

Taiwan's Challenge and Vision in Corruption Risks and Defense Governance, Finding from the Finances Areas of 2020 Government Defense Integrity Index.

從2020年國防廉潔指數財務構面評鑑結果 探討我國防治理與貪腐風險之挑戰及願景

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國際透明組織（Transparency International, TI）於102年發布「政府國防廉潔指數」，係針對各國國防部門中政治、財務、人事、軍事行動、及採購等領域進行風險評鑑，我國計參加3次評鑑，分別在2013、2015及2020年，2021年公布全球評鑑結果，我國連續3屆蟬聯B級之低度貪腐風險國家佳績。

本文主要以國際透明組織公布我國參加2020年國防廉潔指數5大構面評比，及77項子題得分情形分析我國與全球、地區（亞太區）評分比較，資料分析顯示我國在各個構面均優於地區及全球平均，尤其在國防政策、財務2項構面分數將近為平均國家分數2倍，另人事構面已達A級程度，財務構面則接近A級國家程度（83分為A級、我獲得81分）。

若聚焦財務構面，我國在11題則26項指標評分結果，4題則獲得滿分、總計有5題則獲得A級分數評比，以國家別區分，名列全球第9名，與德國、西班牙並列，且優於荷蘭、瑞士及日本等已開發國家；另獲得評分較差計有機密預算占比及機密計畫審計2題則，分析主要落後原因為我國面臨地緣政治及敵情威脅所必要採取的國際現實策略手段。

2021年經濟學人雜誌發表「台灣為地表最危險的地方」，我們在國防各項構面的施政上仍然可以秉持公開、透明的審查機制跟程序實屬不易，針對後續財務構面的展望，我們可以藉由系統化產製細項、層級化及容易理解的國防支出資訊來增進透明程度，以朝國際透明組織列為學習國家的目標前進。

Bureau set up sixty years.

1. Abstract

The Transparency International first announced the “Government Defense Integrity Index (GDI)”, GDI assesses the quality of institutional controls to manage the risk of corruption in defense and security institutions. The experts from five fields collect evidence from a variety of sources and interviewees across 77 areas, which are composed of five key corruption risk areas: financial, operational, personnel, political, and procurement. The purpose is to assess the possibility of corruption risks in national defense institutions. The article is focused on the scope of Finances Risks Area, which is conducted and managed mainly by comptroller staff in the army. The index is the most important evaluation for the performance which is made by our financial officers. In the milestone of the Comptroller Bureau, MND has established for sixty years. We would like to bring the outstanding results in the evaluation of Finances area not only to show the esteems to the pioneers of comptrollers, but also to celebrate the anniversary of the Comptroller

2. The overall performance of the three times evaluation

The Ministry of National Defense (MND) has participated in the evaluation of the Government Defense Integrity Index (GDI) three times. The first evaluation was published in 2013, and Taiwan was ranked on level B (Table 1, GDI Score Band) among the 82 countries, which showed low corruption risk and listed the top 11% countries. The second evaluation published in 2015, Taiwan was also ranked on level B along with the 114 evaluated countries, which shows that the effectiveness and implementation has been recognized by the international community.

The latest results of the third evaluation, which were issued in 2021, Taiwan was ranked B for a third consecutive time among the 86 countries assessed. Taiwan is also the only country in Asia to be ranked in the top 10. The achievements indicate that Taiwan's existing governance mechanisms are strong, formalized and well-resourced.

Range of Scores			Corruption Risk
A	83 - 100	<i>Very robust institutional resilience to corruption</i>	Very low
B	67 - 82	<i>Robust institutional resilience to corruption</i>	Low
C	50 - 66	<i>Modest institutional resilience to corruption</i>	Moderate
D	33 - 49	<i>Weak institutional resilience to corruption</i>	High
E	17 - 32	<i>Very weak institutional resilience to corruption</i>	Very high
F	0 - 16	<i>Limited to no institutional resilience to corruption</i>	Critical

NEI = Not enough information to score indicator
NS = Indicator is not scored for any country
NA = Not applicable

source : Transparency International

Table 1 GDI Score Bands

3.2020 GDI Research Process

The GDI is designed to assess the possibility of corruption and push to be transparency on the country governance. According to the goal, GDI assesses the five risk areas, including Policymaking and Political Affairs, Finances, Personnel Management, Military Operations, and Procurement. They indicate the

crucial pivots on the government administration.
(Table 2, GDI Risk Area)

There are 77 questions, broken down into 212 indicators. The assessment country must present the original qualitative data for each question and indicator. The most important is the response to the question on the explanatory text must be context-specific. The evidence to exhibit the responses must be well-prepared.

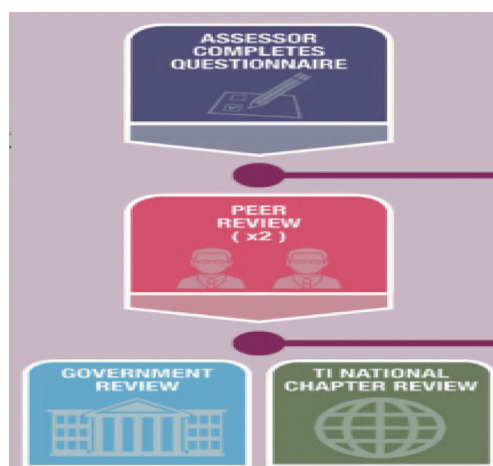
POLICYMAKING AND POLITICAL AFFAIRS	Defence Policymaking Q 7 I 24	Anti-corruption Policy & Institutions Q 4 I 1	Organised Crime Q 2 I 5	Export Controls Q 1 I 3
	Defence Budgets & Revenue Q 7 I 24	Intelligence Services Q 2 I 1	Natural Resources Q 1 I 1	
FINANCES	Special Budget Items Q 4 I 7	Asset Disposals Q 2 I 4		
	Private Sector Activity Q 3 I 4	Defence Expenditures Q 1 I 4		
PERSONNEL MANAGEMENT	Payroll, Promotions, Appointments, Rewards Q 6 I 10	Conscription & Recruitment Q 2 I 4	Leadership Q 2 I 5	
	Values & Standards Q 5 I 17	Whistleblowing & High-risk Positions Q 2 I 1		
MILITARY OPERATIONS	Anti-corruption Training & Monitoring Q 3 I 4	Forward Planning Q 1 I 2		
	Private Military Contractors Q 1 I 3	Military Doctrine Q 1 I 2		
PROCUREMENT	Technical Requirements Specifications Q 7 I 10	Contract Award & Delivery Q 3 I 10	Arms Deals Q 2 I 4	
	Competition in Procurement Q 3 I 10	Offsets Q 3 I 7	Agents / Brokers Q 1 I 2	

source : Transparency International

Table 2 GDI Risk Areas

Then the assessors designated by the Transparency International UK complete the questionnaire. In order to be justice, the procedures of extensive reviews initiate. In the GDI standard evaluative process, there

are four steps of review procedure. They are including internal review, peer review, government review, and TI national chapter review. (Table 3, GDI Review and Standardization Process)



source : Transparency International

Table 3 GDI Review and Standardization Process

4. Performance of Taiwan's 2020 GDI Assessment

The average scores of Taiwan's 2020 GDI are 70 marks from five risk areas, which overall ranked level B (scores from 67 to 82), meaning our government is under low risk, robust institutional resilience to corruption. The five aspects of the scores respectively are 79 marks on Political risk, 81 marks on Financial risk, 84 marks on Personnel risk, 48 marks on Operation risk, and 58 marks on Procurement risk. We acquire one level A, meaning very low corruption risk, two level B, meaning low corruption risk, one level C, meaning moderate corruption risk, and one level D, meaning high corruption risk.

Comparing to the average global score on five risk areas, they got scores from 46, 45, 52, 16 and 37 respectively. When it comes to the Asia-Pacific region, the average score in the region

on five parts respectively are from, 52, 47, 64, 24 and 48. The overall average score in global is 39.2 and the overall average score in Asia-Pacific countries is 47. It is a huge difference comparing to Taiwan's performance. From the above figures, we can demonstrate the outstanding achievements of Taiwan in the 2020 GDI evaluation. (Table 4, GDI 2020 Risk Area Scores)

Let's focus on the Financial risk area. There are 11 questions, broken down into 26 indicators. In order to evaluate the financial risk area specifically and exactly, the topics of the scope range from asset, defense spending and disclosure of information. The results of the assessment show that almost half of the questions our score band are listed into level A. Speaking to the points on the Financial, Taiwan's score is 81, which is higher than the index aggregate of 45 and region aggregate of 47 by nearly double. (Table 5, Taiwan GDI 2020 Scores on Financial Risk ; Table 6, Financial Risk Area Comparison)

Country	Defence Policymaking and Political Affairs	Defence Finances	Defence Personnel Management	Military Operations	Defence Procurement
Taiwan	79	81	84	48	58
Asia-Pacific	52	47	64	24	48
Index average	46	45	52	16	37

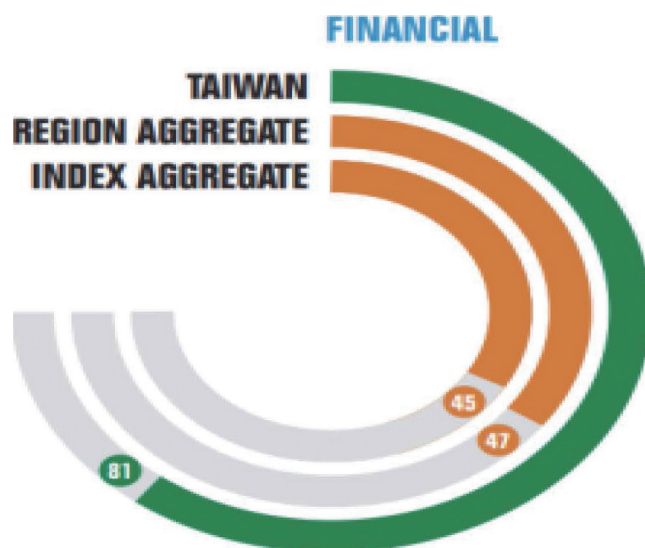
source : Transparency International

Table 4 GDI 2020 Risk Area Scores

Financial Risk		B	81
Q24	Asset Disposal Controls	B	75
Q25	Asse Disposal Scrutiny	A	100
Q26	Secret Spending	C	50
Q27	Legislative Access to Information	B	75
Q28	Secret Prrgram Auditing	C	50
Q29	Off-budget Spending	A	100
Q30	Access to Information	A	88
Q31	Beneficial Ow nership	A	100
Q32	Military-Ow ned Business Scrutiny	B	75
Q33	Unauthorised Private Enterprise	A	100
Q77	Defence Spending	B	75

source : Transparency International

Table 5 Taiwan GDI 2020 Scores on Financial Risk



source : Transparency International

Table 6 Financial Risk Area Comparison

We still have some aspects to improve gradually. The weak parts lie on the issues of secret budget and auditing on secret programs. The others are still higher than the average scores in Taiwan. In comparison with the global on financial risk area, we are ranked the ninth place, equal to Germany

and higher score than Netherland, Switzerland and Japan (Table 7, Top 14 Countries on Finances Scores). That performance indicates we have strong and robust mechanism in the control of the corruption on financial risk area.

Country	Defence Finances
Latvia	94
Norway	91
New Zealand	89
Sweden	88
Belgium	88
Lithuania	83
Bosnia	82
United Kingdom	82
Germany	81
Spain	81
Taiwan	81
Netherlands	80
Switzerland	79
Japan	79

source : Transparency International

Table 7 Top 14 Countries on Finances Scores

5.Challenge and Vision in the future on Taiwan's Financial Risk Area

The Economist issuing in 2021 published that Taiwan is the most dangerous place on earth and the war over the island would be a catastrophe. Then the Economist urges that America and China must work harder to avoid it. From the points of the noted journal, we can learn that how the worsening situation and tremendous tension on the cross-strait. Nevertheless, we can make some progress in the following aspects on the future's assessment.

Due to the international reality, seldom export weapon country is willing to sell Taiwan advanced equipment and weapon for our building-up capability. The only channel for us to gain the

armed forces is through the FMS (Foreign Military Sales) programs from the America. The U.S. government requests Taiwan keep low-key before the formal notice to sell the weapon. That's the reason we budget the classified budget under the development of FMS programs. We will change the classified portion of FMS budget into the normal budget when the U.S. government announces the sale officially. In that way, we can decrease the portion by the classified budget.

We can enhance our transparency on the financial areas by publishing more detailed and disaggregated data on the actual expenditure in the following fiscal year. We should make more committed by giving full information to facilitate robust scrutiny for the Audit Department and Legislative Yuan.

6.Reference

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