

# Finland

## 2015 Country Summary

### Recommendations

Finland's GI ranking in Band B places it in the low risk category for corruption in the defence and security sector. The highest risk areas is Operations, which fell in Band D (high risk of corruption).

#### **Approach to anti-corruption**

The Finnish approach to tackling corruption risks is based on general transparency requirements. Most of the anti-corruption diagnostics and analysis is performed by the inter-departmental Anti-Corruption Network, mandated to diagnose risks and raise awareness. While this approach should make it possible to embed anti-corruption solutions in routine management procedures, it is not clear that either risk analysis or staff training focus on specific anti-corruption issues and enable issues to be identified quickly and effectively. We recommend that corruption issues are explicitly included in risk assessments and that staff receive comprehensive training.

#### **Whistleblower protection**

Finland does not appear to have laws specifically geared toward the protection of whistleblowers. While some safeguards are provided by the Employment Contracts Act which imposes an obligation to compensate a possible unlawful dismissal, lack of more targeted regulations has been the subject of criticism from international institutions and CSOs. We note that whistleblower protection regulations are currently being reviewed by the Ministry of Justice and encourage the MOD and the armed forces to conduct a similar review and address existing shortcomings.

#### **Military Operations**

While there is some awareness of corruption as a threat to the success of military operations, this focuses mostly on civilian aspects of a stabilisation mission and has not been translated into operational doctrine or contracting guidance for operational environment. We encourage the armed forces to put in place guidance accompanied by robust training programmes; this expertise would benefit not only the Finnish armed forces, but also the institutions coordinating the deployments they are part of, including the UN, NATO and the EU.

#### **Procurement**

While Finnish procurement regulations are generally strong, there is limited clarity on offset contracts and limited control of subcontractors. The government could build on existing regulations to ensure that the terms and performance of offset contracts are publicly known

and that corruption risks are minimised, and it could nudge both contractors and subcontractors toward adopting compliance programmes and/or training.

## Scorecard

|                                   |                                      |  |   |
|-----------------------------------|--------------------------------------|--|---|
| <b>Political</b>                  | <b>Defence &amp; Security Policy</b> | Legislative Scrutiny                     | 4 |
|                                   |                                      | Defence Committee                        | 4 |
|                                   |                                      | Defence Policy Debated                   | 4 |
|                                   |                                      | CSO Engagement                           | 3 |
|                                   |                                      | International AC Instruments             | 3 |
|                                   |                                      | Public Debate                            | 4 |
|                                   |                                      | AC Policy                                | 2 |
|                                   |                                      | AC Institutions                          | 3 |
|                                   |                                      | Public Trust                             | 3 |
|                                   |                                      | Risk Assessments                         | 2 |
|                                   | <b>Defence budgets</b>               | Acquisition Planning                     | 4 |
|                                   |                                      | Budget Transparency & Detail             | 4 |
|                                   |                                      | Budget Scrutiny                          | 4 |
|                                   |                                      | Budget Publicly Available                | 4 |
|                                   |                                      | Defence Income                           | 3 |
|                                   |                                      | Internal Audit                           | 3 |
|                                   |                                      | External Audit                           | 3 |
|                                   | <b>Other Political Areas</b>         | Natural Resources                        | 3 |
|                                   |                                      | Organised Crime Links                    | 4 |
|                                   |                                      | Organised Crime Policing                 | 4 |
| Intelligence Services Oversight   |                                      | 3  |   |
| Intelligence Services Recruitment |                                      | 3  |   |
| Export Controls                   |                                      | 2  |   |
| <b>Finance</b>                    | <b>Asset Disposals</b>               | Asset Disposal Controls                  | 3 |
|                                   |                                      | Asset Disposal Scrutiny                  | 3 |
|                                   | <b>Secret Budgets</b>                | Percentage Secret Spending               | 0 |
|                                   |                                      | Legislative Access to Information        | 3 |
|                                   |                                      | Secret Program Auditing                  | 3 |
|                                   |                                      | Off-budget Spending in Law               | 4 |
|                                   |                                      | Off-budget Spending in Practice          |   |
|                                   | Information Classification           | 3  |   |
|                                   | <b>Links to Business</b>             | Mil. Owned Businesses Exist              | 4 |
|                                   |                                      | Mil. Owned Business Scrutiny             |   |
| Unauthorised Private Enterprise   |                                      | 4  |   |
| <b>Personnel</b>                  | <b>Leadership</b>                    | Public Commitment                        | 3 |
|                                   |                                      | Measures for Corrupt Personnel           | 4 |
|                                   |                                      | Whistleblowing                           | 0 |
|                                   |                                      | Special Attention to Sensitive Personnel | 1 |
|                                   | <b>Payroll and Recruitment</b>       | Numbers of Personnel Known               | 4 |
|                                   |                                      | Pay Rates Openly Published               | 4 |
|                                   |                                      | Well-established Payment System          | 4 |
|                                   |                                      | Objective Appointments                   | 2 |
|                                   |                                      | Objective Promotions                     | 2 |

|                                    |                                    |  |   |
|------------------------------------|------------------------------------|--|---|
|                                    | <b>Conscription</b>                | Bribery to Avoid Compulsory Conscription | 4 |
|                                    |                                    | Bribery for Preferred Postings           | 3 |
|                                    | <b>Salary Chain</b>                | Ghost Soldiers                           | 4 |
|                                    |                                    | Chains of Command and Payment            | 4 |
|                                    | <b>Values, Standards, Other</b>    | Code of Conduct Coverage                 | 3 |
|                                    |                                    | Code of Conduct Breaches Addressed       | 4 |
|                                    |                                    | AC Training                              | 1 |
| Prosecution Outcomes Transparent   |                                    | 4  |   |
|                                    | Facilitation Payments              | 3  |   |
| <b>Operations</b>                  | <b>Controls in the Field</b>       | Military Doctrine                        | 1 |
|                                    |                                    | Operational Training                     | 1 |
|                                    |                                    | AC Monitoring                            | 2 |
|                                    |                                    | Controls on Contracting                  | 2 |
|                                    |                                    | Private Military Contractors             | 2 |
| <b>Procurement</b>                 | <b>Government Policy</b>           | Legislation                              | 3 |
|                                    |                                    | Transparent Procurement Cycle            | 4 |
|                                    |                                    | Oversight Mechanisms                     | 4 |
|                                    |                                    | Purchases Disclosed                      | 3 |
|                                    |                                    | Standards Expected of Companies          | 1 |
|                                    | <b>Capability Gap</b>              | Strategy Drives Requirements             | 3 |
|                                    |                                    | Requirements Quantified                  | 3 |
|                                    | <b>Tendering</b>                   | Open Competition v. Single-Sourcing      | 4 |
|                                    |                                    | Tender Board Controls                    | 3 |
|                                    |                                    | Anti-Collusion Controls                  | 4 |
|                                    | <b>Contract Delivery / Support</b> | Procurement Staff Training               | 3 |
|                                    |                                    | Complaint Mechanisms for Firms           | 3 |
|                                    |                                    | Sanctions for Corruption                 | 4 |
|                                    | <b>Offsets</b>                     | Due Diligence                            | 2 |
|                                    |                                    | Transparency                             | 1 |
|                                    |                                    | Competition Regulation                   | 2 |
|                                    | <b>Other</b>                       | Controls of Agents                       | 2 |
| Transparency of Financing Packages |                                    | 4  |   |
| Subsidiaries / Sub-Contractors     |                                    | 0  |   |
| Political Influence                |                                    | 3  |   |