

International Anti-Corruption Conference 2018 in Copenhagen
National anti-corruption statement in the field of development cooperation
(Sweden)

Sweden gives high priority on anti-corruption efforts, both at home, multilaterally and through the Swedish development cooperation. Sweden supports increased respect for human rights, stronger democracy, which requires stable and independent, democratic institutions, judicial systems and free media. This in turn reinforces transparency and accountability, making abuse of power more difficult.

Sweden would define corruption as the abuse of power and trust for improper gain. Corruption includes, among other things, the offering and receiving of bribes – including the bribery of foreign officials – extortion, conflicts of interest and nepotism. It affects all countries, it does not recognize boundaries and can spread through all level of public agencies. Corruption cuts across entire populations, but hits most disempowered members of society the hardest. Women are often more at risk suffering the consequences of corruption. Corruption contributes to the destabilization of fragile states and is ultimately one of the drivers of conflict.

Sweden is a firm believer of the multilateral efforts that have produced strong political commitments to support anti-corruptions initiatives. The 2030 Agenda for Sustainable Development, especially goal 16 on stronger institutions and goal 10 on reducing inequality among countries, the Addis Ababa Action Agenda, the UN Convention against Corruption, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the G20 Anti-corruption working group, the Council of Europe Criminal Law Convention on Corruption and the Council of Europe Civil Law Convention on Corruption are important foundations for these commitments.

Sweden supports partner countries to combat corruption by strengthening institutions such as tax and audit authorities. Building on the growing international consensus on the importance of domestic resource mobilization and the central role of tax administrations. Sweden would like to stress that efficient, transparent and effective tax administrations support poverty reduction and equality. Therefore, resolving the development challenges is not only a matter of efficiency in raising revenues, but must be a part of “state building”, that promotes inclusiveness, encourages good governance, improves the accountability of governments to their citizens, and cultivates social justice.

The private sector should play an important role in the implementation of the Agenda 2030. This concerns both investments and finance needs, as stated in the Addis Ababa Action Agenda.

A natural corollary of corruption is money laundering. Proceeds from corruption must be laundered in order to be useful for the corrupt. Money laundering schemes are often cross-border in nature, as the corrupt and the criminal rarely recognise borders. Therefore, a robust

anti-money laundering system is an important tool in combatting corruption, as recognised in the Sustainable Development Goals (goal 16.4).

Building an anti-money laundering system is a complex effort that requires significant interagency as well as public-private coordination. If done right, an effective anti-money laundering system can be very helpful in reducing corruption and combatting financial crime. Sweden recognises the importance of anti-money laundering in development cooperation, which is why this year, we are preparing to make a voluntary contribution to the Financial Action Task Force's Training and Research Centre (FATF TREIN) in Busan, South Korea, for the purposes of assisting civil servants in developing countries in the development of anti-money laundering systems.

The UN Guiding Principles on Business and Human Rights is a corner stone in the field of sustainable business. Principle 10 is highly relevant for the fight against corruption; *"Businesses should work against corruption in all its forms, including extortion and bribery"*. Sweden presented its National Action Plan for Business and Human Rights in 2015. To further ensure the implementation of the National Action Plan, Sweden carried out a follow up of deliverables to the plan and reported on this in 2018. Furthermore, the Swedish Agency for Public Management did their assessment through a base line study, in 2018, as to how well the UN Guiding Principles on Business and Human Rights had been implemented.

The support to Swedish businesses have been strengthened, both via an on-line education in sustainable business provided to the Swedish Embassies, and through the development of the work with sustainable business at Business Sweden (owned by the Swedish Government and the industry).

Sweden supports the Extractive Industries Transparency Initiative (EITI), which works for better transparency and reduced corruption through disclosure of information along the extractive industry value chain, from the point of extraction to how revenues make their way through the government, and how they benefit the public.

The Swedish Government's policy framework for development cooperation and humanitarian aid clearly states that corruption constitutes a serious development obstacle and that it is important to support partner countries in their work against corruption.

The Ministry for Foreign Affairs together with the Swedish International Development Cooperation Agency (Sida) has developed a basic training module in anti-corruption which is mandatory for all Sida staff in Stockholm and in the field. Sida's anti-corruption rule states that corruption risks and corruption's negative impact on development shall be considered throughout the process of implementing Swedish development cooperation strategies.

Sida's anti-corruption measures are carried out at four different levels:

- promoting ethics and integrity within Sida and Swedish embassies,
- preventing and acting on corruption in Swedish-funded projects and programs,
- supporting partner countries' efforts to combat corruption, and
- contribute to the international anti-corruption work.

It is of high importance to protect Swedish development cooperation funds from corruption but it does not necessarily lead to a reduction of corruption in the sector or in the society in which the aid is operating. Therefore, Sida is widening the perspective to include corruption as a development obstacle. This entails a more pro-active focus on anticorruption to ensure that all development financing contributes to the intended results in line with the 2030 Agenda.

Corruption is a central obstacle to the implementation of the entire the 2030 Agenda - and the awareness of this is increasing. In conflict and post-conflict contexts there are challenges related to state building and corruption. In countries with systemic corruption, we need to pay attention to the relationship between terrorism and corruption. Therefore, Sida is focusing on taking responsibility for the fact that aid can drive corruption and create incorrect incentives which is an overarching risk considered in the development operations.