

**SPEECH AT THE LAUNCH OF THE SECOND EDITION
OF THE TI HANDBOOK ON BUILDING INTEGRITY
CHATHAM HOUSE, 8 MARCH 2011**

Comparing the first and second editions of the Handbook shows just how far the subject of Building Integrity and Countering Corruption in Defence and Security has moved on in the two years since the first edition hit the streets. Instead of ten chapters there are now twenty! I say this not just because the volume of material is a good thing, but because the range of subjects covered in the new Handbook points to the key role of both counter-corruption work and the Defence and Security Sectors in building durable state institutions, particularly in conflict and post-conflict situations. It is particularly good to see the Chapter on Corruption and Conflict Resolution, which is directly applicable to situations such as Afghanistan and builds on TI's experience there.

When the first edition of the Handbook was published in 2009, TI's collaboration with NATO in the Alliance's Building Integrity was gaining momentum. This unique partnership between an NGO and a politico-military Alliance is something that should not go unremarked. In 2009 we could see the beginnings of the counter-corruption self-assessment process, notably in Ukraine. And the delivery, largely by TI and the UK

Defence Academy, of the first Building Integrity training module in Kabul had produced some extremely encouraging feedback.

Since then, we have seen the process gather momentum and maturity. Not because governments want somehow to tick the right box, but because they increasingly recognize that addressing corruption issues is very much in their own self interest in terms of the health of their defence institutions – and indeed of saving money in these cash-strapped times.

It is revealing that much of the impetus for counter-corruption work in Ukraine comes from the National Security Council. In the Bulgarian Ministry of Defence, we have seen perhaps one of the most thorough and serious self-assessment exercises conducted in the history of BI initiative, on which Deputy Minister Tzvetkova has briefed us in detail. I have to own up to the fact that it was I who led the NATO Assessment Mission to Sofia last December, and I want to congratulate the Bulgarian government on a very significant achievement.

The message is catching on with other Allies too. Norway is deeply engaged and a further assessment mission to Croatia will take place in early April. One to Afghanistan will follow not too much later in the year.

Experience in Afghanistan is bringing home the importance of counter-corruption work in an operational context. The British Army has recently made pre-deployment training in corruption issues an enduring operational requirement for deployments to Afghanistan. The issues there are extremely complex and perhaps the most difficult we currently face. We must bring to bear all the knowledge and experience we have to reinforce the effort to put Afghanistan on the right track.

Gen Petraeus' new year message to ISAF servicemen and women draws attention to the need to support Afghan-led efforts to establish governance that can earn the support of the people, and – importantly – expand efforts to help Afghan officials combat corruption and the criminal patronage networks that undermine the development of effective Afghan institutions. It further notes that ISAF's contracting and procurement activities must be part of the solution rather than part of the problem. Chapter 13 of the Handbook contains some useful ideas for reducing corruption risks in contracts during Operations. From a series of Conferences on Transition in Afghanistan currently being run in London jointly by TI, RUSI and the Konrad Adenauer Foundation, it's clear that effective counter-corruption work is going to be a key enabler for important and essential

progress in governance; the rule of law; the delivery of the basic public services that are so essential to lasting stability; and long-term economic development.

So I'm increasingly struck by the centrality of corruption to many of the difficult issues of governance, institution building, the rule of law and the economy that governments and the international community face today. Poverty, social unrest, economic deprivation, organized crime and corruption have long been acknowledged as both causes and consequences of state failure and ultimately conflict. As the Handbook says, it's increasingly clear that counter-corruption work in the defence and security sectors can have a disproportionately positive impact in tackling those issues even when force (or the threat of it) is not directly involved. This is not just because of their key role in delivering sustainable state institutions in difficult times, but because in many cases they are likely to be better resourced than other areas of government. It is obviously important that they should be properly clean and properly – and democratically – oriented.

There is an important common thread in terms of building sustainable and effective state and government institutions. In conflict and post-conflict environments like Afghanistan, the

Army and Police are fundamental to this process. They can lead by example and spread good practice to other parts of government. And they can also help make an example of corrupt individuals who seek to subvert the process

Next month I have been asked to address a UNIDO Conference in Ghana on Competitiveness and Diversification in a Petroleum-Rich Economy. Part of the reason for the Conference is the need to manage the impact on a developing economy in a potentially unstable region of a large flow of new resources from hydrocarbon discoveries in the Gulf of Guinea. I suspect that here again - and in addition to sound fiscal and economic management - both counter-corruption work and the defence and security sectors will have a significant role to play.

I raise these points to highlight the value of the work we are discussing today, not so much for its academic merit but for its practical potential. Mark Pyman has been too modest to say so but the TI Handbook constitutes, to put it bluntly, world best practice in its field. I commend it to you and hope this evening's event will help to tell its story.