

## **From 'Right-Sizing' to 'Right-Financing' SSR**

More often than not high ranking military personnel involved in peace support operations, from the ranks of the UN and NATO, are highly skilled in discharging the functions of conventional security forces, outside of government, and in highly fragile and weak state environments. However, with the evolution of civil and military operations, international security forces are increasingly playing a role not only in the provision of security and peace support operations, but also in advising on the restructuring of national army and police forces. Yet, without the requisite public administration and civil service reform skill set, and in the absence of fiscal and expenditure affairs expertise, decisions are taken solely on the perception of needs. As a result, in countries as diverse as Afghanistan, Iraq, Kosovo and Sierra Leone, inflationary security force sizes and pay and structures deliver states that are fiscally unsustainable from the moment of their establishment. In many cases, as evidenced by Afghanistan, Sierra Leone and Kosovo in particular, the long term costs of short term decisions effectively mortgage the future for newly incumbent governments, tying up resources that post conflict could have been better utilised on justice reforms, education, health and growth and employment producing infrastructures.

The problem is that the concept of right-sizing simply does not go far enough in rationalising the size, structure, grading and pay of security entities, particularly if the threat assessment is poorly conducted, and where national revenues remain insufficient to allow the emergence of a fully sovereign state. In Afghanistan, the costs of security provision following restructuring of the ANA and ANP based on security need was 600 percent higher than national revenue in 2006, excluding costs such as force maintenance. As a result, external assistance becomes critical to the sustainment of national security itself, with the contingent risk that a reduction in external assistance or possible withdrawal would trigger the collapse of security institutions themselves. Under such a situation, security forces can become a force of insecurity in their own right.

At the centre of the financial management framework for the OECD-DAC Implementation Framework for Security System Reform (IF-SSR) lies the concept of 'Right-financing', that seeks to address the fundamental shortfall in the application of the right-sizing agenda. This involves the determination of right-financing decisions, based on a normative framework, to allow force size, development and capability to reflect the long term fiscal capacities of state, and in doing so, to foster long term security through enhanced service delivery. Conducting fiscal envelope and expenditure ceiling reviews to inform the size and structure of the Afghan National Army, would have made clear to Government and the international community of the long term implications of such decisions. Furthermore, the application of the right financing framework and, in particular, its inclusive common needs assessment and prioritisation principle (i) contributes to better targeting and coordination of external

financial assistance and (ii) ensures that donor funds are consolidated within the national budget both key to implementing Security System Reform and sustainable state building.

As the international community embarks on the defence transformation of the SPLA in Southern Sudan, there is a risk once more that right-sizing policies will remain blind to financing realities, and the early application of the right-financing framework would thereby minimise the maximum risks associated with such decisions. With the costs of security provision going through the roof, drives in efficiency that foster effectiveness are particularly vital in a world where tax payers in aid providing countries now face recession themselves.

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