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**Third Interim Report**

## **Third Evaluation Round**

### ***Third Interim*** **Compliance Report** **on Sweden**

#### **“Transparency of Party Funding”**

Adopted by GRECO  
at its 62<sup>nd</sup> Plenary Meeting  
(Strasbourg, 2-6 December 2013)

## I. INTRODUCTION

1. The Third Round Evaluation Report on Sweden was adopted at GRECO's 41<sup>st</sup> Plenary Meeting (19 February 2009) and made public on 31 March 2009, following 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 50<sup>th</sup> Plenary Meeting (1 April 2011), GRECO 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 first Interim Compliance Report, which was adopted by GRECO at its 53<sup>rd</sup> Plenary Meeting (9 December 2011), GRECO concluded that despite some 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) of its Rules of Procedure, 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.
5. In the Second Interim Compliance Report, which was adopted by GRECO at its 58<sup>th</sup> Plenary Meeting (7 December 2012), GRECO concluded that despite the above mentioned positive signals from the Swedish authorities, the current level of compliance with the recommendations remained "globally unsatisfactory" (within the meaning of Rule 31, paragraph 8.3 of the Rules of Procedure) - as no tangible results had been achieved yet - and 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). The authorities submitted their report on 30 September 2013. It served as a basis for the (current) Third Interim Compliance Report.
6. The Third Interim Compliance Report, which was drawn up by Mr Juha KERÄNEN, Ministry of Justice (Finland) and Mr Rafał KIERZYNKA, Ministry of Justice (Poland), assisted by the GRECO Secretariat, assesses the further implementation of the recommendations pending since the adoption of the Second Interim Compliance Report.

## II. ANALYSIS

### Theme II: Transparency of Party Funding

7. 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.
8. 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).
9. The authorities of Sweden report that a majority of the political parties represented in Parliament support legislation being established in the area of transparency of political financing. They add that the Government is currently in the process of finalising draft legislation with the purpose of, *inter alia*, making information regarding the funding of political parties more accessible to the public. The Ministry of Justice has already prepared a Memorandum to this end and the recommendations in the Evaluation Report were duly considered in this context. The Memorandum sets out a preliminary draft law on transparency in the financing of political parties concerning parties participating in elections to the *Riksdag*, county councils, municipal councils

and the European Parliament. The preliminary draft law also covers the financing of election candidates.

10. The authorities provide some further details concerning the preliminary draft legislation:
  - i) It is proposed that the Legal, Financial and Administrative Services Agency (Kammarkollegiet) will be the supervisory authority concerning political financing;
  - ii) Political parties are to submit annual income statements with details of the revenue that the party has received at central, regional and local levels to the supervisory authority;
  - iii) Parties' revenue reports are also to include contributions related to personal election campaigns of electoral candidates;
  - iv) Contributions above a threshold amount of 22 250 SEK (appr 2 600€), are to be reported together with the identity of the donor;
  - v) The supervisory authority is to publish the revenue reports and notifications on its Internet site;
  - vi) The proposal also contains provisions on supervision and administrative sanctions as well as possibilities of appealing to the administrative courts.
11. The authorities finally submit that the Memorandum has recently been subject to the national mandatory referral process, including public authorities, political parties and non-governmental organisations. Their views and comments are currently being carefully analysed and will be taken into account by the Government, which is currently finalising the details of a draft law. A Government bill is to be submitted to Parliament towards the end of 2013 with the intention that new legislation may come into force by 1 April 2014.
12. GRECO takes note of the significant steps taken by the Swedish Government; with regard to the Memorandum (Ds 2013:31; public document), it is pleased that this comprehensive document refers to and clearly takes into consideration the various recommendations of GRECO and it appears that the preliminary draft legislation is much in line with GRECO's recommendations as regards more transparency in respect of political financing. However, despite the progress reported, in the absence of any precise information on the final draft legislation or legislation, GRECO cannot conclude that the recommendations have been implemented, not even partly. In addition, it is noted that a ban on anonymous donations is not included in the preliminary draft.
13. GRECO concludes that recommendations i - vii remain not implemented.

### III. CONCLUSIONS

14. **In view of the above, GRECO notes - that although considerable progress is underway - no final results have yet been achieved that may allow GRECO to change its conclusions as regards the implementation of the recommendations of 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.
15. As a consequence, GRECO is bound also to maintain its position that the level of compliance with the recommendations remains “globally unsatisfactory” (within the meaning of Rule 31, paragraph 8.3 of the Rules of Procedure). GRECO urges the authorities to make every effort to prepare a bill in conformity with the recommendations and to have this bill adopted as soon as possible.

16. 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) as soon as possible, at the latest by 30 September 2014.
17. Finally, GRECO invites the authorities of Sweden to authorise, as soon as possible, the publication of this report and to translate the report into the national language and to make this translation public.