



Geneva Centre for the
Democratic Control of Armed
Forces



Belgian House of
Representatives



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SUMMARY WORKSHOP REPORT

Strengthening the Role of Parliament in Security and Defence Budgeting and Procurement

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Introduction

The United Nations Development Programme's (UNDP) Parliamentary Development Initiative in the Arab Region and the Geneva Centre for the Democratic Control of Armed Forces (DCAF), hosted by the Belgian House of Representatives, held a joint workshop on "Strengthening the Role of Parliament in Security and Defence Budgeting and Procurement". Parliamentarians from Jordan, Kuwait, Morocco, as well as Arab and international experts attended the event in Brussels, Belgium.

The workshop examined international and Arab region practices in security and defence budgeting and procurement and explored the role Arab parliaments can play in the preparation, approval and implementation of the defence budget and in procurement. While the workshop paid particular attention to the case of the Kuwaiti *Majles Al-Ommah* (National Assembly of Kuwait), presentations also covered the cases of Morocco, Jordan and Lebanon.

Applying the same standards of transparency and accountability to security and defence budgets as for other public sector budgets

The topic of defence and security budgeting and procurement was introduced to participants by Belgian members of parliament and international experts. The two key messages from this introduction were: *Firstly*, the same standards of transparency and accountability must be applied to the security sector than to any other public sector. A Belgian member of parliament was especially clear on this point: "Funding for the Ministry of Defence is subject to exactly the same budgetary rules as for other departments of the Executive." *Secondly*, insistence on excessive secrecy on the part of the Executive is more because in this way less justifications for policy decisions are required than because of well grounded national security considerations. Thus, excessive secrecy opens up the door for corruption.

No democratic governance in the absence of a strong parliamentary involvement in security and defence budgeting

A Belgian participant defined the budget as: “[...] an estimation of income as well as an estimation and authorization of expenditure to the executive power for a budget year.” However, he also made clear that the budget is more than just a technical instrument compiling *all* streams of income and expenditure. Moreover, he referred to the budget as “the most important policy statement made by the Executive in the course of the year.” Commenting on this point, another participant cautioned that too many national defence and security establishments have additional, undisclosed sources of income such as presidential budgets, secret budgets or emergency defence budgets. In addition to this, it was also mentioned that governments may generate additional income from sales of second hand equipment, military owned businesses or UN peacekeeping receipts. Any comprehensive budget must account for these additional sources of income. In the subsequent discussion participants agreed that the budget is a critically important document in ensuring transparency and accountability; thus, in ensuring good governance in the security sector.

Security and defence budgeting and procurement in line with the National Security Policy

In the discussion following the introduction to security and defence budgeting and procurement, a participant stressed the importance for members of parliament to assess the security and defence budget as well as procurement requests in the light of the national security policy. In this way, defence procurement should be driven by the defence policy or military doctrine and not the other way round. Discussion concluded with the reiteration of the call by Arab members of parliament – already made in Montreux in spring 2007 – that Arab countries need to adopt national security policies and that parliaments need to play a strong role in their formulation.

The role of the Belgian parliament in security and defence budgeting and procurement

Belgian members of parliament presented in detail the Belgian parliament’s involvement in budget and procurement processes. In the course of their presentations, they identified six principles which are crucial for ensuring strong parliamentary involvement in budget and procurement processes:

- *Budget is set by the house of representatives* (and not the Senate).
- *Yearly*: The budget must be set each year.
- *Universality*: The budget must be general and complete, ruling out the existence of a hidden budget.
- *Specialty*: The Chamber only authorizes well specified expenditure stipulated in each programme. The government may not use an excess in one item to cover a deficit in another item.
- *Publicity*: The budget is a public document that can be consulted on the Chamber’s website. Once adopted by the Chamber, it is published in the State Official Gazette.
- *Annual justification*: Each year the government is accountable to the Chamber regarding the implementation of the budget. Article 174 of the Constitution specifies that each year the Chamber rules on the approval of State accounts and votes the budget.

In addition to this, Belgian participants highlighted another key mechanism for controlling defence procurement, namely the *Special Committee on Military Procurements* which ensures the Ministry of Defence’s compliance with official procurement procedures.

The need for Arab members of parliament to acquire and mobilize appropriate expertise in examining security and defence budgets and defence procurement

Participants from Lebanon, Jordan and Morocco presented their experiences in security and defence budgeting and procurement. A Lebanese participant explained the far-reaching and constitutionally guaranteed powers of the Lebanese parliament in this regard. However, he also pointed out that in the aftermath of last year’s conflict with Israel, direct foreign military aid and foreign grants have led to additional

and at times opaque streams of income, complicating oversight over the defence budget. For this reason he called not only on Parliament, but also on civil society actors to strengthen their oversight capacities.

As for Jordan, it was made clear by a participant that the constitution stipulates that all expenditures must be based on law. Nonetheless, a considerable number of departments still escape parliamentary control. Strengthening parliamentary oversight would thus involve a revision of the existing legal framework.

A Moroccan participant identified the absence of a proper Ministry of Defence and the Sahara issue as the main challenges to enhanced transparency in defence budgeting and procurement. However, the same participant also reported positive developments as far as the work of parliamentary oversight committees dealing with security and defence issues is concerned. While in principle committee meetings are secret, the chairs of the committees increasingly lift the veil of secrecy and invite media to attend the sessions.

Foreign pressure and interference in Kuwaiti defence procurement

Kuwaiti participants stressed that when discussing issues related to national security, the country's experience of occupation must be taken into consideration. Kuwaiti participants further named foreign interference and pressure in all defence procurement processes as a further factor adding to the existing complexity of the issue. Lobbying by foreign arms manufactures and pressure exercised by friendly governments often lead to the purchase of sub-optimal and outdated weapon systems involving excessive maintenance costs. Referring to these challenges, a participant stressed the importance of taking into account the whole life cycle of military equipment. However, participants also presented several cases where Parliament successfully blocked defence procurement programmes, despite strong pressure on government and parliament from key allied countries.

A strong role of Kuwait's National Assembly (Majlis Al-Ommah) in security and defence budgeting

Elaborating on budgeting procedures, a Kuwaiti participant explained that the defence budget is discussed by the *parliament (Majlis Al-Ommah)* in a closed session, separately from the general state budget. According to the same participant, parliament has important constitutionally guaranteed as well as informal tools at hand when it comes to influencing security and defence budgets and defence procurement. The National Assembly:

- approves *the state general budget*, including the Ministry of Defence budget and closing accounts, through a budget law, as stipulated in the constitution;
- approves *additional credits* for the Ministry of Defence and for the commonly denominated 'defence strengthening budget';
- enjoys the broadest powers to *refer all infringements or suspicions in terms of military procurement to investigation* or fact-finding committees.

In addition, members of Parliament can and do *resort to the media to put more pressure on the government* and raise the public's awareness about defence policies and expenditures

Kuwaiti members of parliament identify their main challenges to more effective oversight over the defence budget as well as defence procurements

Despite the advanced role of Kuwait's parliament in security and defence budgeting and procurement, Kuwaiti participants identified a range of challenges they face in exercising their oversight function, the most important ones being the following:

- The government has a tendency to issue *'defence strengthening budgets' in periods when the parliament is not in session or has been dissolved*;
- *Defence procurements are exempt from standard procurement procedures* applied to other sectors. They are also exempt from the Court of Audit's *a-priori* control;
- The *military procurement committee does not have the necessary powers and access to information for properly exercising its functions*

- The *weak technical capacities of members of parliament* prevent them from exercising efficient control over defence procurement.
- The *absence of informed and efficient parliamentary follow-up organs* further hinders effective oversight;

Far-reaching recommendations for strengthening the role of Kuwait's parliament in security and defence budgeting and procurement

In the discussions following the presentations made by the Kuwaiti participants a broad range of recommendations for achieving more effective oversight over the security and defence budget were made. Among other, participants suggested:

- *Revision of the legal framework:* Revision must comprise the abolition of all legislation aiming at exempting defence procurement from parliamentary oversight. Furthermore, powers of the parliament must be expanded, allowing in the future to directly referring serious breaches to the judiciary.
- *Enhancing the parliament's institutional memory* by encouraging members of parliament's membership in control committees for more than one legislative period.
- Developing *follow-up mechanism* allowing Parliament to keep track on its own resolutions and recommendations regarding irregularities in defence procurement. There is a need to go beyond the parliamentary committees' usual reports to the government.
- Scheduling *special sessions* for the *Parliament* and *constituting special committees* for examining the trends and general policies of defence procurement, although in closed sessions.

In addition, an international expert mentioned the possibility having government and military official testifying under oath as an extremely powerful tool.

Outcome: Consensus on the need for a stronger role of Arab parliaments in security and defence budgeting and procurement

A clear consensus was reached on the need of a stronger role of parliament in security and defence budgeting and procurement in Arab countries. As key entry-point for playing a stronger participants identified need of adopting national security policies in their respective countries. Only in this way can budgeted allocations and defence procurement be judged against effective needs of the state and its citizens.

The workshop also showed that achieving more transparency and accountability in the security sector involves individual risk taking. Thus, a thorough understanding of the issues at stake is of crucial importance. For this reason participants expressed a keen desire to continue working with DCAF and UNDP through future activities. In addition to regional workshops, participants suggested to organize country-specific workshops on security sector governance topics involving a high number of representatives from all political parties.