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**MANAGEMENT OF THE SECURITY SECTOR:
A Note on Current Practice¹****By****By Madeline L. England**

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DEFINITIONS AND FRAME OF ANALYSIS

Management of the security sector is the implementation, direction, and operation of security policies, decisions, and practices. Management requires horizontal and vertical capacities, and often structural reorganization, among and within security sector actors to improve efficiency and effectiveness. These capacities include, for example, building and maintaining professional security forces, allocating scarce resources, reducing corruption, and engaging with civil society, all of which promote enhanced security and justice delivery. Furthermore, improving managerial capability is critical to the ownership and sustainability of good governance initiatives, national security strategies, defense sector reform, and all other elements of the security sector reform process (OECD 2007, 146).

Management is central to security sector functionality and therefore intractably linked to security sector governance and oversight mechanisms.² Incorporating the principles of good governance (transparency, accountability, compliance with international law, and human rights) into management policies and procedures will help to generate efficiency, effectiveness, and legitimacy. Furthermore, because all management bodies (ideally) wield a great deal of authority over security forces, management bodies and their policies, decisions, and practices must themselves be subject to effective oversight.

Management of security forces is divided into three categories: executive authorities that manage the development and implementation of national security policy and strategy, the legislative bodies that manage security sector expenditure, and security force command authorities that command security forces and operations. Operational management needs and procedures will not

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² For discussion on governance and oversight of the security sector, see the relevant practice note.

be a focus of discussion here.³ Other security sector actors (statutory security forces, justice and rule of law institutions, non-statutory security forces) are *subject to* civil authorities' management policies.

Executive authorities include the president and/or prime minister, national security advisory bodies, ministries of defense, interior, and foreign affairs, justice ministry, other ministries that may affect security matters (transportation, immigration, agriculture), financial management bodies (finance ministries and budget offices), and other civilian authorities that direct, manage, and oversee the security forces (Hanggi, 10; Ball et al., 2004, 2.2).

Legislative authorities include parliament or the legislature and select parliamentary or legislative committees overseeing the security forces and security policy.⁴ In the context of management, this category may expand to include independent oversight bodies (auditing boards, anti-corruption agencies, and procurement agencies) and statutory civil society organizations (public complaints commissions and civilian review boards), which are financed by the government but maintain complete independence in decision-making and report only to parliament (Hanggi, 10; Ball et al., 2004, 2.2).

Management also benefits from the inclusion of civil society into its decisions and processes to enhance public participation and management legitimacy. Non-statutory civil society includes professional organizations, research and policy analysis organizations, the media, political parties that may affect security policy, the business community, advocacy organizations, religious organizations, the concerned public, and other non-governmental organizations involved in monitoring and/or evaluating the security and justice sector, providing policy analysis or advice, disseminating information and raising public awareness about the security and justice sector (DCAF, 2008, 2-3; Ball et al., 2004, 2.2).

CORE PROGRAM DESIGN ISSUES

Core design issues include ministry structure and reform, building professionalism (capacity and integrity) in security sector institutions and personnel, exerting financial control over the security sector, and consideration of management's linkages to other aspects of SSR.

Institution-building

Although institution building is recognized as a critical component of peacebuilding, SSR efforts have rarely been sufficient or achieved sustainable success (United Nations 2004, paras. 23, 68, 97; United Nations, A/63/881 2008, para. 58; Rees, 16). Reform should recognize that needed resources and skills sets for SSR practitioners will differ based on the scale of institutional reform. Managing a particular security institution, for example, requires an "entirely different set

³ Because operational management and command of the armed forces was discussed in detail in the practice note on defense sector reform and operations of other security sector actors (law enforcement and criminal justice institutions) are outside the scope of this project, this practice note will focus on the first two categories.

⁴ In this note, "legislature" should be understood to encompass parliaments and other designations for national legislative authorities.

of skills” than building or restructuring the same institution (Scheye, DCAF 2008, 184).⁵ This section looks at general considerations and process of ministry reform, as well as the structures particular to relevant security sector ministries (defense, interior, justice, and finance).

Reform of Ministries Relevant to the Security Sector

Ministry reform may result in restructuring within and across ministries, in terms of creating new bodies, resource allocations, and restructuring hierarchies and ranks. It should develop and codify the procedures and mechanisms for directing, overseeing, evaluating security sector personnel, their professional behavior, and institutional performance.

Many security sector ministries will need to undergo a capacity assessment and functional review, often comprehensive but for individual departments and agencies as well. This assessment should look comprehensively at the particular ministry under review, its linkages to other ministries and the legislature, subordination to the executive, and its role in the conflict. The review process should be based on a national security strategy, or the assessment and review may lead to the formulation of a new strategy. It should be grounded in a legal framework.⁶

The management assessment should lead to a strategic planning process to develop the ministry’s primary mission, objectives, and tasks, and identify the means to attain them. A multi-disciplinary team, including functional expertise, civil society, and linkages to other sectors and security bodies, should develop the plan according to the context. The strategic plan is the “process by which the ministry can visualize its future and develop the necessary operations to achieve that vision” and should identify roles and responsibilities, policy issues, and key stakeholders and linkages. It should also look at internal weaknesses and strengths and external opportunities and threats to identify barriers, and identify resources (whether government, legitimate non-statutory providers and civil society, or international actors) to overcome them (Perito, 9).

Reform involves decisions on where to locate security sector actors in the government system, for example, if armed units should be responsible to the defense or interior ministry or similarly rule of law institutions to the interior or justice ministries. These decisions may depend upon or require different management capacities and skills to implement their activities.

Ministry reform also looks at how security sector actors are making use of their resources through expenditure management reviews and reform (described in more detail in Program Planning). A comprehensive review is helpful not just in terms of material or financial resources, but also human resources, to see if officers are performing the roles for which they were hired (e.g., placement of trained police in purely administrative roles is an inefficient use of their skills) (OECD 2007, 173-174). The ranks of security sector actors should be evaluated not only to help in articulating roles and responsibilities within institutions but also to allow individuals to be paid

⁵ For extensive discussion on building institutions, see Hari Bucur-Marcu (ed.), *Essentials of Defence Institution-Building*, (Geneva: Geneva Centre for Democratic Control of the Armed Forces, May 2009). For examples of security sector institutional structures, see Facultad Latinoamericana de Ciencias Sociales (FLACSO). "Report on the Security Sector in Latin America and the Caribbean." Santiago: FLACSO. 2007.

http://www.ssrnetwork.net/documents/Publications/FLACSO-Report_on_SSR_in_LAC.pdf.

⁶ See the practice note on national security policies and strategies for more discussion on developing strategies and legal frameworks.

according to their experience (Crisis Group, 2006, 12). The title and pay of civilian personnel should be comparable to that of military ranks and pay.

In addition to restructuring for efficiency and effective control, ministry reform should also establish oversight and accountability vertically within ministries and subjecting it to legislative oversight and accountability for policies, expenditure, and practices.⁷ Reform within ministries must include developing the procedures for effective oversight through of lines of command, hiring and firing authorities, and reporting chains. Reform across ministries should develop procedures for the budget cycle by requiring requests and reporting on a regular and timely basis; this high-level horizontal reform devolves concentrated executive authority to legislative and independent oversight bodies. This horizontal reform and linkages also should establish accountable procedures for disbursing funds, for example, from a treasury instead of directly from the executive or his finance minister.

Reform may lead to the creation of new bodies and review of state capacity may lead to the dissolution or creation of entirely new bodies, whose responsibilities are as varied as SSR itself, for example Office of National Security (Sierra Leone), Independent Complaints Directorate (South Africa), and National Security Council for SSR (Afghanistan) (OECD 2007, 89; Lue-Dugmore, 58).

Any institutional reorganization may have potentially negative impact on personnel of existing institutions, if the new bodies receive better pay, training, or preferential treatment, as happened with a South African police anti-corruption institution (Lue-Dugmore, 38). Even if the changes are justified (e.g., the unit requires specialized training or skills), the damaging affects should be mitigated to the greatest degree possible. Additionally, if reducing the size of security forces leads to unemployment of security forces, SSR programming should anticipate the potentially destabilizing effects and activities should be undertaken with development partners to mitigate them.

Ministry of Defense Reform

Executive control and management of armed forces is typically invested in the ministry of defense, led by a civilian political leader, whose policies and plans are operationalized by the defense sector's commanding authority. Their shared and individual responsibilities should be clearly defined in legal frameworks.⁸ Institutional restructuring, and the corresponding professional development, should bridge the civilian-military divide (Rees, 15-16).

Ministry of the Interior

The ministry of the interior has a critical role in developing policy guidance, administrative, and logistical support for law enforcement bodies and paramilitaries. In some countries, the interior ministry is also responsible for border security, immigration, special investigation units, prisons, and local governance at the provincial, municipal, and district levels. Operational leadership for

⁷ For more on legislative oversight and accountability, see the practice note on security sector governance and oversight.

⁸ See the practice note on defense sector reform for more information on command and control structures of the armed forces and their operations.

each component depends upon a senior leader with appropriate technical expertise and experience, but policy, funding, and administrative support should come from the minister's office as implementation of a comprehensive security strategy (Perito, USIP 2009, 7).

Ministry of Justice

The ministry of justice has a critical role in developing policy guidance, administrative, and logistical support for the judiciary. Additionally it should seek to strengthen accountability for non-statutory justice providers by developing procedures to record their decisions and register them within the ministry. The justice ministry should, if possible, develop mechanisms by which non-statutory justice decisions may be appealed to statutory courts to promote oversight for decisions. This would be difficult in a post-conflict environment, at least initially, when statutory judicial capacity is likely very low (Baker and Scheye, 512-513).

Ministry of Finance

A ministry of finance should be involved early in SSR efforts that look at assessments and modifications to the resources provided to the security sector. This is critical to increase the ministry's institutional capacity and participation in decision-making. Additionally, donor funding is often channeled through the finance ministry (OECD 2007, 104-105).

Reform occurs through linkages generated between the finance ministry and the ministries charged with operational security (interior, defense, and justice) as well as their operational bodies (law enforcement, armed forces, and judiciary). Reform may also occur by reforming the ministry's role in expenditure management, especially procurement, discussed below in the "Program Planning" section.

Capacity and Professionalism of Security Sector

All ministry-level institutional reform should be accompanied by appropriate changes in budgets, resource allocations, and training at every level to develop capacity and promote professionalism of individuals (OECD 2007, 60-61; United States 2003, 6-8; United Kingdom 2002, 18). Reforms at the ministerial level mean little if not accompanied by appropriate reform of processes, procedures, and resources for rank-and-file security forces, justice providers, and rule of law institutions. Similarly, training and equipping rank-and-file security forces means little unless accompanied by institutional reform at every level, thus ensuring the newly trained security sector personnel report to and are overseen by effective leadership (Perito, 3).

Management and independent oversight bodies should also have or develop the capacity to evaluate security sector personnel, programs, and reform efforts.

Capacity-Building of Security Sector Personnel and Institutions

Capacity means that personnel and institutions have the resources and training to perform their duties or operate efficiently and effectively, whereas integrity means that personnel and institutions perform these actions responsibly and under the constraints of good governance.

All personnel (military and civilian) should be well-trained and capable of carrying out their responsibilities and provided with sufficient resources to do so in a timely manner. Simply

training forces and personnel to complete appropriate forms, for example, is insufficient to maintain record-keeping and administration, as people can learn to complete a form without really understanding the form or how it may be used. Because many personnel in post-conflict settings in poorer countries may lack basic skills such as literacy and numeracy, basic education in these areas should be incorporated into SSR training programs (Sherman, CIC 2009, 10).

Management training should be targeted at mid-level managers, who engage directly with security forces and therefore have the most potential for setting examples of professional behavior, as well as senior ministry level officials (OECD 2007, 171). Follow-up trainings must be provided.

Institutional capacity should be sufficient to establish transparent and equitable policies and procedures, direct trainings and operations, manage transparent and equitable financial expenditure, monitor and report, enforce oversight and accountability, and store information and weapons, including secure and protected storage of classified information, weapons, and equipment. Institutions must also have the capacity to manage personnel, including selection and recruitment, appraisal and vetting, and supervision. Continuity of staff should be encouraged; that is, individuals should not be trained for one job and switched to something else once the training is complete.

All security sector ministries and national security agencies should have the capacity to perform internal audits, which should be as independent as possible of political or other interference, with the final report going directly to the minister rather than a lower-level unit. When the minister is the subject of the audit, the findings should be sent to the executive or a designated independent oversight body, such as an inspector general or anti-corruption commission.

Management bodies (leaders and institutions) should also promote civil society capacity to participate in all processes related to the security sector. Robust civil society involvement can be a strong source of public legitimacy (United Kingdom 2000, 10-12). Key elements of civil society must have the capacity to track and analyze security sector-related information and to understand the results of that analysis. This can be a major hurdle, as civil society may have no context for defense planning and budget decisions, while military leaders will tend to move forward without taking time to educate civil society (United Kingdom 2000, 12).

Professionalism of Security Sector Personnel and Institutions

A professional security sector is effective and competent, and all policies, laws, procedures, processes, and performance embody and adhere to the principles of good governance. Effective management should emphasize service delivery to local communities as a priority and promote inclusivity and representation.⁹

Too often, training focuses on “visible skills” despite evidence that such skills are rarely used. Good practice has shown that training is more sustainable and enhances service delivery when emphasizing behavior and attitudes that will promote a culture of service (OECD 2007, 94).

⁹ For more on service delivery, inclusivity, and representation as sources of legitimacy, see the practice note on governance and oversight.

Management bodies should promote this culture of service among security sector personnel, and translate all good governance principles into laws which are in turn enforced. Security sector personnel must undertake their responsibilities with adaptability in a fluid external environment and flexibility in the context of a dynamic internal security environment, with quality of service as the key to effectiveness. Quality of service is established and maintained not just by training, but also by monitoring, mentoring, and management, with clear consequences for unacceptable actions or failures to act.

Police, as the daily face of law enforcement with local communities, should have the professionalism and skills to complement the defense sector for internal security, for example, a quick response police unit which would complement the regular police but also have the skills and equipment to defeat modestly-sized, organized armed threats (Gompert et al, 2007, 27-28). On the other hand, professional police services need to be more than reactive, as communities that see police only when there is trouble tend to develop perceptions of the police as threats rather than security providers (OECD 2007, 172).

Management bodies should promote transparency and fiscal discipline. Peacebuilding and reconstruction activities should be required for security sector actors as ways to build their legitimacy and trust with the communities they are expected to serve and protect, and to optimize the use of scarce resources (African Union 2006, 25(d)).

Performance Evaluation

Being mindful of security sector professionalism and resource allocation, effective management must also ensure that the components of the security sector operate efficiently, and that they are subject to the same level of monitoring and evaluation as other sectors. Few reliable metrics exist, however, and fewer still are incorporated into host government budget planning cycles and management responsibilities. Those that do exist tend to measure outputs rather than outcomes; for example, the most common metric of defense sector reform, “numbers trained,” does not measure performance at all, nor the professional qualities of capacity and integrity of institutions or personnel (Middlebrook and Peake, 6).

Other suggested indicators for the security sector include number and ratio of staff on the job (verified by unannounced field inspections), percentage of staff in the security sector who are properly equipped (weapons and gear for security forces, and all supporting needs for civil management and oversight bodies and rule of law institutions), proportion of staff who have received training, and percentage of budget resources spent and accurately recorded (Byrd and Guimpert, 15). Police operations are difficult to measure, especially in countries without adequate (any) crime statistics, but some measures of effectiveness may include availability and readiness of police, including proportional representation of female officers and separate detention facilities (staffed with female officers) for female prisoners. The justice system can be measured by the number of cases handled, timeliness of processing court cases, and respect for human rights. Counter-narcotics should look at a progressive reduction over time of the drug economy, for example, reduction of opium production in Afghan communities (Byrd and Guimpert, 15).

Monitoring and evaluation of SSR assistance programmes often focus on quantitative indicators (e.g., numbers trained) with insufficient attention to qualitative indicators that would place SSR impact into broader political, social, and economic contexts. Therefore, indicators should shift from results (e.g., numbers trained) to performance (e.g., “how many of those trained *remain* in uniform, with a weapon, and act according to human rights standards”) (Author interviews). Furthermore, indicators should include not only measures of *performance* but also *impact* via public perceptions of quality of service delivery and access to security and justice. Indicators should also limit and eliminate “perverse incentives” (for example, indicators that measure arrest rates tend to lead to illegal arrests and other human rights abuse) (Flew and Rynn, Saferworld 2009, 23).

One outcome indicator, perhaps the most effective for measuring impact, is a community satisfaction survey, with open questions to determine public *perceptions* of security sector actors (defense, justice, police, etc.) and public willingness (or lack thereof) to use statutory security and justice providers over informal providers (Byrd and Guimpert, 15). These understandings of impact, however, still do not measure managerial professionalism, an area in which more research is needed.

Security policies should address this gap through international and national collaboration to develop management and service delivery benchmarks for all security sector actors and developing standard unit costs for services delivered in context. In a post-conflict society, for example, the context would likely emphasize the transition from combating threats to restoring rule of law. Benchmarks based on unit costs should then be incorporated into expenditure frameworks and budget decisions (Middlebrook and Peake, 7).

Financing the Security Sector

The host government may exert financial control over statutory security forces and justice and rule of law institutions through the security sector budget. Should the government be able to gain control of funding sources for non-statutory security and justice providers, it may also be able to exert control over them. Financial reform is also a potential entry point for SSR assistance from other governments or donors.

The Budget as the Government’s Policy Tool

The national budget is the government’s primary policy tool for implementing the national security strategy (OECD 2007, 93; Middlebrook and Peake, i). The budget should be prepared in the context of both sectoral and multi-sectoral strategies, through the recognition and understanding of the various roles of security sector actors, their needs and activities, and how to budget for these in proper proportion to other sectors, while retaining some flexibility (Ball and Holmes, 2002, vi).

Sector strategies and information on or evaluations of performance (oversight) are critical to a proportional resource allocation by the legislature between defense, in particular, other elements of the security and justice sectors, and other parts of the budget. Key financial and economic managers and the legislature, especially legislative subcommittees, must have the capacity to be fully invested in and understand to understand the process (Ball and Holmes, 2002, v). Although

confidentiality is required for some areas of defense and national security, defense expenditure should be a predominantly public debate. Defense participation in the government-wide debate process can reveal the needs of other ministries and agencies and demonstrate why defense needs must be justified in context (Ball and Holmes, 10).

Certain political decisions must be taken that simplify and enable equal footing for funding for the defense sector and other sectors. These decisions should adhere as closely as possible to the government-wide systems and policies. An expenditure classification system, for example, should detail whether expenditures are functional and economic. Appropriate and simplified allocation codes is an easy step in the reform process but one that can generate a great deal of progress in accurate defense expenditure, given that defense expenditure, especially that of a civilian nature (e.g., natural disaster response), is often spread across many ministries and are rarely recorded as a “defense” function (Ball and Holmes, 10-11).

Resources must be used efficiently and effectively through careful monitoring and evaluation of operational performance of security forces and civilian authorities. Financial information management systems are useful only if host governments know how to use and maintain the technology. Irregularities discovered during monitoring must be addressed immediately to avoid generating a culture of non-compliance (Ball and Holmes, 2002, v).

The Role of External Assistance Providers in Financial Reform

The release of defense budgets for external scrutiny is a sensitive process, involving classified materials and exposure of national activities and policies with which assistance providers may not agree. Engaging in defense expenditure management reform exposes both sides to risk that can be mitigated through careful consultation and planning.

Assistance providers should offer assistance only after understanding the reform environment and informal practices that may disrupt or jeopardize the process. Areas of confidentiality, reasons for it, and ways of reaching full disclosure should be discussed thoroughly among all stakeholders and mechanisms for overcoming them agreed upon and established. Advice should support civilian and democratic control of security forces, and the defense expenditure management reform strategy should match the public expenditure strategy as closely as possible to demonstrate how defense does not warrant special treatment (Ball and Holmes, 19). Activities should also be structured—and resources allocated—to educate civilian authorities or civil society without expertise in defense expenditure (Ball and Holmes, 20).

Host government representatives have claimed that their honesty in disclosing full troop levels or off-budget expenditures often results in criticism on the part of assistance providers for their high levels of spending (United Kingdom 2000, 18). Assistance providers should refrain from criticism and instead promote a strong relationship with partner governments that encourages political confidence, full disclosure, and ownership (Hendrickson, 34). Defense expenditure should be compared relative to the previous year instead of a specific level. Too much emphasis on shrinking expenditure may harmfully gut security and justice sector institutions (OECD 2005, 79). Additionally, the host government will need to have some discretionary funds for use during unanticipated emergencies, which should be held in a *single* whole-of-government contingency

fund (United Kingdom 2000, 10). Furthermore, sustainable security sector management reform may even result in a net budget increase in the short or long-term. Management reform may require the creation of new institutions or processes that cost money to implement (payroll systems, for example). Previously off-budget expenditures will be brought on-budget. Consolidating defense-related expenditures under the appropriate category will affect the budget of particular departments. The reform process will have associated costs. Salaries and wages, and material support for the defense sector may also be affected by reform (Ball and Holmes, 6).

To avoid the perception that assistance providers are only interested in lowering expenditures or to avoid creating disincentives for reform, the focus should be on the process without simplistic and out-of-context references to levels of expenditure, specific purchases, or size of armed forces. It should be clear how poor process and lack of procedure in fact undermines defense and other government objectives (Ball and Holmes, 20).

Assistance providers and host governments tend to approach budget reform from different perspectives and with distinct priorities. In Uganda's defense review, for example, the host government's priority to immediately increase resources to address military threats clashed with donors' primary interest in more efficient resource allocation. In opening discussions and throughout their work, assistance providers should therefore emphasize their interest in and commitment to the process and make ownership and compromise priorities of the engagement strategy. Donors should provide support and advice for local priorities, as opposed to trying to generate local support for their own priorities. Assistance providers should also work with host government officials to identify and evaluate expenditure management needs (Ball and Holmes, 2002, v).

International financial institutions (IFIs) are particularly well-suited for providing assistance with fiscal analysis and institutional reorganization, but they are limited legally, and hence in terms of expertise, with regard to the defense sector and defense issues. The World Bank's Articles of Agreement, for example, prohibit any involvement in the defense sector. IFIs therefore can only support certain components of security sector reform, often taking the form of advice and support for expenditure management reform or assistance for justice reform initiatives. Engagement on defense expenditure management advice has been described as a "firewall." Outside the firewall, activities include support for government-wide public expenditure management systems where assistance is appropriate. Operating inside the firewall includes support for determining the level, composition, efficiency, and effectiveness of defense-spending—activities that mostly receive bilateral assistance or IFI assistance only in the case of specific government requests. Straddling the firewall are the systems and processes of defense expenditure, which should be linked to comparable government-wide mechanisms (Ball and Holmes, 17-18).

Linkages to Other Aspects of SSR¹⁰

Management links closely to all other aspects of SSR because it directs the entire security sector. Linkages must be established between good governance as an objective, oversight mechanisms, national strategy documents, and legal and policy frameworks. Furthermore, the security forces must clearly understand their subordination to democratic and civilian control, through

¹⁰ Many of the management linkages described here are discussed in more detail in the relevant practice notes.

appropriate management processes, and management bodies must understand their responsibility to direct and oversee a professional security force.

Linkages to Governance and Oversight

Management of the security sector must be grounded in the principles of good governance and subject to oversight. Without these principles, or with weak oversight mechanisms and accountability tools, the security sector will be rendered ineffective and vulnerable to corruption and abuse. Indeed, some definitions include management as a defining functional component of governance (United States 2009, 4). Moreover, management reform that is not accompanied by oversight and accountability will not be sustainable. Professionalization of the security sector will succeed only if the various personnel and institutions understand the importance of service delivery as the foundation of good governance, how the various stakeholders all relate to each other within a whole of government framework, and the importance of operating within the rule of law.

Linkages to Threat Assessments and Defense Reviews

Needs of the security sector are typically determined through assessments that should feed into security sector management reform because they suggest resources needed that are useful for budget planning and formulation. Threat assessments and defense reviews, however, are often performed with military and civilian experts in security and independently of other post-conflict needs assessments (PCNA) (Middlebrook and Peake, 4). Although the sensitive nature of the process requires limited access of the results, the results of all assessments should be made confidentially available to budget offices and legislative committees. The assessments may also establish a baseline for future evaluation.

Since 2007, the PCNA has incorporated a better understanding of the security environment and conflict analysis into the needs assessment (UNDG and World Bank, 5). Although this may help limit unrealistic expectations during the reform (as happened with the 2001 Afghanistan Reconstruction Needs Assessment; see Middlebrook and Peake, 4; and ADB, UNAMA, UNDP, World Bank 2004, 79), it is still insufficient for budget planning. The needs of the defense sector, as determined through a defense review or threat assessment, must be considered relative to the needs of other security sector actors as well as government-wide actors. This can only be done if needs are determined through a comprehensive process.

Linkages to National Security Policies and Strategies

National security short and medium term strategies, policies, and spending decisions should be firmly grounded in the long term realities of the country's managerial (financial and political) capabilities. The state's managerial capacity therefore should be assessed and accounted for at the beginning, middle, and end of a review process (Ball and le Roux, 21).

Too often with international support, the defense sector is built up to an unsustainable level; the Afghan National Army's on-budget expenditures alone operated at 485 percent of its domestic revenue collection for 2005-2006 (Middlebrook and Peake, 5). Sierra Leone has depended on the United Kingdom's support for its security forces, which began at a level of 17,000 troops in 1999 and has since decreased to 10,500 due to fiscal unsustainability, with possible further reductions

to come (Middlebrook and Peake, 4). In cases where a military force is not a national priority (e.g., no significant threat to state survival exists), continued military spending diverts resources unnecessarily from other priority needs, including needs within the security and justice sector.

To mitigate this tendency, national security policy and strategy reform initiatives should consider including development coordination as a priority in security policies and connecting strategies to long-term development initiatives. Force size targets included in peace agreements, strategies, and policy documents should be stated as tentative and subject to fiscal constraints, as determined through a specific mechanism subject to independent oversight (such as an annual budget) (Middlebrook and Peake, 4).

Security sector policies, strategies, and legal frameworks are also essential for meeting short-term security sector management needs. It is impossible to manage security resources without a clear definition of the roles and responsibilities of security sector actors.

Linkages to Defense Sector Reform

Many elements of defense sector reform are also key aspects of security sector management. Establishing a chain of command and identifying clear roles and responsibilities, for example, are the foundation for effective and sustainable management. Recruitment, vetting, training, and education, initially and ongoing, is a primary responsibility of ministry management bodies. Personnel management, including maintaining rosters and administering payroll, should all have adequate professionalism in the relevant ministries and offices, with reform initiatives focusing on capacity building, separating chain of command from chain of payment, and right-sizing security forces to remove ghost soldiers. Emphasis should be given to the complexity of training leaders of the security forces. Too often, support is given to training security forces without developing the accompanying management procedures to direct and oversee them (Rees, United Nations 2006, 4; Perito, 3).

PROGRAM PLANNING

Planning describes the supporting procedures for the institution building and ministry reform, capacity and professional development, and financing the security sector described above. Key areas of management reform include human resource management, anti-corruption mechanisms, expenditure management, and regional security arrangements and border security.¹¹

Human Resource Management

Although administrative support for human resources seems like a relatively simple concept, it can have a substantial impact on the effectiveness of other management considerations. Personnel that do not receive salaries on time, or whose salaries are a fraction of what they should be due to corruption (middlemen and institutions skimming some off the top before turning it over to the personnel, for example), can have a negative impact on staff morale. Human resources

¹¹ Management reform would also make policy and laws and develop oversight mechanisms; these issues were discussed in detail in the practice note on security sector governance and oversight.

management should also track personnel records and establish complaints procedures and oversight mechanisms with enforceable means of accountability.¹²

Tracking personnel typically begins with a census of a particular security body, as often ghost soldiers and corruption make estimates of security bodies inaccurate. Once numbers are determined, and personnel have been recruited, vetted, and trained, management bodies should develop the capacity to continue personnel record maintenance. SSR in Afghanistan, for example, has issued biometric identity cards to maintain records of personnel (Fair and Jones, 12).

Anti-Corruption Mechanisms

Corruption is endemic in post-conflict societies where rule of law no longer exists in any meaningful form. Although corruption may take two forms, “grand or petty,” security sector management should primarily focus on managing bodies’ professionalism in the latter (Prier and McCue, 3). Grand corruption should be addressed politically through independent oversight bodies. The two biggest targets for corruption are through personnel (e.g., ghost soldiers or payroll-skimming) and procurement (e.g., delay or withholding of procurement decisions, theft, and bribes for procurement resources). Procurement will be discussed later in the note in the context of public expenditure.

Any anti-corruption initiatives should be considered carefully to minimize loopholes and balanced by the additional work they require to implement and manage. Initiatives may be inefficient and even counter-productive if they require an excessive level of bureaucracy or control (Byrd and Guimbert, 2009, 9).

Personnel that do not receive salaries on time, or whose salaries are a fraction of what they should be due to corruption, can have a negative impact on staff morale. A significant source of corruption is siphoning off payrolls, either through ghost soldiers that allocate large amounts of funding to particular sectors or administrative personnel skimming salaries as it is distributed. Pay should be distributed directly to the intended beneficiary, through separation of chain of payment from the chain of command, and ghost soldiers reduced through vetting and reorganization.¹³ Assistance providers in Afghanistan have installed an electronic funds transfer system for law enforcement personnel in the Ministry of the Interior, which has cut down significantly on payroll-skimming. Other administrative reform within Afghanistan’s Ministry of the Interior has included pay reform (to allow compensation for experience rather than patronage) (Crisis Group 2006, 12). Some administrative reforms may be institutionally successful, as with EUSEC’s separation of the chain of command from the chain of payment, but unable to affect professional and cultural change on security forces, who were observed receiving salaries directly and personally handing over portions to commanding officers (Van Damme, 5; Author interviews).

Security sector administrative bodies should have capacities for information management. In addition to financial information described below in the expenditure management section,

¹² Oversight mechanisms were discussed in detail in the practice note on security sector governance and oversight.

¹³ For more information on these issues, see the practice note on defense sector reform and especially the case studies included therein.

capacity (secure and protected space and professional understanding) for classified and sensitive security information and personnel information should be developed. Reliable accurate information should be available through a computerized accounting and rosters of manpower (Crisis Group 2006, 12).

Expenditure Management¹⁴

SSR initiatives can help build professionalism for expenditure management that ensures an appropriate allocation of resources and sustainable government funding. In post-conflict areas where initial large influxes of aid may dwindle over time, SSR initiatives should determine how external assistance can contribute to long-term growth instead of “crowding out” domestic capacities (Middlebrook and Peake, preface). Establishing government control over revenues enhances security, not only by removing sources of funding for illicit non-statutory actors but also providing the government with the resources to pay for statutory security services (Middlebrook and Peake, preface). Expenditure management professionalism therefore can be a source of state legitimacy.

There are four major components in expenditure management for the security sector (the same as for all public expenditure): identifying needs, objectives, and activities of the security sector; determining affordability; allocating scarce resources proportionally government-wide and within the defense sector; and overseeing, auditing, enforcing efficient and effective use of resources (Ball and Holmes, 21). This section explains the ways of realizing those components through principles of general public expenditure management, functioning within the budget cycle, and deviations from the budget.

General Principles of Public Expenditure Management

Public expenditure management should be *comprehensive*. Institutions and key decision makers must be appropriately *disciplined and constrained* according to resource limitations, absorb only what is necessary to implement policies, and adhere to the budget allocations. Policymakers must participate in and agree to the decision process to increase *legitimacy*. The budget must be derived from *honest and unbiased* projections of revenue and expenditure. For *transparency*, decision-makers should have all relevant information when making decisions, and clearly and promptly communicate those decisions and the reasons for them to the public. Decision-makers must be *accountable* for their decisions (World Bank 1998, 1-2). All budgets should incorporate a gender perspective, and allocate sufficient resources for “activities targeting persistent serious obstacles to the advancement of women in situations of armed conflict and in conflicts of other types” (UNIFEM 2008, 21(ii)).

Expenditure management for defense should adhere as closely as possible to these principles of expenditure management that apply government-wide. The biggest challenges of defense expenditure management lie with the principles of transparency and accountability. Practice often

¹⁴ Most of the literature focuses on defense expenditure, and therefore implicitly on the defense sector or Ministry of Defense expenditures, or general public expenditure, as opposed to “security sector expenditure.” Although some include references to statutory security providers other than the armed forces (e.g., defense), SSR of expenditure management should also include relevant expenditures of the Ministry of Interior, including justice and law enforcement institutions, and whether/how the budget will expend resources on non-statutory actors and civil society.

diverges, sometimes significantly so, from these principles, but the principles themselves establish strategic objectives for the reform process and ongoing efforts to improve practice (Ball and le Roux, 17).

Outlining a structured, efficient and accountable process right is more useful than debating the level of defense expenditure out of context. Efforts should be made to strengthen links between defense policy, planning, and budgeting, all within the confines of accountability, transparency, fiscal discipline (United Kingdom 2000, 11). The focus should not be on the level of expenditure itself but how relative it is to the previous year.

*The Budget Cycle*¹⁵

Budgets, like many security priorities, must clearly define the role of armed forces, understand the limits of governments in transition from war to peace, and recognize that transparency begets legitimacy. There is a need for scrutiny, strict and consistent transparency, strict adherence to rules and procedures, and longer time frames for budget reductions (United Kingdom 2000, 10).

Budget systems vary by country, but a generic financial management process described here includes five phases of a budget cycle: 1) budget planning and formulation, 2) parliamentary consideration and scrutiny, 3) budget execution, 4) monitoring and reporting, and 5) external audit. The defense budget must be placed within the wider government apparatus, but may need to be treated differently in some parts of the cycle.

Strategic Budget Planning and Formulation. The planning phase determines the security expenditure according to security sector policy and strategies, with medium-term expenditure estimates linked to the strategies. The budget also must be considered in the context of government-wide strategies and policies, since all sectors should compete equally for funding and receive scrutiny from the budget office. Some funding should be allocated to a single, whole of government contingency fund (including for defense).

The defense budget often receives more (and preferential) attention than other security or public expenditure budgets, since it does not compete with other agencies for the task of providing for national security. Most of the overall budget is determined by the Executive's budget office, although a small sub-office may be established to develop a budget proposal for defense expenditure, including intelligence. Individuals in the budget office who work on national security expenditures should be given the requisite security clearance.

Legislative Consideration and Scrutiny.¹⁶ The legislature then reviews and scrutinizes the budget, through its committee system and the full legislature. Security sector budgets should follow the same appropriations format as other agencies, with confidential sections as necessary for national security. It should be detailed enough to explain all materials, including non-financial performance information, so that the legislature can later hold the security sector accountable, without creating needless inefficiency. Confidential national security issues may be discussed in

¹⁵ This section is largely from Ball and Holmes, 2002, 8-9 and Ball et al., 2004, 5.2.

¹⁶ Legislative scrutiny and external audit are also described in an oversight capacity in the practice note on security sector governance and oversight.

closed hearings. The legislature should consider the budget in the context of outcomes and performance (financial and non-financial) from the previous year's planning and implementation.

The legislature will consider the government-wide budget and priorities, determine relative affordability in the context of medium-term planning, and allocate resources by sector. The process should be as transparent and inclusive as possible, and include a voice for civil society. The scrutiny should be appropriately rigorous and include key financial management bodies (auditor, finance ministry, budget office, and public accounts committee). Defense, intelligence, and public safety agencies may be consulted but should not command the process.

Budget Execution. The funds, once available, should be released to departments and agencies as appropriated, and activities implemented as planned with allocated personnel. In cases of a shortfall, clearly established rules should set out the procedure and allowances for funding changes. The exact rules depend on the context; some states may spread the burden across agencies and others protect the strategic priority. Ministry offices should monitor activities and expenditure, evaluate and audit efficiency at regular intervals. Financial oversight bodies within the ministry (internal auditor, budget or accounting office) should compare each year's budget allocations for defense and actual outlays from previous years to look for patterns.

Monitoring and reporting. All expenditure must be reported according to appropriation rules to the budget/accounting office and to the legislature at scheduled/requested times. End of year financial statements should be ready no later than three months after the end of the financial year. Annual reports on departmental operations, including performance and excluding justifiable national security classified issues, should be published and publicly available.

External Audit. All expenditure should be subject to external audit, the results of which should be made available to the legislature, or its oversight committee, no later than six months after the end of the financial year. The relevant legislative committee should have the capacity to make recommendations based on the external audit reports. Auditors reviewing classified defense materials should have the requisite security clearance. The same committee that reviewed the budget proposal should review the audit reports.

Contingency Funds and Emergency Decision-Making

The budget cycle only allows for routine security sector operations that can be predicted over time and planned in advance. It is not possible to budget for unexpected military operations, and attempting to do so will lead to the misappropriation of funds (le Roux, 63). Instead, the budget cycle should include a single government-wide contingency fund; there is no need for defense to maintain a separate contingency fund. Use of the contingency fund should, however, be kept to a minimum, and with clear rules for use established by legislative oversight committees. Requests for funds should be subject to a thorough assessment, and the use of funds should be followed up by a full report to the legislature. For large scale emergencies that require funds in excess of the contingency fund, governments will need to revise the budget according to relative needs and including departmental allocations and incomes (le Roux, 63).

Post-conflict and stabilization environments are subject to rapid changes in stability and security. The Executive should have authority to respond to emergencies and address urgent security threats.¹⁷ The decision-making process and use of funds in this case may not adhere to good practice, and the challenge with respect to expenditure is avoiding emergency regulations that undermine the ability to return to good practice once the emergency is ended (United Kingdom 2000, 53).

Budget Deviations and Off-Budget Expenditure

The difference between budgeted and actual expenditure, especially at department/agency and functional levels, are a strong indicator of the quality of the defense expenditure management system (Ball and Holmes, 12). When deviations occur, the absolute level of spending is not in and of itself a problem, but it involves reallocating funds from another intended function. Consistent deviations in Uganda led to increased outlays for defense at the expense of health and education departments (it may also occur intra-departmentally) (Ball and Holmes, 13).

Transactions that were not approved in the policy process and are not recorded (or “off-budget”) are a problem, however, as they undermine effective management and may indicate corruption. Off-budget transactions can either generate income or expend funds. Income may result from natural resource extraction that directly finances the defense sector, security taxes raised from citizens and businesses, previously undeclared foreign military assistance, and direct involvement of the military in illegal activities (e.g., smuggling, trafficking, and protection rackets) (le Roux, 58-59). The primary means of disguising off-budget defense expenditure are through inappropriate uses of contingency funds, top-up budgets not discussed in or approved by parliament, poor breakdowns (classifications) of defense programs and budgets so as to blur the intended use of funds, and budgeting for defense expenditure under other national departments. Reforms should discourage off-budget income by closely auditing such expenditures and comparing them to all such security sector-related expenditures; incentives for compliance may be generated internally or through donor conditionality that requires such reconciliation of income and expenditure (Ball and Hendrickson, 13-15).

Procurement

Security policies and decisions for procurement must be made in the context of national priorities and the broader scope of the allocation of all resources (United Kingdom 2000, 9). The rules should require wide advertising of bidding opportunities, maintenance of records related to the procurement process, predisclosure of all criteria for awarding the contract, contract award based on objective criteria to the lowest evaluated bidder, public bid opening, access to a bidder complaints review mechanism and disclosure of the results of the procurement process (World Bank 2004, 6-8).

The rules should clarify functional responsibilities and accountabilities for the procurement process, especially for offices responsible for implementing procurement and their responsibility to accept bid documents and decide on awarding the contract; for the buying entities that bear primary accountability for proper application of rules; and for offices responsible for

¹⁷ Executive authority in such situations is discussed in the practice note of security sector governance and oversight.

accountability and their responsibility to apply appropriate and proportional sanctions (World Bank 2004, 6-8). It is generally agreed to be a good practice to have an agency with responsibility for overall procurement policy formulation and the authority to exercise oversight regarding proper application of the procurement rules and regulations. The agency should not be involved in internal operational procurement matters in the buying entities, and should maintain functional independence and authority to oversee procurement for the entire public sector. The agency should have an adequate budget and staff to enable it to carry out its responsibilities effectively. It should be stipulated in bid documents that all bids may be refused if none are competitive (World Bank 2004, 22-26).

Robust mechanisms for enforcement should be in place. Clear rules and institutional frameworks mean little if the actors or individuals responsible do not have the means to enforce the rules and if they are not enforced in practice. The means of enforcement include the rights to audits by the government of the procurement process and a bidder complaints review mechanism in which bidders have confidence (World Bank 2004, 10-11).

Procuring major weapons systems can take as long as 15 years. Flexibility should be built into the system to allow for significant changes in currencies. Quality control should also take place throughout the process, as opposed to only upon delivery. Procurement projects should take into account the costs over the entire life cycle, and therefore may require long-term forecasts in defense expenditure more than other sectors (Ball and le Roux, 39).

Sound management of the procurement process requires interdisciplinary teams with expertise in engineering, contracting, quality and design assurance, and resource management. Since the process can involve many subcontractors, it allows for many opportunities for corruption and should be subject to high levels of accountability. South Africa, for example, requires three levels of approval within the Department of Defence for procurement projects. For especially large projects, legislative approval may also be required (Ball and le Roux, 39).

Allocative Efficiency

Allocating limited resources in the context of competing needs, especially in a fragile state where needs are desperate, is a very difficult task in managing the security sector. It is for that very reason, however, that it is so important to consider security sector assessments in the context of other assessments. The legislature needs guidance for the relative allocations and a transparent, comprehensive way procedure for making allocations (Byrd and Guimbert, 12). The following three methods may be used independently or in conjunction with each other.

Guidance for allocation decisions may come from examples of fiscal allocation in other countries, which usually allocate defense expenditure to 1-5% of GDP. This method is very difficult due to differing contexts (differing geographies, security threats, economies of scale, and regional or international alliances that share costs). The data is often of poor quality or not fully disclosed, due to off-budget expenditures (Byrd and Guimbert, 12).

Another method involves questioning the assumption of using public resources in the security sector, and whether public expenditure is necessary to reduce security risks. Assessments should

question whether public intervention is necessary (as opposed to private), and if it is, whether it must take the form of expenditure (as opposed to regulations or tax policies). The latter option is more viable in developed countries (Byrd and Guimbert, 13-14). The former, however, is a valid consideration in fragile states where security and justice is often provided through non-statutory actors anyway, and the state in some cases may have the option of playing a more limited role to provide oversight and accountability for those institutions (Baker and Scheye, 519). If a security risk can be handled by means other than public expenditure, it allows for more resources to be distributed to other needs.

The third method requires a better understanding of the responsibilities and roles of various sectors, and how they are connected. They are competing for limited resources, and often their outcomes depend on or influence each other, both within the security sector and outside it. The individual resources for police, prosecution, courts, and prisons will affect the quality of the others, environmental concerns can and do generate security threats, and diversified portfolios and political normalization strategies can spread security risk evenly, for example. Underfunding one will negatively impact the other sectors, or allocating resources for one may indirectly lower the risk for the others. Thinking about resources this way broadens the view of security—that it is not only something that must be reduced, but also has risks that can be mitigated (Byrd and Guimbert, 14).

Financial Information Management

An invaluable support system in public expenditure is a financial management information system (FMIS), an internal information system to track data and provide financial analysis on public expenditure. When building such a system is part of a larger public expenditure management reform, including defense expenditure into the FMIS is a means of merging the defense sector into the government-wide budget apparatus and treasury system and aligns the defense sector with the budget cycle. An FMIS makes defense budget information easily accessible for comparative analysis to previous years when approving or evaluating an annual budget (Ball and Holmes, 7). An FMIS can also help identify irregularities when monitoring the security sector at any time during the budget cycle.

In order to do this, an FMIS should have the following information: approved budget allocations for recurrent and capital outlays, sources of financing for programs and projects, budget transfers, supplementary allocations, fund releases against budgetary allocations, and data regarding commitments and actual expenditure against budgeted allocations (World Bank 1998, 65). An FMIS is only useful with sufficient national capacity and ownership to maintain it.

Regional Security Arrangements and Border Management

Given the cross-sectoral nature of border protection and regional security arrangements, all security sector management bodies should build relationships regionally and within the security sector, with the objective of achieving a balance between secure borders and the facilitation of legal movements of persons and goods (OECD 2007, 151). Management bodies should also build physical, administrative, and technological capacities to manage those relationships and border protection systems. In some cases, an inter-agency border security body can help facilitate policy and management. National strategies and policy and legal frameworks should clearly define

obligations in this area and how the state's capacities can meet those obligations, especially with competing national priorities.

Regional collaborative security may include the following operations at a regional or sub-regional level, which would all require developing the accompanying professionalism in management bodies and security forces: arms registers, conflict prevention mechanisms, peacekeeping capacity and contributions, early warning systems, arms control regimes, and establishing the maximum possible level of interoperability among national security services (le Roux, 64).

Border management should be integrated across security sector actors to include common approaches for dealing with border issues (e.g., trafficking and displaced persons). Horizontal cooperation should be facilitated between officials that work at the border as well as at the ministry level to coordinate policies.

International or regional cooperation should also be pursued by the designated management body, which should be the same or closely linked with the national border management capacity. International cooperation may include sharing intelligence to target illicit trafficking of goods and people and establishing common procedures.

In post-conflict societies, technological support can be useful for border security but initially should focus on establishing basic capacity appropriate to the task, environment, level of infrastructure, and users' general educational and training background. Once basic capacity is established, technology could include balloons using radar, aircraft with video surveillance, pocket computers and bar code screening, and the use of wireless communications systems (Walsh, Stimson, 17-19). Although technological development should be gradual, packages can be designed to suit the environment (e.g., lack of infrastructure, potential to relapse into conflict) and allow border security officials to restore activities early without significant investment (Andrews et al., Stimson, 41). Technology is only effective if capacity to maintain and repair it is available and readily accessible.

CASE EXAMPLES: MINISTRY OF DEFENSE REFORM IN LIBERIA, SIERRA LEONE, AND AFGHANISTAN

This section discusses challenges in creating and reforming the Ministry of Defense (MoD) in Liberia, Sierra Leone, and Afghanistan.¹⁸

Ministry of Defense Reform in Liberia

Ministry of Defense reform in Liberia was completed in April 2007 and included just under 100 employees, all of whom were vetted and hired without the interference of the political leadership (Dempsey, PKSOI, 1-2). Funding problems meant that, although the employees received initial training, the planned five months of on-the-job training had to be eliminated (Dempsey, PKSOI, 3). Through capacity assessments, the US decided that Liberia could afford to sustain a staff of 96 people, and subsequently hired 90 staff and 5 secretaries. Eight of those were senior civil service

¹⁸ The case studies on Liberia and Sierra Leone were excerpted from research done for the practice note on defense sector reform. See Alix Julia Boucher, "Defense Sector Reform: A Note on Current Practice." (Washington, DC: The Henry L. Stimson Center, 2009).

overseeing several departments and providing training for everything from double entry book-keeping to basic computer skills, etc. There is concern over the fact that because of its capacity, the Liberian MoD has power and influence that is not proportional to its relatively small role (Author interviews).

One of the immediate challenges faced was the prompt dispensation of MoD monthly salaries of \$32.75. On the date of the first scheduled payment, officials from the Ministry of Finance came to the MoD to hand out the checks but arrived several hours late having first dispensed checks for the police and armed forces. Dispensing the checks would consume hours, even days, as the lead official was illiterate but refused help from a literate subordinate. Payment was delayed a second day when the bank told MoD officials the checks could not be cashed because the bank could not make change for the one dollar in Liberian dollars (employees receive 32 USD and were supposed to be able to make change for the 75 cents in Liberian dollars). Eventually, MoD officials worked with Ministry of Finance officials to ensure that the person handing out checks came with Liberian change so when employees cashed checks, they would have the change (Author interviews).

Ministry of Defense Reform in Sierra Leone

Since 1999, the UK's International Military Assistance Training Team (IMATT) has supported efforts to increase capacity of national security institutions in Sierra Leone. The initial Ministry of Defense reform progressed rapidly, with a starting staff of four, all of whom had minimal capacity. Within two years civilian staff was trained for key positions in the military, and MOD was leading reform initiatives in the country. The MOD restructuring model, based on UK MOD organizational structure and management practices but modified to Sierra Leone's context and needs, was successful enough to be applied to other ministries. The model was updated in 2000-2001 as new IMATT personnel arrived in country. One flaw in the implementation, however, was that UK civil advisors in MoD were reporting to DFID and living in separate quarters from IMATT, leading to poor communication between the two (Albrecht and Jackson, 58).

The reform identified the Ministry's primary purpose as indentifying threats and developing appropriate and affordable policies and procedures to respond to them (Nelson-Williams, 8). Although agreed that British personnel initially should staff a key position in MOD, President Kabbah's suggestion of the Chief of Defence position was discarded for British advisor becoming the Military Adviser to the Government of Sierra Leone. The latter title, it was decided, would promote—nominally and operationally—more local ownership and capacity building. When the Defense Headquarters (HQ) were closed and replaced by a HQ Joint Force Command (JFC) and Joint Support Command (JSC), both of which were initially placed under IMATT command. This shift made the Sierra Leonean Chief of the Defense Staff largely a figurehead (Nelson-Williams, 6).

The JFC commands the air, maritime, and land components and plans for operations. The JSC supervises the personnel, administrative, logistical and other needs of the force. Later, the JSC, was replaced by the Assistance Chief of the Defense Staff (Nelson-Williams, 8). This is interesting to note because it is not the only area of defense sector reform in Sierra Leone where initial structures were abandoned and replaced—in short initial solutions may need rethinking.

One of the bigger accomplishments was the creation of two new bodies: a National Security Council (NSC), established by the 2002 National Security Act, and an Office of National Security (ONS), which serves as the NSC's secretariat. Many also believe that the success of ONS is owed, in large part, to the professionalism of its head, then Brigadier Kellie Conteh (Albrecht and Jackson, 76). As of 2006, the MOD is operational at a new headquarters, with the Office of National Security operational, and a new Central Intelligence and Security Unit created.

Reform also determined the role of the chief civilian civil servant at MoD, the Director General, and a Defense White Paper was published. Still, a dual command structure remains (both military and civilian), and the UK presence still provides much of the needed oversight. Lack of experience in the Ministry staff has also led to delays in transferring authority to the Sierra Leoneans. UK training in the Ministry has also created a gap in terms of how the MoD operates in comparison to other ministries (Horn et al., 119-121).

Ministry of Defense Reform in Afghanistan

In 2003, the US, after finding that the Afghanistan Ministry of Defense remained poorly managed and was not representative, determined that the ministry could not be expected to build an appropriate force and imposed a recruitment board on the ministry. The board was instructed to select appointees to the ministry based on merit and ethnic quotas. Although the ministry had 4,000 new recruits and had been overhauled by 2005, the focus on ethnicity meant that the quotas, while filled, weren't always based on merit. Moreover, private sector consultants hired by the US to train and mentor ministry officials lacked political cultural awareness and had little impact on the patronage structures (Giustozzi, 220). Reforming the hierarchy was also a challenge but has improved since the new Minister of Defense, along with some of his deputies, gave up his military grade.

Iterative Lessons Learned

Management of the security sector must function at multiple levels and across government ministries and agencies. Training of security forces must be accompanied by building up the management capacity for mid-level managers as well as senior officials.

The analysis and case examples demonstrate that Ministry reform seems to be particularly helped or hampered by the Minister in the host country. In short, political will and ownership in this area seems to be especially crucial. In addition, Ministry officials need to be screened with the same scrutiny as soldiers or other civil service employees.

Initial structures for the Ministry of Defense in both Liberia and Sierra Leone had to be reconsidered and modified, suggesting that flexibility in Ministry reform is important and that the required structures may need to evolve as the Ministry develops. Another point to note is that increased professionalism and capacity at one ministry, when not matched by corresponding increases at other ministries—particularly among defense, finance, and foreign affairs, or finance, the interior, and justice—risks over-burdening the other ministries and hampering the reformed ministry's processes that rely on support from other ministries.

All management bodies should be supported by technology at the appropriate level and in context. Providing technology through reform that the management capacity cannot maintain independently is unsustainable. These technologies should promote professional, efficient, and effective management of financial information, personnel, border security, and classified materials.

The national budget is the government's primary policy tool for implementing the national security strategy and the legislature's primary oversight tool; it should therefore reflect a comprehensive approach to SSR. Defense reviews and assessments should be incorporated in the budget planning process to allow for the appropriate allocation of scarce resources.

To avoid the perception that assistance providers are only interested in lowering expenditures or to avoid creating disincentives for reform, the focus should be on the process without simplistic and out-of-context references to levels of expenditure, specific purchases, or size of armed forces. It should be clear how poor process and lack of procedure in fact undermines defense and other government objectives. Procurement should be subject to especially strict levels of approval and accountability.

Any anti-corruption initiatives should be considered carefully to minimize loopholes and balanced by the additional work they require to implement and manage. Initiatives may be inefficient and even counter-productive if they require an excessive level of bureaucracy or control. Effective management of the security sector should create incentives to bring expenditures on budget.

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