



**Government Defence
Integrity Index**



2020



Country Brief:

SPAIN



SPAIN

Amid political instability and rising support for far-right parties, Spain has been confronted with a series of serious governance challenges over the past five years.¹ On the back of four general elections since 2015, the current minority-led government of socialist Prime Minister Pedro Sanchez depends on a delicate balance of power between coalition members, at a time where Spain is trying to position itself as major EU defence player in a more fragmented strategic environment.² Having assumed command of the EU's counter-piracy mission off the Horn of Africa, Spanish ambitions are to take on a greater role in EU security and defence policy in the aftermath of Brexit.³

Member of Open Government Partnership	Yes
UN Convention Against Corruption	Ratified in 2006
Arms Trade Treaty	Ratified in 2014

However, military capacity remains limited after years of underinvestment. Spain spends just 1.17% of GDP on defence, the fourth lowest share in NATO.⁴ Nevertheless, spending has increased significantly in recent years, in spite of COVID-induced cuts,⁵ with significant investment earmarked for military modernisation,⁶ as Spain contends with a more fragmented and unstable international order, characterised by trans-national security challenges.⁷ However, the prosecution of the majority state-owned arms manufacturer DEFEX for foreign bribery in 2019,⁸ pointed to continuing issues related to defence governance and corruption vulnerabilities, which could undermine the effectiveness of this spending drive and Spain's ability to respond to security threats. Parliamentary oversight and audit scrutiny remains limited in defence, particularly in relation to financial management and acquisition. Access to information mechanisms have not improved sufficiently, while the lack of whistleblowing legislation hinders anti-corruption efforts and jeopardises integrity-building. Non-competitive⁹ and unjustified procurement¹⁰ also threatens budget optimisation and increases corruption risk, as does the weakness of anti-corruption safeguards for operations.

NATO Overview

In a global context marked by the fragmentation of global power, a loss of faith in multilateralism and the rise of non-conventional conflict, NATO faces an uncertain future. In the twilight of its long-standing operation in Afghanistan, there is a pressing need for it to retool and revamp itself to better address current and future challenges. Externally, these include an increasingly belligerent and assertive Russia, the continued rise of China and the increased global instability that the current decade heralds. Within the alliance, NATO's expansion in the Western Balkans has occurred during a period of democratic backsliding and rising defence spending amongst many member states. These trends prompt concerns about an increased risk of corruption that threatens both political and military

stability, at a time when NATO can ill afford governance failings undermining its capacity to respond to threats. Whilst the Building Integrity programme has proved generally effective at mitigating defence sector corruption and fostering good governance, maintaining the high standards of defence governance that are critical to NATO's ability to exercise its mandate will likely pose a significant challenge to the alliance in coming years.



¹ Economic Intelligence Unit, 'Spain – Political Stability', 15 June 2021.

² Ministry of Defence, 'National Defence Directive', 2020.

³ Katrina Pirmer, 'Spain Seeks to Take on a Greater Role in EU Security & Defence Policy', *South EU Summit*, 17 May 2018.

⁴ NATO, 'Defence Expenditure of NATO Countries (2013-2020)', October 2020, p. 3.

⁵ Cristina Mas, 'Spain Increases its Military Spending by 9.4% in the Year of the Pandemic', *Ara*, 26 April 2021.

⁶ La Moncloa, 'Modernisation and Innovation in the Armed Forces', 19 November 2019.

⁷ Ministry of Defence, 'National Defence Directive', 2020, p. 2.

⁸ Transparency International, 'Exporting Corruption – Progress Report 2020: Assessing Enforcement of the OECD Anti-Bribery Convention', Berlin, 2020, p. 108.

⁹ Ministry of Defence, 'Annual Contracting Plan for the Year 2019 for the Ministry of Defence', 2019.

¹⁰ Bernardo Navazo Lopez, 'The Impact of the Economic Crisis on Defence: Autonomous Irrelevance or Combined Action?', Working Paper No. 72/2013, *Observatorio de Política Exterior España (OPEX)*, 2013, no. 150, p. 70.



SPAIN

Overall scores

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

SPAIN SCORE
MODERATE RISK

C

52



A > 83-100 VERY LOW

B > 67-82 LOW

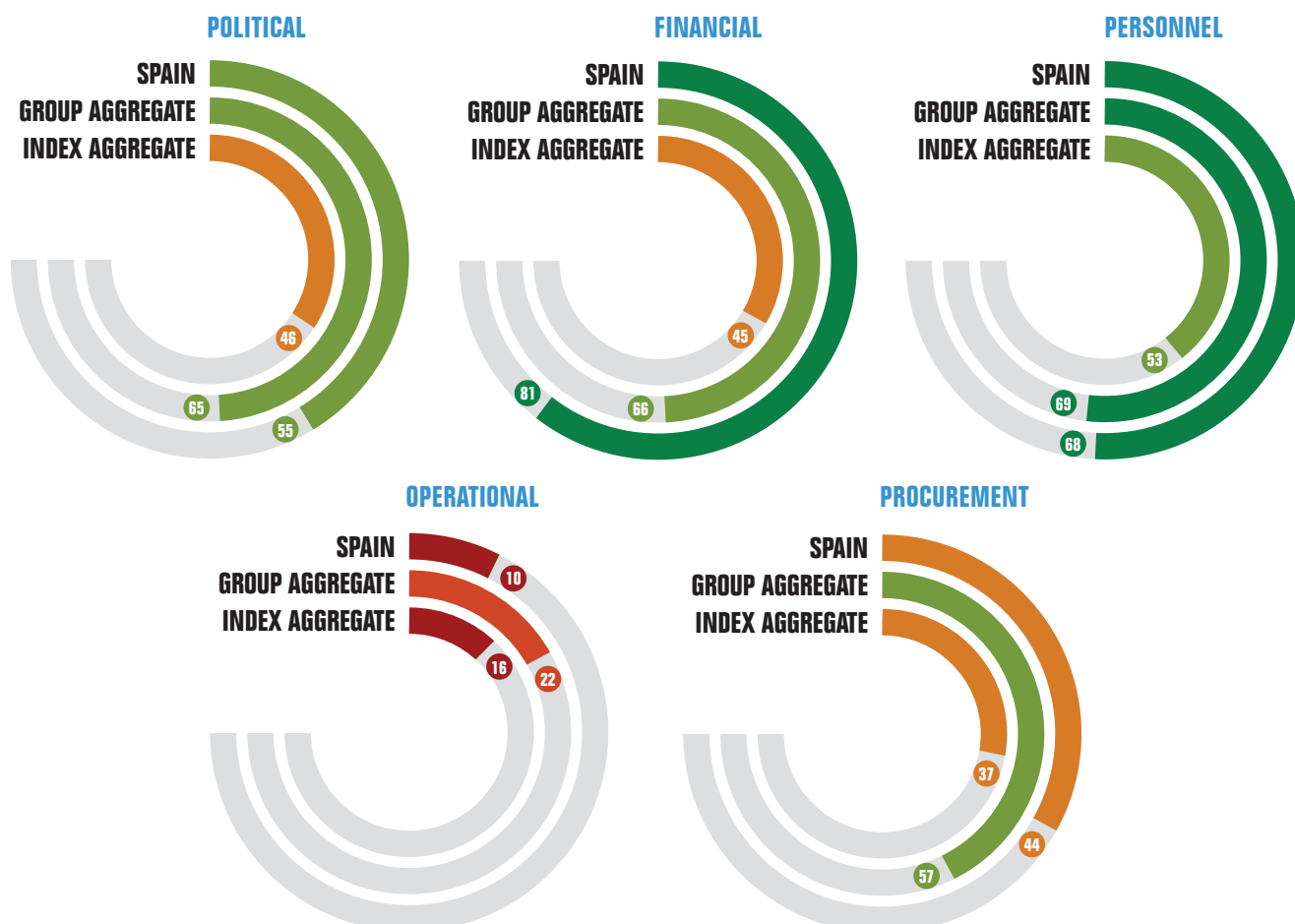
C > 50-66 MODERATE

D > 33-49 HIGH

E > 17-32 VERY HIGH

F > 0-16 CRITICAL

Risk Comparison





SPAIN

Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, 2019)	59/100
Military expenditure as share of government spending (SIPRI, 2020)	2.7%
Committee members with defence expertise (%)	Data could not be accessed.
# of meetings/year	9 (2020)
Last review of defence policy/strategy	2020. (National Defence Directive)

In the defence sector, despite strong formal powers of parliamentary scrutiny, the quality and extent of legislative debates on defence issues is poor. Parliament has powers to approve or veto laws, and approve and debates general defence policy proposals,¹¹ but effectiveness is limited, as there is no possibility for Parliament to amend laws, policies or budgets, and its hyper-partisan nature stunts debate and consensus-building. Policy elaboration is generally done at the level of the National Defence Council,¹² made up of senior military commanders who inform the parliamentary Defence Commission of initiatives and policies, which the commission cannot modify. As such, parliamentary involvement in the policy-making process is limited and the development of policies such as the National Defence Directive, does not require strong parliamentary involvement.¹³ In fact, there is no record of any debate occurring within the Commission about the 2017 National Security Strategy or 2020 National Defence Directive.¹⁴ Despite having powers to review the defence budget and initiate long-term investigations, the Commission rarely does so in practice. For instance, only five of 31 sessions during the 2016-19 term contained discussions about the defence budget.¹⁵ Equally, the Commission rarely issues recommendations to the government, which has proved unwilling to cooperate with its investigations in the past.¹⁶ Financial oversight is also assured by audit bodies. The General Intervention of Defence is the Ministry of Defence's internal audit unit, which regularly releases reports to the State Comptroller and the Ministry.¹⁷ However, there is no evidence that parliament receives any reports from the unit. External auditing is the remit of the Court of Accounts, which reports to Parliament. However, since 2015,¹⁸ the Court has only published one report on defence expenditure and there are concerns surrounding its independence given the executive's influence over the Court's recruitment.¹⁹

Financial Transparency

Defence-related access to information response rates	(1) % granted full or partial access: 95%
	(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?	Yes
Audit reports on defence (2018-2020) #	1 (2016)
Open Budget Index (IBP, 2019)	53/100
World Press Freedom Index (RSF, 2021)	29th out of 180

Recent years have proved tumultuous for government transparency. The passage of the Transparency Act in 2013 finally provided an access to information framework in Spain,²⁰ while attempts are ongoing to reform the Official Secrets Act, a notorious piece of Franco-era legislation that classifies documents for an unlimited period of time.²¹ Yet, there remain issues with the quality of the data the government releases,²² and deadlines for processing access to information requests were temporarily suspended during the first months of the COVID-19 pandemic.²³ Similarly, in the defence sector, relatively robust transparency standards are undermined by inadequate implementation. The defence budget for instance, while disaggregated, is not comprehensive and does not include expenses related to services other than the Ministry of Defence (MoD), such as military R&D or the National Guard.²⁴ Arms acquisitions have only been included in the budget as of 2018, since a constitutional court sentence prohibited the common practice of using decree-law to fund acquisitions exclusively through extraordinary loans.²⁵ Moreover, the defence committee can only oversee the budget of the MoD, meaning that other defence-related items in other ministries' budgets are not within its remit. As the MoD spend represents only around 50 per cent of total military expenditure, this makes it difficult to get an accurate overview of all spending.²⁶ Equally, key issues such as foreign military operations and arms acquisitions are frequently financed through extra-budgetary means.²⁷ This complex and partially non-transparent system of financial appropriations is further compounded by access to information issues, as the Transparency Law explicitly and broadly limits the right of access to information that is considered detrimental to specific areas, including defence.²⁸ Compliance with the legislation has also fallen dramatically during the COVID-19 pandemic. Across the entire public administration, requests have taken on average 43 days to be answered as opposed to the legally-required 15-day limit.²⁹

¹¹ Parliament, 'Organic Law 5/2005, of 17 November, on National Defence, BOE núm. 276', 18 November 2005.
¹² Ministry of Defence, 'National Defence Council'.

¹³ The current National Defence Directive for instance was developed by the President's Office, the Ministry of Defence, the Chiefs of Defence, Army, Navy and Air Force Staff, and the Secretary General of Defence Policy. See La Moncloa, 'President of the Government of Spain signs new, more modern National Defence Directive designed for 21st Century', 11 June 2020.

¹⁴ Defence Commission, 'Diary of Sessions. Congress, Defence Commission numbers: 7, 52, 82, 94, 131, 178, 211, 216, 243, 268, 309, 316, 325, 366, 404, 412, 450, 482, 500, 525, 547, 587, 610, 641, 652, 607, 718, 719, 720, 748'.

¹⁵ Defence Commission, 'Diary of Sessions, 7, 52, 82, 94, 131, 178, 211, 216, 243, 268, 309, 316, 325, 366, 404, 412, 450, 482, 500, 525, 547, 587, 610, 641, 652, 607, 718, 719, 720, 748', 2016-2019 Session.

¹⁶ Yolanda Gonzalez, 'Morenés, on his past in the arms industry: "I have been asked to come and leave my fortune"', *Infolibre*, 21 October 2015.

¹⁷ Ministry of Defence, 'General Intervention of Defence'.

¹⁸ Court of Accounts, 'Audit Report No. 1.155 on the Financing of Special Armament and Equipment Programmes', 2016.

¹⁹ Elena G. Sevillano, 'The Supreme Court obliges the Court of Auditors to reveal the names of its possible fingerprints', *El País*, 17 December 2019.

²⁰ Official Bulletin, 'Act 9/2013, of 9 December, on Transparency, Access to Public Information and Good Governance', December 2013.

²¹ Isambard Wilkinson, 'Spain Law Revamp Set to Tell All on Franco Dictatorship and Civil War', *The Times*, 12 April 2021.

²² Helen Darbishire, 'Spain's Transparency Lottery', *Freedom Info*, 14 June 2017.

²³ European Parliament, 'Suspension of Spain's Transparency Portal', Parliamentary Questions, E-002341/2020, 17 April 2020.

²⁴ Ministry of Defence, 'Budget of the Ministry of Defence', Year 2021.

²⁵ Constitutional Court, 'Sentence 169/2016, of 6 October (BOE Number 276 of 15 November 2016)'.

²⁶ This is reflected in the divergences between the MOD budget amounts and amounts collected by SIPRI, see 'SIPRI, Military Expenditure Database'.

²⁷ Centre Delas, 'The Absurdity of Military Spending, Analysis of the Budget of Defence in Spain', 2017.

²⁸ Official Bulletin, 'Act 9/2013 on Transparency', Article 14.1.b.

²⁹ Civio, 'Transparency Delayed: Officials Published At Least Half of 2020's Emergency Contracts Late', 25 March 2021.



SPAIN

Personnel Ethics Framework

Whistleblowing legislation	None
# defence-sector whistleblower cases	Data is not publicly available.
# Code of conduct violations	Military: Data is not publicly available.
	Civilian: Data is not publicly available.
Financial disclosure system	# submitted: Data could not be accessed.
	# of violations: Data could not be accessed.

While ethics standards are generally robust in defence, anti-corruption provisions are somewhat weak. For instance, personnel conduct is regulated by the Royal Ordinances of the Armed Forces,³⁰ however, the code contains just one indirect reference to corruption and does not include references to bribery, conflicts of interest or post-separation activities. The Ethical Code for Contracting Personnel, applicable only to staff working in purchasing in the Ministry of Defence, on the other hand, does contain guidance on how to proceed in the face of corruption-related events.³¹ Regardless of formal provisions however, the enforcement of anti-corruption and bribery rules is weak. Three personnel found to be involved in corruption schemes, including bid rigging and bribery,³² and even ones that have been convicted in court, have not been expelled from the military, raising significant questions as to the importance accorded by the hierarchy to the fight against corruption. A significant barrier to these efforts is the weakness of whistleblowing systems. Spain currently has no general whistleblowing law, and the legal system does not recognise the status of whistleblower. The near total lack of protections for those reporting wrongdoing and corruption has been identified as a key legislative issue.³³ While the EU Whistleblowing Directive should help to address this to some extent, the government is yet to transpose these requirements into law.³⁴ As things stand, there is very little trust amongst personnel that adequate protection would be provided if they reported corrupt activity. Finally, it should be noted that formal promotion processes for personnel are subject to significant political influence. Promotions to the rank of colonels and generals is done through nominations, which is considered a 'filter' that stops certain profiles from progressing, irrespective of their service records.³⁵ The selection process is also not open, and Parliament has no involvement in scrutinising decisions, meaning the process is non-transparent.

Operations

Total armed forces personnel (World Bank, 2018)	196,350
Troops deployed on operations #	614 in Lebanon (UNIFIL), 600 in Mali (EUTM-Mali), 350 in Latvia (NATO EFP), 265 in Iraq (150 Inherent Resolve; 115 NATO MI), 149 in Turkey (Support to Turkey), 65 in Senegal (Marfil), 18 in Somalia (EUTM-Somalia), 8 in CAR (EUTM-RCA), 5 in Colombia (UNVMC), 3 in Bosnia & Herzegovina (EUFOR ALTHEA)

Spain contributes significantly to international military operations, investing 10% of its budget to this end and contributing troops to the majority of NATO-led operations and all EU military missions.³⁶ Notwithstanding, Spain's anti-corruption standards for operations are extremely weak, potentially exposing missions to significant corruption risks that could undermine mission objectives.³⁷ Spain's military doctrine makes no reference to corruption,³⁸ and corruption as a strategic issue for operations is also not covered in the Defence Directive or the National Security Strategy.³⁹ This lack of inclusion at the strategic level has ripple effects at the planning and training stages for operations. There is no evidence of any anti-corruption training for commanders as part of pre-deployment programmes. There is also no evidence that corruption as a strategic issue is included in the forward planning for missions, aside from as an economic or political issue in the host nation. This underlines how corruption is conceived of as an external issue, and not one that occurs within missions themselves and there is no function dedicated to monitoring and evaluating corruption risk during deployments. However, it should be noted that Spain has made progress in terms of contracting. Instruction 23/2020 has strengthened anti-corruption guidelines for personnel involved in contracting, including for missions, although it remains too early to assess how effectively the Instruction is implemented.⁴⁰

³⁰ Government of Spain, 'Royal Decree 96/2009, of 6 February, which approves the Royal Ordinances for the Armed Forces', 6 February 2009.

³¹ Government of Spain, 'Instruction 23/2020 of the Secretary of Defence, of 4 June, on the Ethical Code and Code of Conduct of Personnel Related to Purchasing', 4 June 2020.

³² Miguel Gonzalez, 'Three Officers and a Businessman Condemned on Corruption Charges', *El Pais*, 12 July 2019.

³³ Transparency International Spain, 'Position Paper on Whistleblowing', April 2017.

³⁴ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law, *Official Journal of the European Union*, L 305/17, 26 November 2019.

³⁵ Government of Spain, 'Law 39/2007, of 19 November, of the Spanish Military Career', 19 November 2007.

³⁶ Pirner, 'Spain Seeks to Take on a Greater Role'; Ministry of Defence, 'Deployments and Operations'.

³⁷ For more information on corruption risks in military operations, see Transparency International Defence & Security, 'Interventions Anti-Corruption Guidance'.

³⁸ Ministry of Defence, 'Doctrine for the Deployment of the Armed Forces', 2019.

³⁹ Ministry of Defence, 'National Security Strategy', 2017.

⁴⁰ Government of Spain, 'Instruction 23/2020 of the Secretary of Defence'.



SPAIN

Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	17,160
Open competition in defence procurement (%)	17.8%
Main defence exports – to (SIPRI, 2016-20)	Australia, Singapore, Turkey, South Korea, Malaysia
Main defence imports – from (SIPRI, 2016-20)	France, United States, Germany, Israel

Since 2017, Spain's defence spending has been increasing significantly. This increase is being partially driven by a focus on procurement as a key vector for modernisation,⁴¹ with roughly 19% of all military spending dedicated to equipment expenditure.⁴² Spain's acquisition planning process for defence is formalised by two ministerial orders, which are intended to establish a clear process for the whole planning cycle that guarantees value for money and the selection of optimal capabilities to respond to given needs.⁴³ Nevertheless, acquisition decisions are frequently made on the basis of political and industrial criteria, rather than prioritising strategic relevance and military needs.⁴⁴ This is particularly true for Spain's major Special Armament Programmes (PEAs), whose connections to the national security strategy are unclear. In fact, these programmes are often

wholly non-transparent. They are not included in the Ministry of Defence's legally required Annual Contract Plan (PACDEF),⁴⁵ which aims to increase transparency in the contracting process, and only six PEAs out of 26 have ever been subject to audit by an independent body.⁴⁶ The PEAs are emblematic of the secrecy that pervades Spanish defence procurement. Open competition represents just 17.8% of defence of overall defence procurement.⁴⁷ Even among contracts that are included in the PACDEF, only 68% of contracts, representing just 40% of the total value, are conducted through open tenders.⁴⁸ In parallel, significant oversight issues further decrease transparency and accountability in the procurement process. While oversight bodies have powers to question single-sourced or restricted procedures, they frequently fail to do so. The Court of Accounts has published only five reports on defence since 2000. For its part, the Independent Office for Contracting Regulation and Supervision, which was created in 2017, has struggled to establish itself. In its 2019 report, the Office outlines how €66 million worth of contracts were the subject of controls, representing just 16.6% of the total volume of defence contracts.⁴⁹

⁴¹ Pere Ortega, Xavier Bohigas and Quique Sanchez, 'Critical Analysis of the Defence Budget for 2021', Working Papers, *Centre Delas*, December 2020.

⁴² Pirner, 'Spain Seeks to Take on a Greater Role'.

⁴³ Government of Spain, 'Ministerial Order No. 37/2005, of March 30, by which the Defence Planning process is regulated. BOD. no. 68', 8 April 2005; 'Ministerial Order 60/2015, of December 3, by which the Defence Planning process is regulated. BOD no. 240', 10 December 2015.

⁴⁴ Félix Arteaga, 'The Coming Defence: criteria for the restructuring of Defence in Spain', *Elcano Royal Institute*, October 2013.

⁴⁵ Ministry of Defence, 'The MOD Approves its Annual Contract Plan', 3 February 2020.

⁴⁶ Court of Accounts, 'Audit Report on the Extraordinary Financing of the Special Weapons and Material Programmes, 2012-14', 30 June 2016.

⁴⁷ Ministry of Defence, 'Economic Affairs Statistics, 2018', 2018.

⁴⁸ Ministry of Defence, 'Annual Procurement Plan 2019', 2019.

⁴⁹ Treasury, 'Report of the General Intervention of State Administration Relating to Public Contracting', 2019, p. 43.

Version 1.0, October 2021

GDI data collection for **Spain** was conducted April 2020 to April 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.



SPAIN 2020 GDI Scorecard

		Grade	Score
Political Risk		C	55
Q1	Legislative Scrutiny	B	75
Q2	Defence Committee	D	42
Q3	Defence Policy Debate	C	63
Q4	CSO Engagement	D	42
Q5	Conventions: UNCAC / OECD	C	63
Q6	Public Debate	C	50
Q7	Anticorruption Policy	D	38
Q8	Compliance and Ethics Units	C	50
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	F	0
Q11	Acquisition Planning	B	67
Q12	Budget Transparency & Detail	D	38
Q13	Budget Scrutiny	C	63
Q14	Budget Availability	B	67
Q15	Defence Income	A	83
Q16	Internal Audit	C	63
Q17	External Audit	D	38
Q18	Natural Resources	A	100
Q19	Organised Crime Links	A	88
Q20	Organised Crime Policing	B	75
Q21	Intelligence Services Oversight	B	75
Q22	Intelligence Services Recruitment	C	50
Q23	Export Controls (ATT)	D	42
Q76	Lobbying	F	0
Financial Risk		B	81
Q24	Asset Disposal Controls	A	83
Q25	Asset Disposal Scrutiny	B	67
Q26	Secret Spending	B	75
Q27	Legislative Access to Information	B	75
Q28	Secret Program Auditing	C	63
Q29	Off-budget Spending	A	100
Q30	Access to Information	B	75
Q31	Beneficial Ownership	A	100
Q32	Military-Owned Business Scrutiny	A	100
Q33	Unauthorised Private Enterprise	A	88
Q77	Defence Spending	C	63
Personnel Risk		B	68
Q34	Public Commitment to Integrity	D	42
Q35	Disciplinary Measures for Personnel	C	63
Q36	Whistleblowing	E	25
Q37	High-risk Positions	C	50
Q38	Numbers of Personnel	A	83
Q39	Pay Rates and Allowances	B	75
Q40	Payment System	A	83
Q41	Objective Appointments	C	58
Q42	Objective Promotions	A	88
Q43	Bribery to Avoid Conscription	NA	
Q44	Bribery for Preferred Postings	A	100
Q45	Chains of Command and Payment	A	100
Q46	Military Code of Conduct	B	69

OVERALL COUNTRY SCORE

MODERATE RISK

C

52

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		B	68
Q47	Civilian Code of Conduct	B	81
Q48	Anticorruption Training	E	25
Q49	Corruption Prosecutions	B	67
Q50	Facilitation Payments	B	75
Operational Risk		F	10
Q51	Military Doctrine	F	0
Q52	Operational Training	F	0
Q53	Forward Planning	F	0
Q54	Corruption Monitoring in Operations	F	0
Q55	Controls in Contracting	C	50
Q56	Private Military Contractors	NS	
Procurement Risk		D	44
Q57	Procurement Legislation	E	25
Q58	Procurement Cycle	B	75
Q59	Procurement Oversight Mechanisms	C	50
Q60	Potential Purchases Disclosed	C	50
Q61	Actual Purchases Disclosed	C	50
Q62	Business Compliance Standards	E	25
Q63	Procurement Requirements	D	33
Q64	Competition in Procurement	E	25
Q65	Tender Board Controls	C	50
Q66	Anti-Collusion Controls	C	58
Q67	Contract Award / Delivery	C	50
Q68	Complaint Mechanisms	A	83
Q69	Supplier Sanctions	C	50
Q70	Offset Contracts	C	50
Q71	Offset Contract Monitoring	C	50
Q72	Offset Competition	NEI	
Q73	Agents and Intermediaries	F	0
Q74	Financing Packages	E	25
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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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.

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