

Sweden

2015 Country Summary

Recommendations

Sweden's GI ranking in Band B places it in the low risk of corruption category in the defence and security sector. Sweden scored higher for Political, Financial and Personnel risk, which score in Band B (low risk of corruption). The highest risk area was Operations, which fell in Band D (high risk of corruption). Overall Sweden's defence and security institutions exhibit high levels of integrity, and external oversight functions are strong and effective. We suggest reforms across the following areas.

Anti-corruption policy

Although anti-corruption systems are mostly strong, the Swedish Armed Forces (SAF) might consider conducting a comprehensive analysis of corruption risk. While general guidelines exist to mitigate conflicts of interest, bribes, and corruption, the Armed Forces lack a comprehensive, proactive approach to detect, investigate, and prosecute corrupt behaviour. The SAF might also consider whether existing doctrine and guidance for deployed military personnel sufficiently addresses corruption as a strategic issue on operations, and whether wider anti-corruption training for military and civilian personnel could be enhanced. Pre-deployment mission training conducted at the SAF International Training Centre does not appear to include any anti-corruption training.

We therefore recommend that Sweden consider publishing an anti-corruption plan. This might include a commitment to providing comprehensive guidelines and staff training on addressing corruption risks for all military and civilian personnel on an annual basis, particularly for those in sensitive positions, and including specific training for personnel deployed overseas or responsible for contracting on mission. Updates to the SAF Operational Doctrine (OPD) that ensure more integrity building exercises in operational missions would also be welcome.

Transparency and accountability for arms procurement, exporting, financing, and offsets

While Sweden has made an effort to ensure its arms export control policy considers long-term governance consequences, its defence export control agency is not required to screen for corruption risks before licensing an export. There is scope for Sweden to take the international lead on a responsible approach to arms export policy – that should mean ensuring military capability is only exported to transparent and accountable institutions and so is therefore more likely to be in line with that country's strategic needs. This might require a stronger role for parliament in making arms transfer decisions, and a thorough assessment of corruption risks on a case-by-case basis.

There are also issues that need to be addressed in procurement. A 2013 report from the National Financial Management Authority pointed to shortcomings in the government's control over the Swedish Armed Forces' financial planning, monitoring, and reporting. The government might also consider introducing specific procedures or standards (such as compliance programmes and business ethical conduct programmes) in order for contractors to bid for work at the Ministry of Defence. Although companies convicted of corruption are legally prohibited from participating in bids, this only provides limited protection following successful prosecution.

We therefore recommend that a policy is introduced requiring companies to proactively display these requirements, and the FMV instruction guide for registering and checking the security of new companies be modified to ensure companies have implemented a compliance programme. The state could make principal aspects of the financing package surrounding major arms deals, (such as payment timelines, interest rates, commercial loans or export credit agreements) publicly available prior to the signing of contracts. This is a legal requirement under Swedish freedom of information legislation, and the FMV currently only publishes basic details.

To further mitigate corruption risk, the government could also introduce stronger controls regarding the use of agents and brokers during the procurement cycle. The Trade Ban Law continues to offer the government its best means to regulate the use of intermediaries, but it cannot otherwise influence this situation. There is evidence that agents from the Swedish defence industry have previously been able to actively engage in corruption. The state and the Swedish Security and Defence Industry Association's endorsements of the wider European policy offer positive steps that could be formalised in law.

Scorecard

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

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