence forces.<sup>6</sup> With spiralling expenditure, the protracted conflict in Yemen, and rising regional instability, the weak governance of the Saudi defence forces is a matter of concern. Independent oversight and auditing of the defence sector is non-existent, while defence procurement and financial management processes are highly opaque and tightly controlled by the Crown Prince. Significant corruption risks exist in relation to Saudi military operations, while personnel management systems are also highly vulnerable to abuses.

Member of Open Government Partnership	No
UN Convention Against Corruption	Ratified in 2013.
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> Christopher M. Blanchard, 'Saudi Arabia', *Congressional Research Service*, 12 March 2021, p. 1.

<sup>2</sup> Julian Barnes and David Sanger, 'Saudi Crown Prince is Held Responsible for Khashoggi Killing in US Report', *The New York Times*, 26 February 2021.

<sup>3</sup> Pieter D. Wezeman, Alexandra Kulmova and Siemon T. Wezeman, 'Trends in International Arms Transfers, 2020', *SIPRI*, March 2021, p. 6.

<sup>4</sup> Wezeman et al, 'Trends in International Arms Transfers', p. 6.

<sup>5</sup> Sam Perlo-Freeman, *Business as Usual: How Major Weapons Exporters Arm the World's Conflicts*, Campaign Against the Arms Trade & World Peace Foundation, March 2021.

<sup>6</sup> Bertelsmann Stiftung, BTI Country Report 2020 – Saudi Arabia, Gütersloh, Bertelsmann Stiftung, 2020, p. 3.



# SAUDI ARABIA

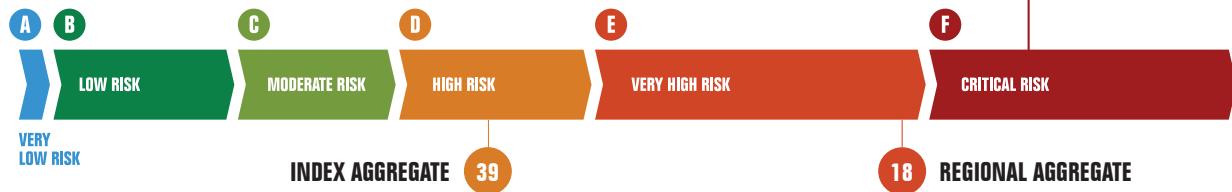
## Overall scores

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

## SAUDI ARABIA SCORE CRITICAL RISK

F

11



A > 83-100 VERY LOW

B > 67-82 LOW

C > 50-66 MODERATE

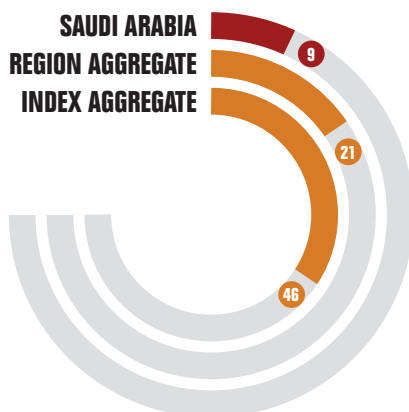
D > 33-49 HIGH

E > 17-32 VERY HIGH

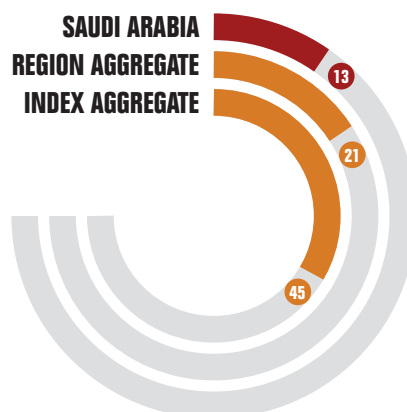
F > 0-16 CRITICAL

## Risk Comparison

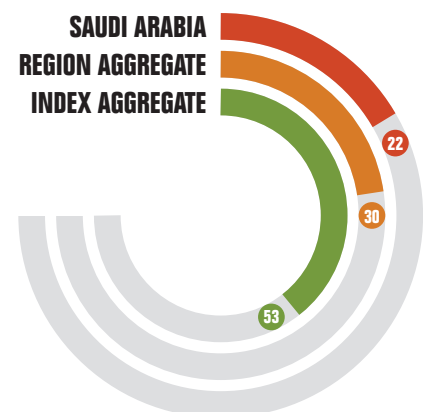
### POLITICAL



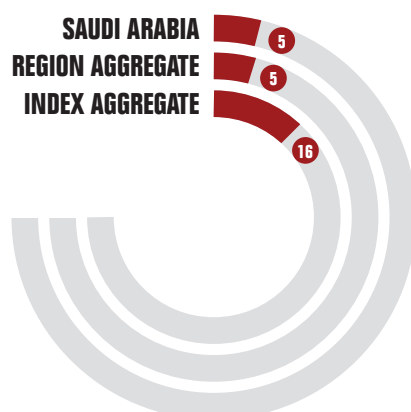
### FINANCIAL



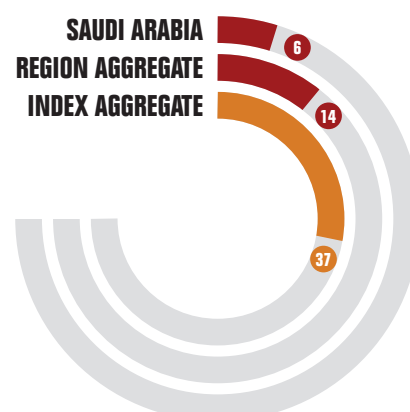
### PERSONNEL



### OPERATIONAL



### PROCUREMENT



## Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, 2019)	11/100
Military expenditure as a share of government spending (SIPRI, 2020)	21.7%
Committee members with defence expertise (%)	Data is not publicly available.
# of meetings/year	Data is not publicly available.
Last review of defence policy/strategy	Data is not publicly available.

Since its foundation, Saudi Arabia has been an absolute monarchy where national elections have never been held.<sup>7</sup> There is no legislative body or parliament in the kingdom. The closest equivalent is the Majlis al-Shura, the Consultative Assembly, whose 150 members are nominated by King Salman. However, the Majlis al-Shura has no legislative powers and instead acts as an advisory body to the king by putting forward recommendations. It has no mandate to hold the government or senior royals directly accountable for their actions.<sup>8</sup> The Assembly's Committee on Security Affairs is nominally responsible for defence issues, although it has no formal oversight powers and is limited to making suggestions on government decisions, which it rarely challenges.<sup>9</sup> The committee does not question senior officials, nor does it put forward substantial amendments or recommendations, and it has not investigated major cases of defence corruption.<sup>10</sup> Effective control over defence matters is exclusively held by the Crown Prince, who is also Minister of Defence and First Deputy Prime Minister,<sup>11</sup> who crafts policies and makes budgetary and procurement decisions.<sup>12</sup> The concentration of executive and legislative powers in the hands of senior royals means there is no effective separation of powers and no provisions for oversight of the decision-making process on matters of defence. Further significant gaps also exist in the defence auditing systems. The Ministry of Defence has an internal audit unit, although its assessments are irregular, superficial, and ineffective at identifying significant issues. There is no evidence that these audits cover sensitive or critical issues within military expenditure, and it is unlikely that auditors are given the information needed to complete checks over sensitive spending and procurement decisions. External audits are within the remit of the General Auditing Bureau, however its assessments are not carried out rigorously, as the body defers to the Crown Prince on defence issues.

## Financial Transparency

Defence-related access to information response rates	(1) % granted full or partial access: Data is not publicly available. (2) # subject to backlog: Data is not publicly available.
Defence-related complaints to ombudsman/commissioner #	Data is not publicly available.
Does the commissioner have authority over the MoD?	Data is not publicly available.
Audit reports on defence (2015-2020) #	None.
Open Budget Index (IBP, 2019)	18/100
World Press Freedom Index (RSF, 2021)	170th out of 180

The Saudi system of governance, where decision-making power is concentrated within the offices of key members of the royal family, is not based on principles of transparency.<sup>13</sup> However, the Crown Prince's drive to centralise power under his authority and extend his control over the defence and security establishments has further restricted transparency. The already limited space for public debate and CSO engagement on defence issues has been further constricted, with increasingly stringent restrictions on freedom of expression and dissent.<sup>14</sup> Independent media remains banned and the authorities keep Saudi journalists under close surveillance.<sup>15</sup> This lack of transparency is particularly evident in the opacity around government finances. There is no detailed budget or even aggregated budget of expenses made available to the public. In fact, many senior defence officials do not have access to the full budget, which is kept secret. The only information released publicly relates to broad figures for the financial year for vague areas of expenditure, without specifying what they include. Budget formulation is done exclusively by senior officials in the office of the Crown Prince, which does not allow any meaningful budget transparency.<sup>16</sup> Further compounding budgetary opacity is the prevalence of off-budget expenditure in the Saudi military. The Crown Prince regularly issues decrees signing off on extra-budgetary military purchases, indicating that the published top line budget figures are likely to be far inferior than the actual spend. This expenditure is especially prevalent in strategic acquisitions related to the war in Yemen and allows the regime to acquire weapons quickly and discreetly.<sup>17</sup> A further obstacle to accessing defence information is the absence of legislation guaranteeing the public's rights. There is nothing in the Basic Law of Saudi Arabia, nor any royal decree or comparable legal guidelines that outlines procedures and regulations around access to defence information.<sup>18</sup> As a result, any attempts to access such information could be considered a crime, given how tightly military information is controlled.

<sup>7</sup> Bertelsmann Stiftung, *BRI – Saudi Arabia*, p. 8.

<sup>8</sup> Bertelsmann Stiftung, *BRI – Saudi Arabia*, p. 14.

<sup>9</sup> Kingdom of Saudi Arabia, 'Committees', The Shura Council.

<sup>10</sup> Including the Al-Yammah scandal, see Alastair Sloan, 'From Westminster to Riyadh, British Arms Deals Stink of Corruption', *Middle-East Monitor*, 20 January 2015.

<sup>11</sup> Kristian Coates Ulrichsen, 'The Future Has Arrived for Mohammed bin Salman', *The Atlantic*, 9 November 2017.

<sup>12</sup> Alexander Griffing, 'Cluster Bombs and Yachts: 5 Things You Should Know About Saudi Arabia's Crown Prince', *Haaretz*, 6 November 2017.

<sup>13</sup> Freedom House, 'Saudi Arabia', 2020, C3.

<sup>14</sup> Neil Patrick, 'Saudi Defense and Security Reform', *Carnegie Endowment for International Peace*, 31 May 2018.

<sup>15</sup> Reporters Without Border, 'Saudi Arabia'.

<sup>16</sup> Anthony Cordesman, 'Military Spending: The Other Side of Saudi Security', *Center for Strategic and International Studies*, 13 March 2018.

<sup>17</sup> Nicholas Kulish and Mark Mazzetti, 'Saudi Royal Family Is Still Spending in an Age of Austerity', *New York Times*, 27 December 2016.

<sup>18</sup> 'Basic Law of Governance,' Saudi Embassy in Washington DC.





# SAUDI ARABIA

## Personnel Ethics Framework

Whistleblowing legislation	▶ <b>Anti-Concealment Law (2020)</b>
# defence-sector whistleblower cases	▶ <b>None</b>
# Code of conduct violations	▶ <b>Military: None</b>
	▶ <b>Civilian: None</b>
Financial disclosure system	▶ <b># submitted: None</b>
	▶ <b># of violations: None</b>

Though anti-corruption is one of the pillars of the Vision 2030 reform programme,<sup>19</sup> this is yet to translate to tangible improvements in anti-corruption and ethics frameworks within the military, where serious corruption risks persist. Mounting reports of human rights abuses by Saudi troops and Saudi-backed militias in Yemen raise further questions around personnel ethics.<sup>20</sup> Though personnel are subject to codes of conduct, sources suggest that they are not credible and have no enforcement mechanism. There is no evidence that breaches are investigated and the prosecutions that do occur are widely held to be politically-motivated.<sup>21</sup> Poor regulation of whistleblowing is an additional obstacle to reporting and sanctioning corruption within the sector. The government has initiated a drive to encourage whistleblowing and new legislation came into force in 2020 to protect those who report wrongdoing.<sup>22</sup> However, there is no clarity as to whether this would apply to defence personnel. Alongside this, payment and recruitment systems are highly vulnerable to corruption. Recruitment procedures are highly secretive. Senior commanders are appointed by royal commission and without any objective criteria published. The abruptness of promotions and demotions in the sector indicate that there is no clear, independent, and established system for selecting personnel and these decisions are highly political.<sup>23</sup> Similarly, promotions are influenced by tribal and political factors and there are no clear criteria for progression. On the payment side, chains of command are not separate from chains of payment. This means that commanders are in charge of disbursing their subordinates' salaries and can arbitrarily alter payments through their authority, a significant corruption risk.

## Operations

Total armed forces personnel (World Bank, 2018)	▶ <b>252,000</b>
Troops deployed on operations #	▶ <b>Unknown number in Yemen</b>

Saudi troops have been involved in operations in Yemen for six years. As the war has ground to a stalemate, with few prospects for meaningful resolution in sight,<sup>24</sup> operations are likely to continue for the foreseeable future. However, corruption mitigation measures are yet to be integrated into Saudi military operations, exposing them to significant corruption risk. Saudi Arabia does not have an official military doctrine that addresses corruption as a strategic issue for operations. Though some analysts believe that corruption issues are taken into account informally and unofficially, there is no unifying strategic document that outlines the military's approach. This strategic deficit has a knock-on effect in terms of training and planning. Commanders do not receive training on corruption issues prior to deployments, nor is anti-corruption part of basic military education. Similarly, anti-corruption is not systematically included in the forward planning of operations and appropriate mitigation strategies are not put in place. The Armed Forces do not deploy professionals to monitor corruption risk in the field and there is no monitoring and evaluation policy for such risks. Furthermore, the office of the Crown Prince contracts private military companies (PMCs) to provide services both within Saudi Arabia and in regional conflicts it is involved in. These companies, many of which are UK and US-based, are not subject to oversight or regulations on their conduct in Saudi Arabia.

<sup>19</sup> Arab News, 'Saudi campaign against corruption a pillar of Vision 2030, says anti-graft chief,' 25 May 2018.

<sup>20</sup> ABC News, 'Human Rights Group Accuses Saudi Forces in Yemen of Abuses', 25 March 2020.

<sup>21</sup> Human Rights Watch, 'Saudi Arabia: Corruption Arrests Raise Due Process Concerns,' 8 November 2017.

<sup>22</sup> Ismael Naar, 'Saudi Arabia Passes New Anti-concealment Law, Including Protection of Whistleblowers', *Al Arabiya*, 19 August 2020.

<sup>23</sup> NDTV, 'In A Major Shake-Up, Saudi King Replaces Top Military Commanders,' 27 February 2018.

<sup>24</sup> Peter Salisbury, 'The International Approach to the Yemen War: Time for a Change?', *International Crisis Group*, 23 October 2020.



# SAUDI ARABIA

## Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	55,535
Open competition in defence procurement (%)	Data is not publicly available.
Main defence exports – to (SIPRI, 2016-20)	Djibouti
Main defence imports – from (SIPRI, 2016-20)	United States, United Kingdom, France, Canada, Germany

Saudi Arabia's defence spending has grown substantially over the last decade, in part due to a significant procurement drive fuelled by the war in Yemen. Human rights abuses have not stemmed the flow of weapons, as the kingdom was the world's largest arms purchaser between 2016 and 2020,<sup>25</sup> with imports from the US alone increasing by 175%.<sup>26</sup> Though the COVID-19 pandemic and falling oil prices have led to budget reductions, defence spending is expected to continue representing in excess of 20% of total government expenditure, underlining the sector's continuing importance to the regime.<sup>27</sup> This investment is occurring within an institutional context characterised by secrecy and a lack of oversight that raises significant corruption concerns. The Vision 2030 reform programme aims to localise 50% of military procurement under the aegis of two military industrial bodies, the General Authority for Military industries

(GAMI) and the Saudi Arabian Military Industries (SAMI).<sup>28</sup> GAMI acts as an industry regulator, issuing tenders and licences, while SAMI contracts directly with foreign companies. The establishment of these bodies, which will be answerable to the Crown Prince, further tightens the Prince's control over procurement decisions. While the bodies are supposed to help formalise planning and contracting process, in practice, acquisitions remain disconnected from a defence strategy and do not rely on needs assessments. Geo-strategic and personal considerations continue to play an outsized role and there remains no oversight throughout the process. Though Saudi Arabia has legislation addressing defence procurement,<sup>29</sup> an exemption for weapons has frequently been interpreted to exclude the entirety of defence acquisitions from standard procurement law. In practice, most defence procurement is not formalised and instead is negotiated on a case-by-case basis by senior officials and with the use of intermediaries who facilitate connections with contractors. Oversight mechanisms too are informal and largely inactive. Neither the General Auditing Bureau nor the Consultative Assembly have the power to oversee procurement decisions. GAMI is responsible for oversight, but its accountability to the Crown Prince makes its independence highly questionable.

<sup>25</sup> Wezeman et al, 'Trends in International Arms Transfers', p. 2.

<sup>26</sup> Wezeman et al, 'Trends in International Arms Transfers', p. 3.

<sup>27</sup> Charles Forrester, 'Saudi Arabia Cuts Defence Spending', *Janes*, 18 December 2020.

<sup>28</sup> Intelligence Online, 'GAMI, SAMI: the new defence procurement decision-makers,' 11 April 2018.

<sup>29</sup> Kingdom of Saudi Arabia, 'Government Tenders and Procurement Law,' (2006), Nazaha.

Version 1.0, October 2021

GDI data collection for **Saudi Arabia** 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.



# SAUDI ARABIA 2020 GDI Scorecard

Grade Score

Political Risk		F	9
Q1	Legislative Scrutiny	F	0
Q2	Defence Committee	F	8
Q3	Defence Policy Debate	F	8
Q4	CSO Engagement	F	0
Q5	Conventions: UNCAC / OECD	D	38
Q6	Public Debate	F	13
Q7	Anticorruption Policy	F	13
Q8	Compliance and Ethics Units	E	25
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	F	0
Q11	Acquisition Planning	F	0
Q12	Budget Transparency & Detail	F	13
Q13	Budget Scrutiny	F	0
Q14	Budget Availability	F	0
Q15	Defence Income	F	0
Q16	Internal Audit	F	6
Q17	External Audit	F	0
Q18	Natural Resources	F	10
Q19	Organised Crime Links	B	75
Q20	Organised Crime Policing	F	0
Q21	Intelligence Services Oversight	F	0
Q22	Intelligence Services Recruitment	F	0
Q23	Export Controls (ATT)	F	0
Q76	Lobbying	F	0

Financial Risk		F	13
Q24	Asset Disposal Controls	F	8
Q25	Asset Disposal Scrutiny	F	0
Q26	Secret Spending	F	0
Q27	Legislative Access to Information	F	0
Q28	Secret Program Auditing	F	0
Q29	Off-budget Spending	F	8
Q30	Access to Information	F	0
Q31	Beneficial Ownership	C	50
Q32	Military-Owned Business Scrutiny	F	0
Q33	Unauthorised Private Enterprise	B	75
Q77	Defence Spending	F	0

Personnel Risk		E	22
Q34	Public Commitment to Integrity	E	17
Q35	Disciplinary Measures for Personnel	C	63
Q36	Whistleblowing	E	17
Q37	High-risk Positions	F	0
Q38	Numbers of Personnel	F	0
Q39	Pay Rates and Allowances	F	13
Q40	Payment System	C	58
Q41	Objective Appointments	F	0
Q42	Objective Promotions	F	6
Q43	Bribery to Avoid Conscription	NA	
Q44	Bribery for Preferred Postings	C	50
Q45	Chains of Command and Payment	F	0
Q46	Military Code of Conduct	E	19

## OVERALL COUNTRY SCORE CRITICAL 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 Score

Personnel Risk		E	22
Q47	Civilian Code of Conduct	D	38
Q48	Anticorruption Training	E	25
Q49	Corruption Prosecutions	D	33
Q50	Facilitation Payments	E	17

Operational Risk		F	5
Q51	Military Doctrine	E	25
Q52	Operational Training	F	0
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		F	6
Q57	Procurement Legislation	F	0
Q58	Procurement Cycle	E	25
Q59	Procurement Oversight Mechanisms	F	0
Q60	Potential Purchases Disclosed	F	13
Q61	Actual Purchases Disclosed	F	0
Q62	Business Compliance Standards	F	0
Q63	Procurement Requirements	F	0
Q64	Competition in Procurement	F	0
Q65	Tender Board Controls	F	6
Q66	Anti-Collusion Controls	F	13
Q67	Contract Award / Delivery	E	25
Q68	Complaint Mechanisms	D	33
Q69	Supplier Sanctions	F	0
Q70	Offset Contracts	F	0
Q71	Offset Contract Monitoring	F	0
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



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

[GDI@transparency.org](mailto:GDI@transparency.org)

Transparency International UK  
Registered charity number 1112842  
Company number 2903386

Transparency International Defence and Security (TI-DS) is a global thematic network initiative of Transparency International. It is an independent entity and does not represent any national TI Chapters. TI-DS is solely responsible for the 2020 iteration of the Government Defence Integrity Index (GDI) and all associated products, including the GDI Country Briefs.

## Acknowledgements

We would like to thank the UK Foreign Commonwealth and Development Office (FCDO) and the Ministry of Foreign Affairs of the Kingdom of the Netherlands for their generous financial support of the production of the Government Defence Integrity Index. Thanks are also extended to the many country assessors and peer reviewers who contributed the underlying data for this index.

Series editor: **Stephanie Trapnell**, *Senior Advisor*

Author: **Matthew Steadman**, *Research Officer*

Project Manager: **Michael Ofori-Mensah**, *Head of Research*

Design: **Arnold and Pearn**



Foreign, Commonwealth  
& Development Office



Ministry of Foreign Affairs of the  
Netherlands