Session 4: Managing and Monitoring Security Sector Resources in Africa

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Overview

• Strategic Framework

• The Economic Environment

• Practical Challenges: Procurement

• Monitoring and Evaluation
The Case for Improved Resource Management in Africa’s Security Sector

• Reform involves a fundamental re-alignment of priorities and financial resources, with implications for:
  – Personnel
  – Training and education
  – Equipment and infrastructure
  – Research and development

• It is, therefore, crucial to reflect the nature and dynamism of Africa’s evolving security environment in the allocation, utilization and monitoring of resources across the security sector.
Understanding Institutional Strengthening

• Strengthening resource management institutions goes beyond building ministries, agencies or uniformed forces.

• Focus on a core set of values, principles and relationships that provide a framework for a nation to attain its national security goals:

  • VALUES: Professionalism, Ethics, Representative Governance, Citizen-Centered Security
  
  • PRINCIPLES: Sound Practice vs Best Practice
  
  • RELATIONSHIPS: Within Organizations/Agencies; Across Organizations/Agencies
Connecting RM and NSS

- National Security Strategies (NSS) set goals <vision/end states> and define policies <ways/modalities>.

- Resource Management (RM) highlights how best to utilize scarce resources, within the framework of defined principles/policies, to attain specified goals <using the means>.

- Specific goals lead to specific action and more focused/effective resource management.

Achieving the “best possible security within a socially-acceptable level of allocated resources.” (p. 52)

Avoid “creating or deepening gaps between society and the security sector.” (p. 5)

Source: Ratchev, V (2011) A Functional Approach to a Modern Defense Institution, DCAF
Strategic Planning

Source: Ball and LeRoux (2006)
Recent Economic Growth

Note: (e) estimates; (p) projections.
Source: Statistics Department, African Development Bank.

Source: African Economic Outlook (2015)
Illicit Outflows


Source: Based on Ndikumana and Boyce (2008), Kar and Cartwright-Smith (2010), Kar and Freitas (2011) and ECA’s calculations.
Increased Military Spending?
Changes in Military Expenditure by region: 2015-2016

Source: SIPRI (2017)
Effects of Illicit Outflows

Africa loses more through illicit outflows than it gets in aid and foreign direct investment.

- Trade mispricing: $38.4 bn
- Aid from OECD/DAC member countries: $29.5 bn
- Foreign Direct Investment: $32.7 bn
- Other illicit outflows: $25 bn

Trade mispricing: Losses associated with misrepresentation of export and import values. Other illicit flows: Funds that are illegally earned, transferred, or utilized and include all unrecorded private financial outflows.

Source: Africa progress Panel, “Equity in Extractives: Stewarding Africa’s natural resources for all” (2013)
Development Transformations

- **ECONOMY**
  - Enhanced productivity

- **POLITY**
  - Accurate preference aggregation

- **SOCIETY**
  - Equal social rights, opportunities

- **ADMINISTRATION**
  - Rational, professional organizations

Guiding Principles of Resource Management

• Comprehensiveness
• Discipline
• Legitimacy
• Flexibility
• Predictability
• **Contestability**
• Honesty
• Information
• Transparency
• Accountability
Guiding Principles of Resource Management

• What role do the principles play in linking national security strategies and resource management?

• Contestability means that “All sectors must compete on an equal footing for funding during budget planning and formulation.”
  • Is the principle of contestability followed in the budgeting process of your country?
  • What role can leadership play?
Main Procurement Challenges

• Competitive Strategy
  • Infrequent, high-value contracts; vital to supplying companies who are willing to “compete aggressively” to secure contracts.

• The “Ostrich Effect”
  • Use of “agents” and multiple sub-contracting makes it easy for bribes to be masked as “fees”.
Main Procurement Challenges

- The “Revolving Door” Syndrome
  - Companies owned by retired (or serving) government officials consult for, or transact business on behalf of, suppliers.

- Large Post-Contract Requirements
  - Conceals magnitude of deals, and spreads payments over time --- this is a possible concealment strategy.
Problem-Driven Iterative Adaption and Resource Management

- Adjust relationships among agents and organizations
  - Polity; economy; social relations; public administration
- Feedback loops
  - Monitoring (short loops) for process and compliance
  - Evaluation (long loops) for output and outcome
Questions?
Comments?