



Adoption: 7 December 2012
Publication: 17 December 2012

Public
Greco RC-III (2012) 22E
Second Interim Report

Third Evaluation Round

Second Interim **Compliance Report** **on Sweden**

“Transparency of Party Funding”

Adopted by GRECO
at its 58th Plenary Meeting
(Strasbourg, 3-7 December 2012)

I. INTRODUCTION

1. The Third Round Evaluation Report on Sweden was adopted at GRECO's 41st Plenary Meeting (19 February 2009) and made public on 31 March 2009, following the authorisation by Sweden (Greco Eval III Rep (2008) 4E [Theme I](#) / [Theme II](#)).
2. As required by GRECO's Rules of Procedure, the Swedish authorities submitted a Situation Report on measures taken to implement the recommendations. GRECO selected Finland and Poland to appoint Rapporteurs for the compliance procedure.
3. In the Compliance Report, which was adopted by GRECO at its 50th Plenary Meeting (Strasbourg, 28 March – 1 April 2011), it concluded that Sweden had implemented satisfactorily or dealt with in a satisfactory manner three of the ten recommendations contained in the Third Round Evaluation Report. In view of the fact that none of the recommendations concerning Theme II ("Transparency of party funding") had been complied with, GRECO categorised the overall response to the recommendations as "globally unsatisfactory" (within the meaning of Rule 31, paragraph 8.3 of the Rules of procedure). GRECO therefore decided to apply Rule 32, concerning members found not to be in compliance with the recommendations contained in the Evaluation Report.
4. In the Interim Compliance Report, which was adopted by GRECO at its 53rd Plenary Meeting (Strasbourg, 5-9 December 2011), GRECO concluded that despite the positive signals from the Swedish authorities, the level of compliance with the recommendations remained "globally unsatisfactory", considering that no tangible results had been achieved. Therefore GRECO, in accordance with Rule 32, paragraph 2 subparagraph (ii), instructed its President to transmit a letter to the Head of Delegation of Sweden, drawing his attention to the non-compliance with the relevant recommendations and the need to take determined action with a view to achieving tangible progress as soon as possible. Furthermore, GRECO requested the Head of the Swedish delegation to provide a report, regarding the action taken to implement the pending recommendations (i.e. recommendations i–vii, regarding Theme II) by 30 September 2012. This report was submitted on 11 September 2012, and served as a basis for the Second Interim Compliance Report.
5. The Second Interim Compliance Report, which was drawn up by Mr Kaarle J. LEHMUS, Inspector General of the Police, National Police Board/Ministry of the Interior (Finland) and Mr Rafał KIERZYNKA, Judge in European Criminal Law Division, Criminal Law Department of the Ministry of Justice, (Poland), and who were assisted by the GRECO Secretariat, assesses the further implementation of the pending recommendations since the adoption of the Interim Compliance Report, and contains an overall appraisal of the level of compliance with these recommendations.

II. ANALYSIS

Theme II: Transparency of Party Funding

6. It is recalled that GRECO in its Evaluation Report addressed seven recommendations to Sweden in respect of Theme II. Compliance with these recommendations is dealt with below.

7. GRECO recommended:

- to widen considerably the range of political parties at central, regional and local level required to keep proper books and accounts (including in connection with election campaigns); to ensure that income, expenditure, assets and debts are accounted for in a comprehensive manner following a coherent format; to seek ways to consolidate the accounts to include local branches of parties as well as other entities which are related directly or indirectly to the political party or under its control; and to make sure that the annual accounts are made public in a way that provides for easy access by the public (recommendation i).

- to consider introducing reporting on income and expenditure relating to election campaigns at appropriate intervals and to make sure that relevant information is disclosed in a way that provides for easy access by the public (recommendation ii).

- to introduce a general ban on donations from donors whose identity is not known to the party/candidate and to introduce a general requirement for parties/election candidates to report individual donations above a certain value together with the identity of the donor (recommendation iii);

- to consider elaborating a co-ordinated approach for the publication of political financing reports (including party and election campaign financing) in order to facilitate the public's access to such documents (recommendation iv);

- to ensure independent auditing in respect of political parties, as appropriate, obliged (or yet-to-be obliged) to keep books and accounts (recommendation v);

- to ensure independent monitoring of political party funding and electoral campaigns, in line with Article 14 of Recommendation Rec(2003)4 (recommendation vi); and

- that existing and yet-to-be-established rules on financing of political parties and electoral campaigns be accompanied by appropriate (flexible) sanctions, which are effective, proportionate and dissuasive (recommendation vii).

8. The authorities of Sweden report that following the submission of the previous Situation Report to GRECO in October 2011, the Government decided to initiate a legislative process with the purpose of, *inter alia*, making information regarding the funding of political parties more accessible. They report that the majority of the political parties represented in Parliament support the initiative, and that the recommendations in the Evaluation Report would be taken into account in the legislative process. The authorities state that according to the current time schedule, draft legislation would be submitted to Parliament in autumn 2013. Provided that Parliament adopts the bill, the new legislation could come into force before the parliamentary elections, which are scheduled to be held in September 2014.

9. The authorities also report that in May 2012, the Commission of inquiry which is tasked, among other things, to review the legislation regulating public funding from municipalities and county councils to political parties at the local level in order to attain more transparency in that context, presented its findings which are however, not relevant for the pending recommendations.

10. GRECO very much welcomes the information provided, according to which the Government has now decided to initiate a legislative process aimed at increasing the transparency of political party

funding, which would take into account GRECO's recommendations. Furthermore, the establishment of a concrete timeframe for the submission of relevant draft legislation to Parliament is a positive signal, and GRECO urges the authorities to make every effort to proceed swiftly with the drafting process and to have such legislation adopted, as soon as possible. That said, at this very early stage – and in the absence of any precise information on the draft legislation under preparation – it cannot conclude that the recommendations have been implemented, even partly.

11. GRECO concludes that recommendations i - vii remain not implemented.

III. CONCLUSIONS

12. **In view of the above, GRECO concludes that no tangible progress has been achieved by Sweden, as regards the implementation of the recommendations that were deemed to be not implemented in the Third Round Compliance and Interim Compliance Reports.** All recommendations pertaining to Theme II – Transparency of Party Funding – i.e. recommendations i-vii, remain not implemented.
13. Notwithstanding this result, GRECO notes with great interest the decision taken by the Government to initiate a legislative process aimed at increasing the transparency of political party funding, and that the majority of the parties represented in Parliament support this initiative. Bearing in mind that more than three years have passed since the adoption of the Evaluation Report, GRECO urges the authorities to make every effort to prepare a bill which would be in conformity with the recommendations, and to have this bill adopted as soon as possible.
14. Despite the above mentioned positive signals from the Swedish authorities, GRECO can only conclude that the current level of compliance with the recommendations remains “globally unsatisfactory” (within the meaning of Rule 31, paragraph 8.3 of the Rules of Procedure) as no tangible results have been achieved yet.
15. Pursuant to Rule 32, paragraph 2 subparagraph (i) of the Rules of Procedure, GRECO requests the Head of the Swedish delegation to provide a report regarding the action taken to implement the pending recommendations (i.e. recommendations i-vii regarding Theme II) by 30 September 2013.
16. In accordance with Rule 32, paragraph 2 subparagraph (ii) c), GRECO invites the Secretary General of the Council of Europe to send a letter to the Minister of Foreign Affairs of Sweden, drawing his attention to the non-compliance with the relevant recommendations, and the need to take determined action with a view to achieving tangible progress as soon as possible.
17. GRECO invites the authorities of Sweden to translate the present report into the national language and to make this translation public.