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OPEN DATA AND POLITICAL INTEGRITY IN THE NORDIC REGION

Transparency International Latvia (Sabiedrība par atklātību – Delna) is a national chapter of the international coalition against corruption Transparency International. It is the leading watchdog organization in Latvia with the main aim of contributing to the formation of an open, just and democratic society, free from corruption in private and public sectors and interpersonal relationships.

Transparency International Lithuania (TI Lithuania) is an active member of the global Transparency International Movement with more than 19 years of activity. TI Lithuania promotes integrity and educates others about the damage of corruption and benefits of transparency. It seeks the involvement of Lithuanian citizens and public leaders to fight corruption and develop transparency in Lithuania.

Open Knowledge Sweden is a national chapter of the Open Knowledge Foundation and works with the community in the areas of open knowledge and open data. It is one of the few organisations in Sweden active in the field of civic tech and transparency.

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Executive Summary

Political corruption seems to be an ongoing problem in the Nordic region. While the Baltic countries have registered no significant breakthrough in the area in recent years and trust in the political system is still low, a number of cases of gross conflict of interest and abuse of power in Denmark, Finland and Sweden have shown that they are not immune to the problem and raised concerns about the real extent of the relationship between business and politics in these countries.

At the same time, open government data – data that is available free of charge, in machine-readable format and without legal restrictions to its reuse – has emerged across the world as a potential tool to foster political integrity through swifter access to information and enhanced investigative capacity. Though there is an increasing need to better assess the benefits of open data release for anti-corruption, there is also emerging evidence in Europe and around the world of increased accountability.

This report seeks to understand to what extent seven countries in the Nordic region (Latvia, Lithuania, Estonia, Denmark, Norway, Finland and Sweden) have harnessed open data to foster political integrity across five policy areas – namely lobbying, political financing, interest and asset disclosure, public procurement and beneficial ownership. Comprehensive regulation, transparency and data openness in these areas is essential to tackle undue influence in law-making and illicit enrichment.

For each area, we assessed the most recent legislative measures, the availability and minimum quality standards of datasets, the main barriers to data release and reuse as well as emerging best practices. In addition, we sought to understand the impact of the Open Government Partnership – an international platform where public officials and civil society work together to implement open government reforms – on data disclosure across the areas as well as opportunities for cross-border cooperation.

Key Findings

Our report shows that most of the essential government data for political integrity in the seven countries is not open. Out of 24 datasets across the five areas, only 7 of them have minimum required open data standards. This makes it hard to obtain a comprehensive picture of the links between business and politics across the region and might limit countries' capacity to prevent political corruption and spot inequalities in the political decision-making process.

- **Lobbying** is an area of major concern, as it remains unregulated in all countries except Lithuania, where the existing lobbying register is not available in open format and does not provide comprehensive information. While the Finnish government has recently pledged to create a register, attempts to introduce regulation in Latvia and Estonia have not led to concrete results. In Denmark, Norway and Sweden the issue has received limited attention in government agendas.
- **Political financing** seems to be the most promising area. Estonia, Finland, Lithuania and Norway all have open datasets with information on identity of donors and amount of donations. Latvia also has a dataset with comprehensive information, but this is not available in machine-readable format. The situation looks worse in Sweden and Denmark, where existing datasets only include aggregate amounts on revenues from parties' annual reports, with no details of private donors.

- Most data on **MPs' interest and asset declarations, despite being publicly available**, is not in a user-friendly format. In Latvia and Lithuania's databases allow only for searches on individual public officials. In Estonia, access is granted only to holders of an Estonian ID card. Finland, Norway and Denmark have published data on their Parliament's websites, but this is not machine-readable. In Sweden, the dataset is not available to the public and accessible only through a formal request to the Parliament.
- **Public procurement** is a promising area, where all governments have pledged to increase transparency and efficiency in the near future. Only Latvia and Estonia have managed to improve the quality of the data on tenders and awards and release it in open format. Registers in Lithuania and Nordic countries only provide information that is not machine-readable. In Sweden, there is no national public database for public procurement. Instead, there is a private market for the publication of tenders and awards.
- All countries, except Lithuania, have recently established **beneficial ownership registers**, but there is still considerable variation in data disclosure. Denmark is the only country in the region, and one of the few globally, that has opened up the register. Latvia and Norway will implement the same measure in the next two years. In Estonia and Sweden, the data is behind paywalls, while in Finland it is only accessible to those with legitimate interest.

Table 1 – Overview of Political Integrity datasets in the Nordic Region

Country/Data	Lobbying	Political financing	Interest and asset decl.	Public Procurement	Beneficial ownership
Estonia	●	●	●	●	●
Latvia	●	●	●	●	●
Lithuania	●	●	●	●	●
Denmark	●	●	●	●	●
Finland	●	●	●	●	●
Norway	●	●	●	●	●
Sweden	●	●	●	●	●

● The dataset is publicly available as open data

● The dataset is not machine-readable / lacks essential information / is behind paywalls / requires identification

● The dataset does not exist or is not available to the public

Open Government Partnership (OGP)

Our report also found that, overall, the OGP process had a limited impact on data disclosure in the areas under study. While most of the commitments have not been ambitious, others failed to achieve the expected impact. Denmark and Sweden had no commitments in any of the policy areas assessed in this study. Due to the low perceptions of corruption, these countries have focused more on the establishment of systems for the general provision of open data rather than fostering public accountability.

- **OGP commitments on lobbying in Latvia, Estonia and Finland** did not lead to concrete policy changes. While in Latvia and Finland they focused on the potential impact of regulation, in Estonia an attempt to amend the Code of Rules in the Parliament was voted down. More recently, Finland has committed to create a lobbying register as part of its 4th OGP National Action Plan, partly on the basis of the assessment carried out previously.
- **OGP commitments on political financing in Latvia and Lithuania** also did not translate in improved data disclosure. In Latvia, a commitment in the 2nd Action Plan (2015-2017) helped strengthen legislation on monitoring and sanctioning of illicit campaign finance. In Lithuania, a commitment to create a web platform for monitoring political donations in the elections was not completed due to lack of funding and technical capability. The data was later published in open data format outside the OGP framework.
- **OGP commitments on interest and asset declarations' disclosure in Estonia and Latvia** in their first Action Plans (2012) were helpful to lay down the bases for the existing frameworks, which, as we have seen above, do not provide for data in open format. Apart from that, none of the countries in this study had commitments to improve disclosure in this area.
- **OGP commitments on public procurement in Latvia, Finland and Norway** have been more ambitious compared to other areas. In Latvia, the process resulted in the development of the public procurement portal with open data on tenders and awards and the establishment of a subsystem for publishing awarded contracts. In Finland, the OGP commitment translated in the opening up of government spending data and the creation of a visualisation platform. Norway has recently committed to create a centralised and open register containing information on all phases of the public procurement cycle.
- **OGP commitments on beneficial ownership in Latvia and Norway** were important for transposing EU Directives and laying down the legal and technical bases for the future implementation of open registers. While Latvia is soon expected to open up the register as part of the government's anti-money laundering policy, Norway has committed in its 4th Action Plan to implement a similar measure.

Key Recommendations

The findings of this report indicate the need for Baltic and Nordic governments to re-think their approach to data disclosure around political integrity. As long as datasets are closed, it is going to be difficult for oversight institutions, law enforcement media, civil society, researchers and international observers, to get reliable insights on the nature and extent of the links between business and politics in these countries. It also makes it more difficult to spot potential inequalities in stakeholder groups' access to policy-makers.

As such, we call on governments to aim for a better integration of open data in their strategies, policies and practices for addressing political integrity, through the establishment of data governance frameworks in the areas assessed in this study. Such frameworks should include mechanisms for assessing data demand and supply, prioritise data disclosure and favour co-creation with potential users. In particular, governments should:

- 1. Complement their existing legislative frameworks on political integrity with comprehensive regulation on lobbying**, including a comprehensive definition of lobbyists and lobbying acts, an open register with information on lobbyists and their activities, and a body tasked with enforcing the law and monitoring risks.
- 2. Improve the quality of data on political financing, ensuring that these datasets are interoperable with other important registers (i.e. company and public procurement) at the national and regional level.** Given the absence of regulation on lobbying, transparency of political financing data becomes even more important to monitor the influence of private money on politics and detect individuals and companies that are paying to get political access or spot collusion in the allocation of procurement contracts.
- 3. Provide information on MPs and top-level officials' interest and asset disclosures as open data.** This data is fundamental to spot conflict of interest and illicit enrichment by politicians. Some of the most prominent recent scandals in the region might have been prevented if it was available. In addition, countries should ensure that monitoring institutions have adequate resources, capacity and independence to verify the accuracy of declaration and enforce sanctions.
- 4. Increase the quality and interoperability of data on public procurement and beneficial ownership**, by implementing international standards for their collection and publication such as the Open Contracting Data Standard and the Beneficial Ownership Data Standard. This will not only make it easier to compare data across countries but will also contribute to the improvement of the business climate across the region.
- 5. Maximise the potential of the OGP Platform for innovation and allocate adequate resources to the OGP implementation process at the national and regional level.** This report shows that there is great potential for peer-learning as well as a number of challenges that could be solved through further dialogue and cooperation within the platform, including lack of technical capacity, tensions between open data and privacy, sustainability of existing data systems and impact monitoring.

Note on Methodology

The overarching goal of this study is to explore to what extent governments and parliaments in seven Nordic and Baltic countries (Latvia, Lithuania, Estonia, Denmark, Finland, Norway and Sweden) have harnessed open data to improve their policies on political integrity. In specific, it seeks to answer the following questions:

- What are the current perceptions and main risks with regard to political corruption in Baltic and Nordic countries? What are the main policies in place?
- What is the current data supply of political corruption-related data? What are the main challenges and barriers to data disclosure? Are there any good examples of data publication and reuse from civil society and other stakeholders in the public and private sector?
- To what extent has the Open Government Partnership played a role in the disclosure of relevant datasets in the Nordic and Baltic countries?
- What actions could be taken to improve the situation? Are there best practices that can be transferred from one country to another?

The bulk of this research was carried out through desk research and review of relevant policy and legislation, with a focus on frameworks in place for Members of the Parliament. In addition, partners have carried out explorative surveys, multi-stakeholder meetings and interviews with experts. Furthermore, a regional workshop was organized in Riga with regional partners to discuss the findings. Information from all these activities, when relevant, was integrated into the final manuscript.

Concerning the “supply” of anti-corruption data, we looked into existence and quality of datasets related to lobbying, political financing, MPs’ interest and asset disclosures, public procurement tenders and awards and beneficial ownership. The quality of such datasets was assessed according to the following criteria, in line with Open Knowledge’s Open Definition and methodology developed by Transparency International:

Availability – The dataset is publicly available online in any form.

Timeliness – The dataset is timely and updated in respect to the law.

Granularity – The dataset contains information at the finest level available, without data aggregations.

Format – The dataset is available in machine-readable format and downloadable in bulk.

Openness/Accessibility – The dataset is free of charge, does not require registration, nor it presents restrictions to its reuse.

The first part will provide an introduction on the topics of political integrity, political corruption and open data, as well as an overview of these topics in relation to the Nordic Region. The second part will focus on the analysis of policies and data disclosure in the five key areas outlined above (lobbying, conflict of interest/financial disclosure, political financing, public procurement and beneficial ownership). In the last section, we will outline some general conclusions and provide recommendations for further improvement.

Part 1 – Overview

Political integrity and political corruption

A fundamental element of democratic institutions is the social contract between voters and elected representatives. When politicians are entrusted with power by citizens, they are expected to act in the interest of the general public rather than serve private interests. This is the essence of political integrity. Yet, a wide and increasing number of people in Europe perceives that the situation is going in the opposite direction, and that the real extent of political corruption has increased.¹

Political corruption is the manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision-makers who abuse their position for private gains (i.e. sustaining their power, status and wealth).² If not prevented, it might have a hugely detrimental impact upon public perceptions of the legitimacy of political institutions and weaken the democratic system as a whole.³

Political corruption is usually facilitated by a system of secrecy and weak accountability over political actors and processes, and the way in which it might manifest itself is inherently dependent on the political, social and institutional context of a specific country.⁴ Although there is no one-size-fits-all approach, measures taken by governments to tackle the problem generally involve addressing the following risk areas through regulation and transparency:

Undue private influence on decision-making. This refers to illegal acts committed by private actors to win illegitimate influence on political actors within the decision-making process.⁵ Important measures for mitigating risks in this area include:

- **Lobbying transparency regulation** – Regulation and transparency of the interactions between interest groups and top-level political decision-makers is important to prevent that few groups with considerable financial resources get privileged access to decision-makers in comparison to civil society and other stakeholders.⁶
- **Political financing** – Transparency and clear rules about private donations to political parties, can help prevent powerful donors to win illegitimate influence the political agenda according to their special interest. Rules should include bans on anonymous and foreign donors, limits to the amount of donations, adequate public funding and an independent oversight body investigating potential offenses.⁷

¹ European Parliament (2017), 'Corruption in the European Union: Prevalence of Corruption and Anti-Corruption Efforts in Selected EU Member States', [http://www.europarl.europa.eu/RegData/etudes/STUD/2017/608687/EPRS_STU\(2017\)608687_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2017/608687/EPRS_STU(2017)608687_EN.pdf)

² https://www.transparency.org/glossary/term/political_corruption

³ Transparency International (2016), 'What works to curb political corruption? A Review of the Evidence Base', https://www.transparency.org/files/content/corruptionqas/What_works_in_political_corruption_formated_final.pdf

⁴ Amundsen I. (1999), 'Political Corruption: An Introduction to the Issues', Bergen: Chr. Michelsen Institute, Working Paper 1999:7, <https://www.cmi.no/publications/file/1040-political-corruption.pdf>

⁵ Transparency International (2012), 'Money, Politics, Power: Corruption Risks in Europe'

⁶ Transparency International (2014), 'Political Corruption – Topic Guide'

⁷ Transparency International (2012), 'Money, Politics, Power: Corruption Risks in Europe'

Illicit enrichment. Refers to those situations in which political decision-makers abuse their position and/or power and discretion over state decisions to illicitly enrich themselves.⁸ Key regulation areas in this regard include:

- **Conflict of interest rules and asset disclosure** – binding regulation on conflict of interest helps ensure that political decisions are driven by the public rather than private interest, comprehensive regimes for the disclosure of officials’ private interests and asset are key to detect potential illicit enrichment.⁹
- **Open contracting** – Politicians may have economic interests, including prospects of future employment, in a bidding company, or may ask companies to donate to their political parties in exchange for rich public procurement contracts.¹⁰ As such, it is important that governments ensure transparency and open access to information related to the entire public procurement cycle.¹¹
- **Beneficial ownership transparency** – Anonymous shell companies have been a key instrument in hiding, moving and laundering the illicit proceeds of political corruption. To prevent the misuse of corporate entities for such purposes, governments must ensure that information on beneficial owners (the natural persons who ultimately own or control companies), is comprehensive and accessible to the public.¹²

According to the European Parliament Think Tank, the recent populist backlash against traditional political systems in much of the EU indicates the need for governments to show that public policy is carried out without interference from vested interests.¹³ Ensuring that the channels of influence into government are transparent and equitable has become a political imperative to restore the public’s decreasing trust in the government. Transparency about those channels is also part of this effort.

Why open data is important to tackle political corruption

Political corruption is a complex crime, often involving a series of actions and agreements between networks of individuals and organisations to subvert government processes, influence or manipulate policies, extract rents and hide the proceeds of their crimes.¹⁴ While it is important that countries have comprehensive regulations to prevent the occurrence of such crimes, the availability and accessibility of government data is fundamental for their investigation.

⁸ Transparency International (2015), ‘Public Sector Integrity – Topic Guide’,

https://knowledgehub.transparency.org/assets/uploads/kproducts/Public_Sector_Ethics_Topic_Guide.pdf

⁹ Ibid.

¹⁰ Ibid.

¹¹ Transparency International (2018), ‘Recommendations on Open Contracting for Open Government Partnership National Action Plans’,

http://files.transparency.org/content/download/2313/14274/file/2018_Policy%20Paper_Open%20Contracting%20OGP_English.pdf

¹² Transparency International (2018), ‘Recommendations on Beneficial Ownership Transparency for Open Government Partnership Action Plans’,

http://files.transparency.org/content/download/2312/14270/file/2018_Policy%20Paper_Beneficial%20Ownership%20OGP_English.pdf

¹³ European Parliament Think Tank, *Regulating lobbying in Canada*, 2017,

[www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI\(2017\)603896](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2017)603896)

¹⁴ Open Data Charter (2018), ‘Open Up Guide: Using Open Data to Combat Corruption’, <https://open-data-charter.gitbook.io/open-up-guide-using-open-data-to-combat-corruption/>

In recent years, with the rise of digital technologies and big data analytics, a number of governments and international bodies such as the OECD, the United Nations, the World Bank have recognised that the provision of open data might be an added-value in anti-corruption policies.¹⁵ Open data is digital data that is made available by the government in machine-readable format and with legal characteristics necessary for it to be freely used, reused, and redistributed by anyone, anytime, anywhere.¹⁶ It presents three main features¹⁷:

- **Open access** – everyone can obtain the data without being discriminated against for any reason. This includes absence of paywalls to get the data as well as no obligation to register.
- **Machine-readable format** – the data is accessible in bulk and structured so that software applications can easily identify, recognise and extract specific data and their internal structure.
- **Free of charge and reuse** – everyone can use, reuse, mix, or redistribute the data without bureaucratic obstacles, such as paywalls, ID registration or licensing restrictions.

The potential value of open data for anti-corruption has been formally recognised by the International Open Data Charter¹⁸, whose Anti-Corruption Guide¹⁹ offers a useful schematisation on how access to and use of government information and data can be helpful throughout the anti-corruption cycle of prevention, detection, investigation and sanction (see Table below).

Table 2 – Uses of access to information and civic monitoring for anti-corruption	
Anti-corruption cycle stage	Main data use
Prevention	Strategic disclosure of anti-corruption-related data and identification of potential corruption risks.
Detection	Generation of alerts about corruption, identification and exposure of corruption networks, increased public understanding of a corruption scheme and social demand for investigation, sanction, or policy reform
Investigation	Gathering of evidence about a corruption network, its arrangement and schemes strengthening of prosecution process.
Enforcement	Evidence support to the recovery of stolen assets and/or enforcement of sanctions
<i>Source: Author elaboration from Open Data Charter (2018), 'Open Up Guide: Using Open Data to Combat Corruption'</i>	

¹⁵ Open Data Charter (2018), 'Open Up Guide: Using Open Data to Combat Corruption'

¹⁶ <https://opendefinition.org/>

¹⁷ Izdebski K. (2015), 'Transparency and Open Data Principles: Why They Are Important and How They Increase Public Participation and Tackle Corruption' <https://transparencee.org/wp-content/uploads/2015/12/open-data-principles-by-krzysztof-izdebski.pdf>

¹⁸ The International Open Data Charter is a collaboration format founded in 2015 and supported by seventeen governments of countries, states and cities. The aim of the initiative is to encourage countries to release public data according to six principles encompassing not only the three main characteristics of open data outlined above, but also broader objectives of inclusion and innovation. <https://opendatacharter.net/>

¹⁹ <https://opendatacharter.net/4881-2/>

For each of the key policy areas outlined above, there is at least one or more corresponding datasets that come with it (see table below), each with its own anti-corruption value. Existence, public availability, comprehensiveness and quality of such datasets often depend on provisions set out in the law as well as practices of data management in the public sector.

Table 3 – Datasets and anti-corruption value by policy area

Area	Dataset	Anti-corruption value
Lobbying	Lobbying register including information on lobbyists and their interactions with politicians and other policy-makers.	Can show which individuals or companies are trying to influence government decisions and allows to identify potential inequality in the policy-making process in relation to financial resources.
Political financing	Database of donations to political parties, including information on amounts of individual donations and identity of donors.	Can expose individuals or companies who are paying for political access or exchanging political contributions for favours in the allocation of resources.
Conflict of interest and illicit enrichment	Register of MPs’ private interest and asset disclosures, including information on positions and shares, in private firms, outside income, assets, liabilities.	May reveal whether a politician or official has a conflict of interest and aids the prevention, detection and prosecution of illicit enrichment by comparing data with previous declarations or other registers.
Public procurement	Register of public procurement tenders and awards, including data on the procedure followed to award a public procurement contract.	Can help identify conflict of interest and suspicious patterns such as over-bidding or collusion between different contractors.
Beneficial ownership	Beneficial ownership register, including name, surname and number of shares of a person in a legal entity.	Can help investigators identify potential laundering or hiding of proceeds of corruption through complex corporate structures.

Source: Author elaboration from Open Data Charter (2018), ‘Open Up Guide: Using Open Data to Combat Corruption’

There is a clear rationale for ensuring that the datasets above are easily available to public officials and actors in the media, civil society and the private sector. Free and unrestricted access is an imperative for investigative authorities to quickly gather information to investigate cases without having to wait, pay, or request information. Such obstacles may delay the investigations or increase their costs. At times, they might even tip-off the investigated person or put the investigator itself in the spotlight.

For datasets to achieve their anti-corruption potential, it is also necessary that they are technically comparable and interoperable, in other words that they can “talk” to each other, both within and across different countries. This makes it possible to cross-reference information contained in different datasets

and establish connections between individuals (i.e. politicians, top officials, lobbyists) and specific actions (i.e. political donations, public contracts).

Furthermore, in today's globalised world where corruption often assumes a cross-border dimension, it is important that countries develop common standard on how they release data. This can be achieved through the implementation of open data standards – frameworks for how data should be collected and published to meet minimum quality requirements, including how to describe individuals and organisations or register for specific events or transactions.²⁰

In recent years there has been a proliferation of multilateral initiatives for the implementation of open data standards related to anti-corruption datasets outlined above. Some of the most popular open data standards include, for example, the Open Contracting Data Standard for public procurement data²¹, the Beneficial Ownership Data Standard for beneficial ownership registers²² and the Popolo standard for data about democratic organisations and their decision-making processes.²³

Understanding the dynamics of anti-corruption data, structuring and publishing it in open formats are important initial tasks to enable its use to fight political corruption. However, a growing body of research has demonstrated that disclosure alone is not enough. For initiatives to achieve real impact, they should be directed to solving a specific problem and be preceded by a thorough analysis of data demand and potential users.²⁴

While raw data as such is most likely to attract a quite small segment of the population, further actions and investments in capacity building for data analysis directed at public officials, journalists, civil society can increase the chances to have an impact. This might include not only data literacy and awareness programmes, but also a comprehensive assessment of the main barriers to both data disclosure and reuse. This would help foster mutual understanding between data publishers and users.

The Open Government Partnership (OGP) - an international platform for domestic reformers committed to making their government more open, accountable and responsive to citizens - has been an important driver of open data initiatives globally. Since its foundation in 2011, it has grown from 8 to over 79 participating countries, where public officials and civil society are working together to develop and implement open government reforms through bi-annual national action plans.²⁵

The collaborative nature of the OGP makes it an ideal forum for countries to commit to policies that tackle corruption through the use of open data. Through the partnership, members can debate and coordinate global solutions, develop common standards and exchange best practices. In implementing reforms, countries can also benefit from OGP's formal timelines and accountability mechanisms, as well as technical support.

The fact that the initiative has grown quickly over few years is encouraging. However, as pointed out by a recent analysis, such popularity and rapid growth, may open up to risk of being accused of “open

²⁰ *ibid.* For a detailed list of open data standards for anti-corruption, see Open Data Charter (2018), 'Open Up Guide: Using Open Data to Combat Corruption'

²¹ <https://transparencee.org/analysis/data-standard-for-public-procurement-open-contracting/>

²² <https://www.openownership.org/what-we-do/the-beneficial-ownership-data-standard/>

²³ <https://transparencee.org/analysis/data-standards-popolo/>

²⁴ Segato L. (2015), *Revolution delayed: The impact of open data on the fight against corruption*. Torino: Research Centre on Security and Crime, <https://www.transparency.it/wp-content/uploads/2015/09/2015-TACOD-REPORT.pdf>

²⁵ <https://www.opengovpartnership.org/about/>

washing”, when governments claim to have opened up data without really doing so. With a growing emphasis on open data commitments among its participating countries, OGP’s credibility and goals could be jeopardized if such commitments fail to achieve impact.²⁶

Political integrity in the Nordic region

The Baltic countries have often been seen as the most successful countries in Europe to have managed the transition to democracy after the demise of the Soviet Union.²⁷ However, evidence of close links between business and politics and the frequent occurrence of high-end corruption episodes have fuelled a widespread perception of lack of political integrity as well as low trust in political parties, national parliaments and national governments.

The Nordic countries, on the other hand, have for a long time been considered among the least corrupt societies in the world, characterized by openness and transparency in government administration and a high citizen trust in the political system. A recent report from the Nordic Council of Ministers shows that even though trust in political institutions has slightly declined in these countries in the last decade, the negative trend observed in the rest of Europe does not apply to the Nordic Region.²⁸

What do people in Baltic and Nordic countries think about corruption?

The described gap is reflected in Transparency International’s Corruption Perception Index from 2018. Denmark, Finland, Norway and Sweden are in the top ten, with Estonia following closely (18th). Lithuania and Latvia lie lower in the rank (respectively 38th and 41th).²⁹ Yet, a closer look to index results in the past 4 years show that while the score has remained roughly the same in Baltic countries, it has decreased in all Nordic countries.

Eurobarometer surveys on corruption offer interesting insights and statistics concerning the link between business and politics in Nordic EU Member States. According to the Special Eurobarometer survey 470 (2017), a large proportion of respondents in all countries agree or tend to agree with the statement that too close links between business and politics lead to corruption in their own country.³⁰ This ranges from 87% in Lithuania to 46% in Denmark, against an average of 79% for the EU as a whole (see Chart 1).

The Flash Eurobarometer 457 (2017), which focuses on businesses’ perception of corruption, shows that, with the exception of Sweden, the funding of political parties in exchange for public contracts is by far the corruption practice perceived to be the most widespread while doing business in Nordic and Baltic countries (see Chart 2).³¹ At the same time, the Standard Eurobarometer 90 (2017) shows that, in all six countries, less than 50% of respondents tend to trust political parties.³²

²⁶ Khan S. & Foti J. (2017), ‘Aligning supply and demand for better governance: Open Data in the Open Government Partnership’, OGP Independent Reporting Mechanism, <http://live-ogp.pantheonsite.io/sites/default/files/IRMReport-OpenData.pdf>

²⁷ Freedom House (2018), *Nations in Transit: Confronting Illiberalism*, <https://freedomhouse.org/report/nations-transit/nations-transit-2018>

²⁸ <https://www.norden.org/en/nyhed/dont-worry-be-happy-state-democracy-nordic-countries>

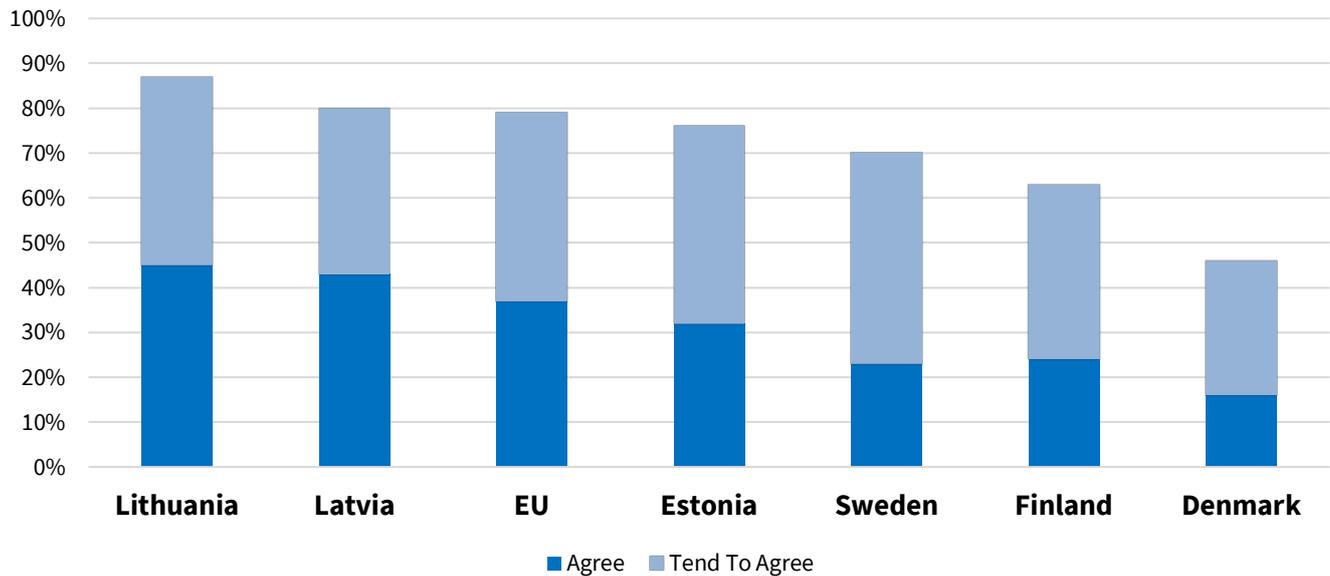
²⁹ <https://www.transparency.org/cpi2018>

³⁰ <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/index#p=1&instruments=SPECIAL>

³¹ <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/index#p=1&instruments=FLASH>

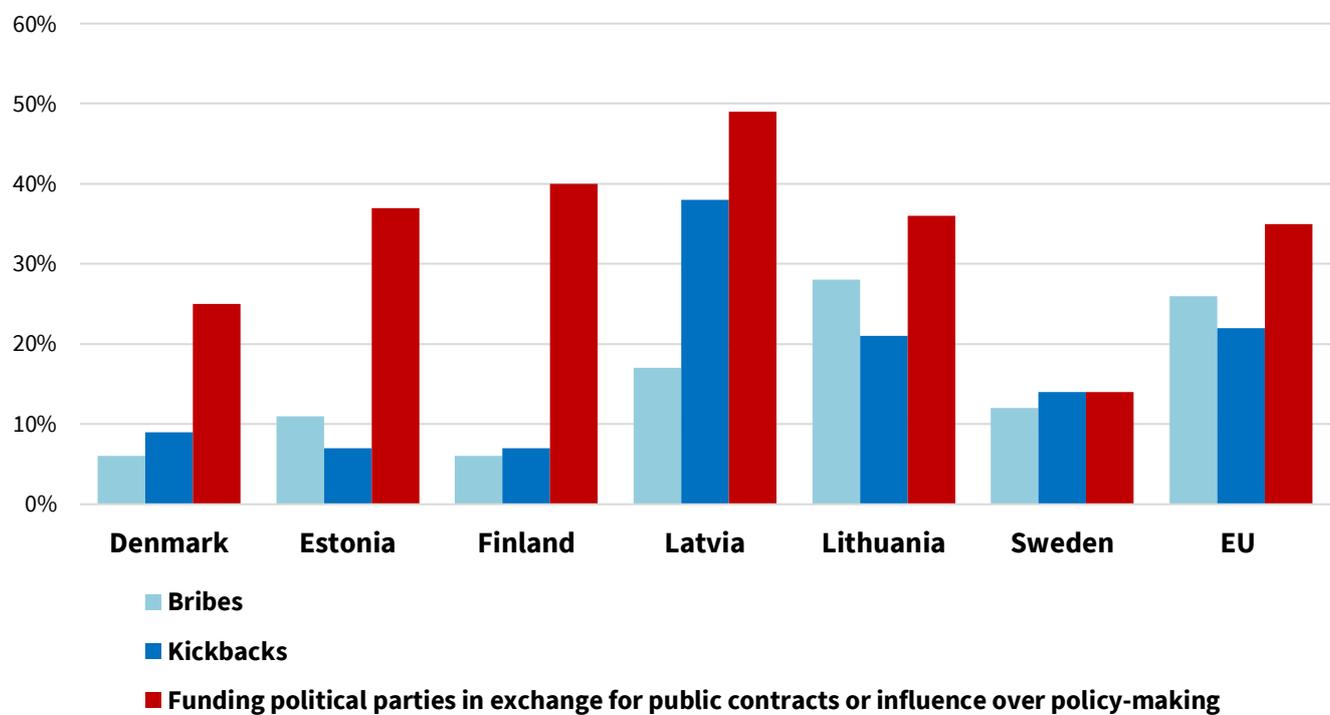
³² <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/Survey/index#p=1&instruments=STANDARD>

Chart 1 - Do you agree that too close links between business and politics in your country lead to corruption?



Source: Author's elaboration from European Commission (2017), Special Eurobarometer 470, Corruption

Chart 2 - Which of the following corruption practices do you consider to be the most widespread in your country?



Source: Author's elaboration from European Commission (2017), Special Eurobarometer 457, Business and corruption

While the actual occurrence of high-end corruption cases has generally been more common in Baltic countries and considered much rarer in Nordic countries, a wave of scandals in recent years have shown that they are not immune to episodes of gross conflict of interest, skewed decision-making, illicit enrichment and money laundering. These have raised concerns in the media and civil society over whether these countries have a corruption perception problem.

In Sweden, for example multiple scandals have emerged surrounding the construction of a new hospital in the county of Stockholm, in which huge fees were paid out to a consultancy firm jointly owned by the key decision-maker in the city council and her husband, who was at the time the procurement manager of the hospital.³³ Other cases have seen the Swedish National Audit Office (Riksrevisionen) and the Tax Agency (Skatterverket), facing claims of cronyism.³⁴

In Denmark, in 2016, nearly forty public officials working in IT departments were charged for accepting gifts of electronic devices from the IT firm Atea, later prosecuted for bribery and embezzlement.³⁵ In Finland, the former head of Helsinki's anti-drug police unit was found guilty of abuse of office, aggravated fraud and passive bribery in relation to the purchase of equipment and software on behalf of the Helsinki police department from a company in which he was an investor with decision-making powers.³⁶

Furthermore, in 2018 and 2019, two Nordic banks, Danske Bank and Swedbank have faced serious allegations for laundering over €200bn of suspicious and illicit financial flows from Russia and other countries in the post-Soviet space through their branches in Estonia. While most of the illicit transaction are believed to have taken place during 2007-2015, some of these money laundering schemes have been labelled 'laundromats', because of the systematic way in which they worked.³⁷

Differences in corruption perception and actual occurrence of corruption episodes are partly reflected in the general approach to anti-corruption adopted among countries in the region. In Baltic countries, corruption has often been at the top of the political agenda. As a result, all of them have developed comprehensive legislative frameworks to prevent corruption, following recommendations from GRECO and other international bodies.

In the Nordic countries, on the other hand, corruption is seen less as a problem by policy-makers, and as a consequence it has not been a priority in the political agenda of these countries. While Denmark and Sweden have tended to have few formal anti-corruption rules, but a strong practice of integrity, Finland and Norway have been more consistent in introducing anti-corruption norms and rules recommended of international bodies and watchdogs.³⁸

The increase in the perceived levels of corruption in the Nordic region, and investigations of high-level corruption episodes demonstrate that more efforts are needed to prevent political corruption and shed a light on the broader links between business and politics in the region. The strategic disclosure of open data might help in this endeavour, as it would not only allow for better public scrutiny from media and civil society, but also for easier information exchange between law enforcement authorities.

³³ <https://www.aftonbladet.se/ledare/a/On7AXV/bilden-av-moderat-vanskapskorruption>

³⁴ (1) <https://www.dn.se/nyheter/sverige/i-sverige-a-vi-genomruttna-pa-att-utkrava-ansvar/> (2) <https://www.thelocal.se/20160915/crisis-at-swedens-state-watchdog-claims-third-resignation>

³⁵ <https://www.ganintegrity.com/portal/country-profiles/denmark/>

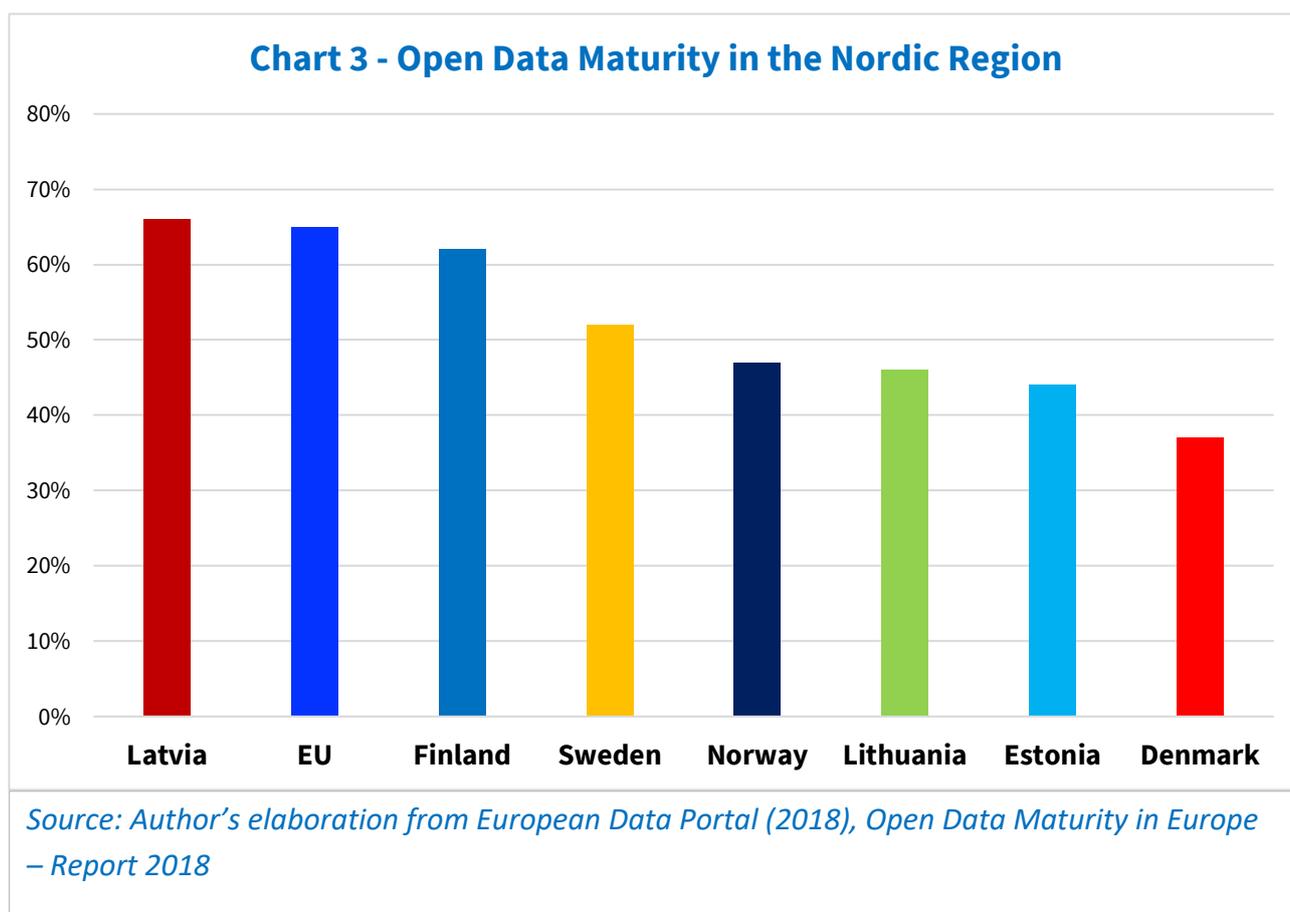
³⁶ https://yle.fi/uutiset/osasto/news/ex-cop_aarnio_gets_prison_sentence_in_first_corruption_verdict/8037619

³⁷ <https://www.ft.com/content/c10076e2-d920-11e9-8f9b-77216ebe1f17>

³⁸ Ibid.

Open Data in the Nordic Region

When it comes to open data, the situation appears more varied. According to the report “Open Data Maturity in Europe 2018”, the Nordic and Baltic countries, with the exception of Latvia and Finland, are lagging behind European peers on the provision and implementation of open data policies.³⁹ This is partly explained by the lack of strategic vision in the disclosure of open data, as well as absence of mechanisms for monitoring and measuring the impact of disclosed data.⁴⁰



Other Indexes focused on open data, such as the OECD OURData Index⁴¹ and Open Knowledge's Global Open Data Index⁴² show a similar pattern. Although one should not rely too much on these indexes, their findings indicate that there is scope for improvement in open data maturity. However, to ensure that further measures and investments in this area have an impact, governments should take into account the expectations and needs of data users.

³⁹ https://www.europeandataportal.eu/sites/default/files/edp_landscaping_insight_report_n4_2018.pdf

⁴⁰ For more information about individual countries, see <https://www.europeandataportal.eu/en/dashboard#tab-detailed>

⁴¹ https://www.oecd-ilibrary.org/governance/oecd-2017-ourdata-index_2807d3c8-en

⁴² <https://index.okfn.org/place/>

Exploring anti-corruption data demand in the Nordic Region

Transparency International's in-depth National Integrity Systems Assessments (NISAs) in Baltic and Nordic countries (all carried out between 2011-2012) provide some background information on the anti-corruption role and capacity of different actors at the national level.⁴³ Although the reports are not so recent, they are useful to identify some general patterns, and provide indications with regard to the potential for data reuse in the field of anti-corruption.

In Latvia and Lithuania, the creation of dedicated anti-corruption institutions has been a key factor, both in terms of policy and practice, in curbing corruption and reducing the influence of oligarchs. As such, it has often been under pressure of political influence. In Estonia, anti-corruption work was integrated in the duties of the Estonian Internal Security Service. In Nordic countries, due to the low priority of the issue, anti-corruption has mostly been left to police and other law enforcement authorities.

Media and investigative outlets have had a major role in uncovering corruption in the Baltic countries and shaping perceptions around the issue. However, reports often did not lead to prompt investigations or systemic change. In Nordic countries, the media have been effective watchdogs against corruption, and their investigations have often led to formal investigation. Among the main factors of success are the strong legal protections journalists can rely on when accessing public documents as well as the low tolerance for corrupt behaviours in the public administration.

Civil society has also been an important player in the anti-corruption debate in Baltic countries, though constant focus on public accountability has been usually domain of few small organisations, with sporadic engagement from civil society in general. In Nordic countries, the role of civil society for anti-corruption has been more marginal. This is partly due to the scarce relevance of the topic of anti-corruption in the national debate as well as lack of funding for long-term activities.

Though these are general trends and stakeholders in each country have their own specific role, it seems that the release of open data in strategic areas might have its benefits in terms of anti-corruption and public accountability more in general. The availability of datasets around organisations and individuals, public resources, laws and procedures might change the way in which these actors work at the national level, enhancing their anti-corruption role and cooperation among them.

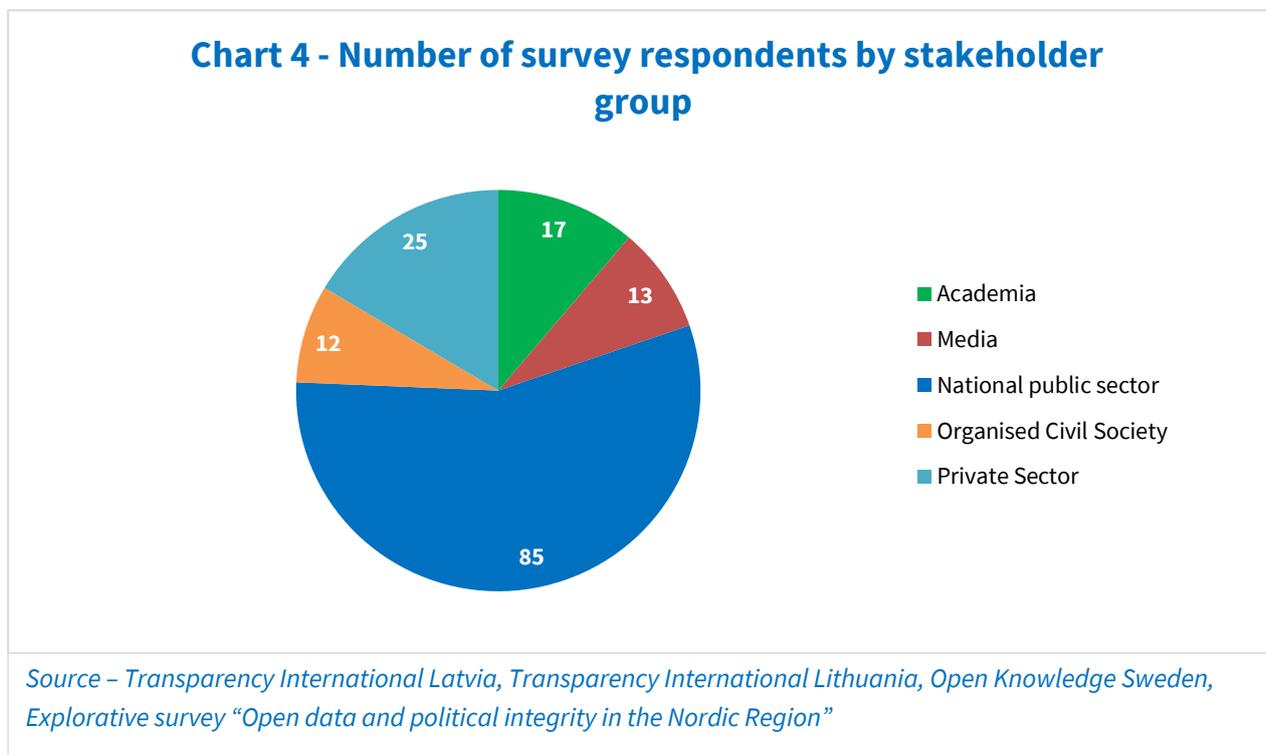
Explorative cross-country surveys

Recognising the importance of understanding the data needs of key stakeholders to maximise impact, TI Latvia, TI Lithuania, TI Estonia and Open Knowledge Sweden have administered explorative surveys among potential users in the region, including key ministries, public agencies, civil society organisations, academia, media and business. The main questions were related to data skills, satisfaction with government data availability and potential usefulness of the anti-corruption datasets assessed in this study.⁴⁴

⁴³ The information in this section is a summary of contents in country-specific National Integrity Systems Assessment reports by Transparency International. To retrieve executive summaries and reports for each country, please see <https://www.transparency.org/whatwedo/nis>

⁴⁴ The survey "Open Government Data and Political Integrity in the Nordic Region" was circulated online and through targeted emails in the month of September 2019. Detailed data can be retrieved by contacting Transparency International Latvia.

The surveys were answered by a total of 157 respondents across Latvia (50), Lithuania (54), Estonia (25), Sweden (16) and other countries (12). Over a half of respondents belong to the national public sector, with the rest equally distributed across other stakeholder groups. Around three quarter of respondents have used open government data at least once, the majority of them with a monthly frequency.

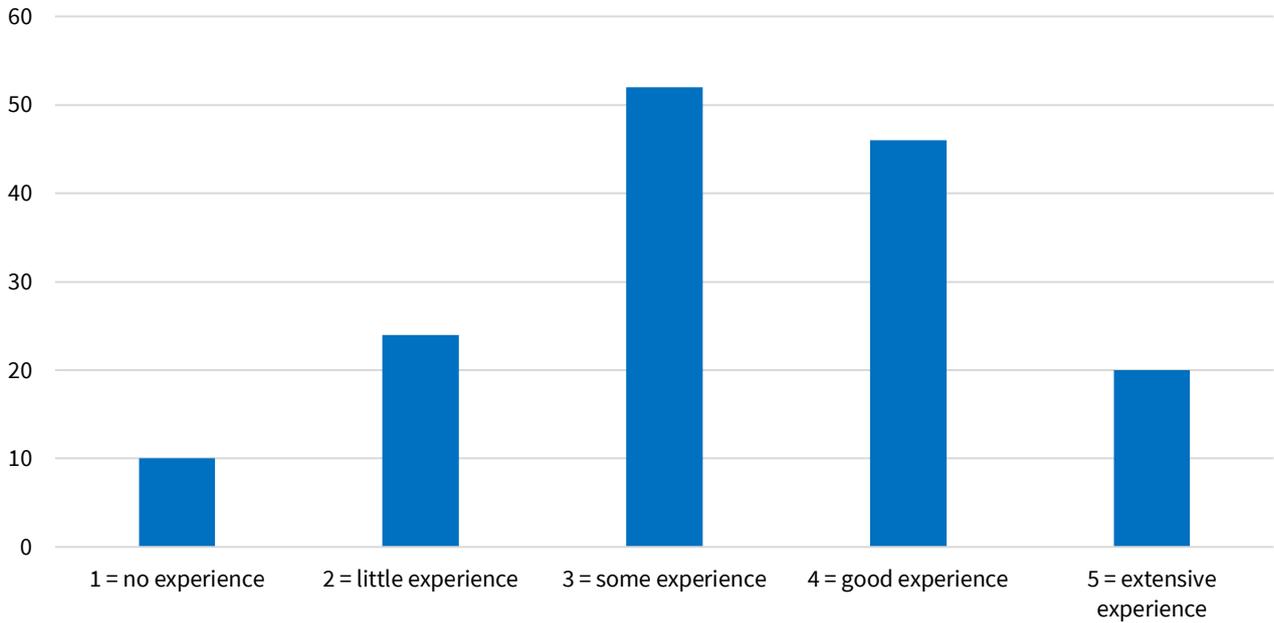


Overall, 4.3 respondents out of 10 indicated a good or extensive experience in data management skills, defined as the ability to identify, gather, clean and analyse raw data from different sources. We found no significant differences in data between stakeholder groups in the public sector and those in other sectors, indicating that there is good potential for data reuse across sectors among our target respondents.

When it comes to the general satisfaction with current government data availability, the surveys show an equal number of those who are satisfied or very satisfied and those that are not. However, a closer look at the data shows an opposite trend between respondents in the public sector and those in other sectors. This is not surprising, given that public officials often have a major level of access to government data. However, it also indicates that there is a need to investigate further the reasons for such gap.

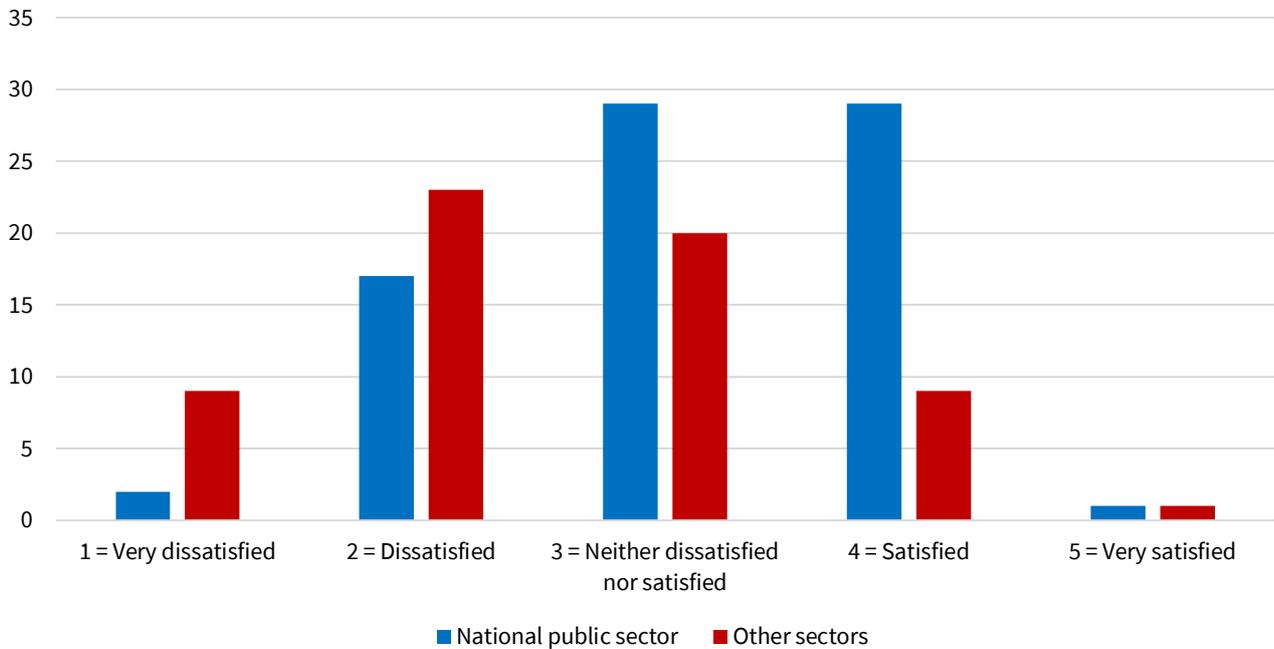
When asked about the usefulness of the specific anti-corruption-related data, as many as 135 respondents out of 157 indicated that public procurement data would be useful or very useful to their own work, followed by political financing (131), beneficial ownership (125), lobbying data (114) and Interest and asset declarations (110). The most popular response was to explore the data to find useful information, followed by using the data for statistical research and production of knowledge in general (articles, reports, blogs).

Chart 5 - On a scale from 1 to 5, how would you rate your level of experience in data management?



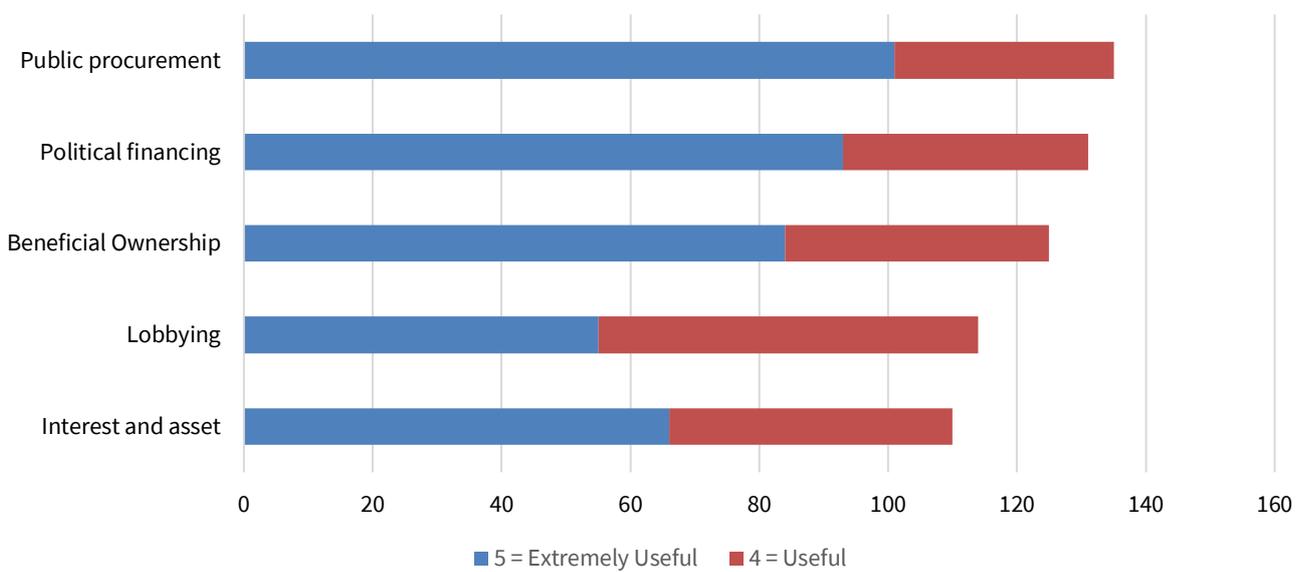
Source – Transparency International Latvia, Transparency International Lithuania, Open Knowledge Sweden, Explorative survey “Open data and political integrity in the Nordic Region”

Chart 6 - On a scale from 1 to 5, how satisfied are you with the current availability of government data?



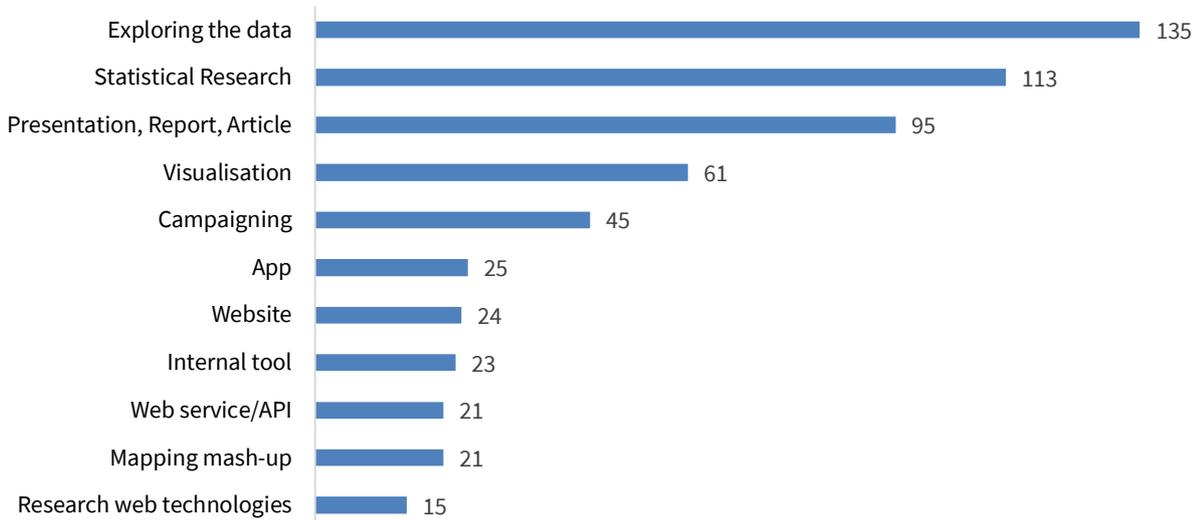
Source – Transparency International Latvia, Transparency International Lithuania, Open Knowledge Sweden, Explorative survey “Open data and political integrity in the Nordic Region”

Chart 7 - On a scale from 1 to 5, To what extent do you think the following government data would be useful to your work?



Source – Transparency International Latvia, Transparency International Lithuania, Open Knowledge Sweden, Explorative survey “Open data and political integrity in the Nordic Region”

Chart 8 - What use would you make, or think could be made, of the [above] datasets?



Source – Transparency International Latvia, Transparency International Lithuania, Open Knowledge Sweden, Explorative survey “Open data and political integrity in the Nordic Region”

Although these explorative surveys have their own limitations and should not be considered as representative of the broader population both in the private and public sector, they provide some useful insights on areas that deserve further investigation by governments on the most popular anti-corruption datasets and potential measures to enhance reuse and impact of their disclosure. This might also include co-creation initiatives within the Open Government Partnership.

Open Government Partnership and the Nordic+

Nordic and Baltic countries have been among the first globally to join the Open Government Partnership between 2011 and 2013. So far, all of them are either terminating implementation of the 3rd Action Plan or starting activities for the 4th.⁴⁵ However, political integrity has received different degrees of attention in national action plans, partly in line with the pattern observed above with regard to corruption perceptions and anti-corruption policies.

Latvia and Norway have had the major number of anti-corruption commitments. In the last two action plans, Latvia has had commitments on lobbying, political financing, public procurement and beneficial ownership. Norway has given particular emphasis to corporate transparency with a focus on extractive companies and in the latest action plan it has committed to increase beneficial ownership transparency and to fully digitalize the public procurement process.

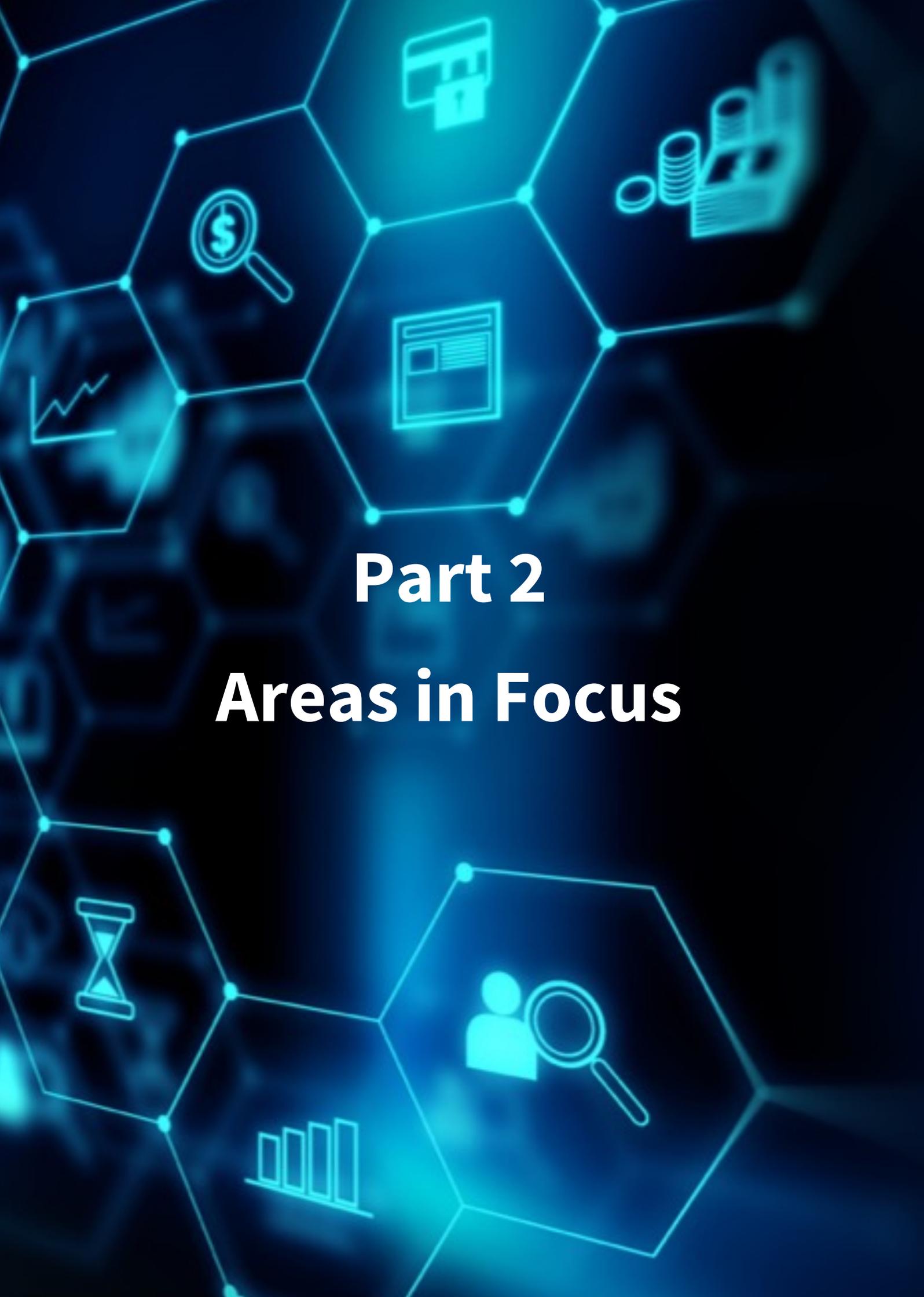
In comparison, Finland, Estonia and Lithuania have had less anti-corruption-focused commitments, and in most cases, they did not specifically aim at disclosing relevant data. While Finland and Estonia have focused on increasing the transparency of the decision-making process and government spending, Lithuania has focused more on the improvement of its open data policies and sought to open up data about political donations in elections.

Denmark and Sweden, on the other hand, have given far less attention to public accountability issues in the Open Government Partnership, rather focusing on broader goals of open data provision, increased transparency in foreign aid and participation in policy-making. While a number of commitments included improvement of Public Sector Information legislation and national open data portal, none of was explicitly focused on political integrity.

At first glance, it might seem that Nordic and Baltic countries might have not benefited from OGP's potential to strengthen their policy for political integrity through data disclosure. For this reason, there is a need to understand if it has really been so and why, and if something can be done about it. The Nordic+, an informal group of cooperation within the OGP established by the Nordic countries, Latvia, Estonia, and other regional partners might provide such a possibility.⁴⁶

⁴⁵ <https://www.opengovpartnership.org/our-members/>

⁴⁶ The other countries are the Netherlands, Germany and Scotland. Group meetings usually take place in close contact with the OGP, primarily through the European Office and the Nordic Embassy in Berlin, Norwegian Ministry of Local Government and Modernisation (2019), '4th Norwegian Action Plan Open Government Partnership', https://www.opengovpartnership.org/sites/default/files/Norway_Action-Plan_2019-2021_EN.pdf



Part 2

Areas in Focus

Lobbying

Lobbying, or interest group influence, encompasses any direct or indirect communication carried out by organised groups with public officials and political actors for the purposes of influencing public decision-making.⁴⁷ In principle, lobbying is an important element of the democratic process that allows stakeholders to participate in policy formulation. However, when not regulated, it might open up to risks of undue influence from powerful interests that have the financial means to hire resourceful professional lobbyists.⁴⁸

Nowadays, only a handful of countries regulate lobbying, and those who do often fail to cover the full spectrum of lobbying actors and activities. Such regulatory vacuum does not only fuel the widespread perception that all lobbying is bad or illegitimate, but it also increases the risk of political corruption in the form of undue influence, unfair competition and state capture.⁴⁹

Reforms towards lobbying transparency have become a political imperative to restore trust in the political system. Lobbying transparency helps politicians demonstrate that public policy is carried out in the public interest and not in that of few individuals and corporations. In a 2013 survey of circa 600 European parliamentarians and officials, 89% of respondents agreed that “ethical and transparent lobbying helps policy development.”⁵⁰

Internationally recognised standards on lobbying transparency include ensuring that there is a set of broad definitions that capture all those actors who engage in lobbying activities, all key lobbying targets and acts of lobbying. Legislation in this area should also ensure disclosure of sufficient information about lobbyists interactions with officials (date, location, purpose and beneficiaries), and that such disclosures are timely (quarterly basis) and accessible in open format through a single portal.⁵¹

A lobbying register with comprehensive information and in open format can be a very useful tool for the prevention and detection of potential conflicts of interest and corruption, as it can show which individuals and organisations are trying to influence law-makers’ decisions, especially when cross-referenced with political financing data. It also helps expose potential imbalances in resources of different interest groups and identify trends on accessibility to decision-makers in relation to financial resources.⁵²

Other standards with regard to participation and accountability include ensuring that different groups of stakeholders have a more equal access to policy-makers and give an independent institution the task to oversee the lobbying register, compliance with the law and potential infringements.⁵³

⁴⁷ Transparency International (2014), ‘Political Corruption – Topic Guide’

⁴⁸ Transparency International (2018), ‘Recommendations on Lobbying for Open Government Partnership National Action Plans’ http://files.transparency.org/content/download/2311/14266/file/2018_Policy%20Paper_Lobbying%20OGP_English.pdf

⁴⁹ *ibid.*

⁵⁰ Burson Marsteller (2013), *A Guide to Effective Lobbying in Europe: The View of Policy-makers*

⁵¹ Access Info Europe, Open Knowledge, Sunlight Foundation and Transparency International (2015), ‘International Standards for Lobbying Regulation’, lobbyingtransparency.pdf

⁵² <https://opendatacharter.net/4881-2/>

⁵³ *ibid.*

Ireland and Chile – Using the OGP to implement comprehensive regulation on lobbying

Ireland and Chile provide two examples of how the Open Government Partnership process can be used to implement comprehensive lobbying regulation and provide for effective follow-up implementation.

Ireland used its first national action plan to adopt its Regulation of Lobbying Act 2015. The law includes a broad definition of lobbying and provides for a mandatory public register, where lobbyist organisations must disclose details of their meetings and correspondence with officials, including policy area and piece of legislation lobbied for. Sanctions for non-compliance include fines up to €2,500 and prison sentences of up to two years.

Chile also used its 1st National Action Plan to adopt lobbying legislation. The law includes a legal definition of lobbying, lobbyists and public officials. It also mandates the creation of a public register for disclosing lobbyist interactions with government as well as fines for non-compliance. In the 2nd Action Plan, the government committed to creating complementary regulations, training lobbyists and officials on their new duties, and providing technical support to ensure the disclosure platform was operational.

Source: Transparency International (2018), 'Recommendations on Lobbying for Open Government Partnership National Action Plans'

Regional overview

The findings indicate that lobbying remains an area that is scarcely regulated across all countries under study. There is a substantial lack of regulation on parliamentary lobbying in the region. Lithuania is the only country that has introduced legislation and has a lobbying register. However, this is not available in open format. As reported by GRECO, there is still room for improvement on the interaction between lobbyists and MPs.

In Latvia and Estonia, there have been a number of attempts to introduce legislation, but they were not successful. In Nordic countries, despite increased awareness of the need for regulation in these areas, political will has been low and the debate less active. Finland is the only country that is currently planning to create a lobbying register, but the law raises concerns as it does not impose transparency obligations on policy-makers.

Latvia, Estonia and Finland had lobbying commitments in their OGP action plans, but these were not ambitious in terms of data disclosure and had a marginal impact. In Latvia and Finland, commitments were about assessing the impact of lobbying on policy-making in different sectors, but they have lacked clarity in terms of policy outputs. In Estonia, the commitment sought to amend the Code of Rules to cover lobbying interactions, but the proposal was rejected, and the commitment was not carried forward.

Table 4 – Lobbying information in the Nordic Region

Country	Regulation	Information
Estonia		-
Latvia		-
Lithuania		
Denmark		-
Finland		-
Norway		-
Sweden		-

Legend

-  Indicates that the country has within the regulatory framework the obligation to make publicly accessible the information in an online repository.
-  Indicates the country does not have in the regulatory framework the obligation to make publicly accessible the information in an online repository.
-  the number of stars corresponds to each of the open data criteria the information complies with according to our methodology (see p.8); e.g. no information = 0 stars; information which is publicly available online, timely, granular, in open format and accessible = 5 stars.

Lobbying transparency in the Baltic countries

The practice of lobbying in the Baltic countries has had a negative perception in the public eye due to frequent occurrence of corruption episodes exposing the close relations between business and public sector. According to recent in-depth reviews of the issue by Transparency International, the main risks come from informal or “shadow” lobbying activities, fragmented legislative footprints as well as unequal resources among those seeking to influence legislation.⁵⁴

The latest GRECO 4th Evaluation Round reports have emphasised the importance that positive reforms in this area would have to improve overall transparency and prevent regulatory capture in these countries. Recommendations have included both the introduction of rules defining who is a lobbyist and how MPs engage with such actors as well as establishing mechanisms to record such interactions.

⁵⁴ <http://eurlobby.transparency.org/>

Lithuania – Among the three countries, only Lithuania has introduced legislation on lobbying. In 2017, the Lithuanian parliament (Seimas) adopted a new version of the Law on Lobbying Activities and set up of the publicly accessible website www.lobistai.lt, where natural persons (but not organisations) acting as lobbyists must be registered and electronically submit summary reports on their activities.⁵⁵ GRECO has recently recommended to prepare rules on how MPs engage with interest groups representatives.⁵⁶

According to Lithuanian authorities, following the entry into force of the new legislation, as of June 2019, the number of registered lobbyists has increased significantly (from 35 to more than 83) and more than 150 activities' reports had been submitted.⁵⁷ However, the register still presents some flaws. The data is not available in machine-readable format and it does not include information on legal persons acting as lobbyists (though lobbyists must indicate the organisation they represent).

Seeking to improve the current legislative framework, the government has carried out inter-institutional discussions together with civil society and interest groups to draft amendments in the law for the inclusion of legal persons in the list of registered lobbyists. In addition, the Chief Official Ethics Commission (COEC), which is the authority in charge of monitoring the implementation of lobbying, is preparing written recommendations for public officials regarding their interactions with lobbyists.⁵⁸

In 2017, Transparency International Lithuania has launched an initiative for encouraging voluntary disclosure of meetings by MPs. This has also included setting up an online tool, called ManoSusitikimai.lt, where MPs can submit information on their meetings that can be downloaded in user-friendly format (xls).⁵⁹ Since then, TI Lithuania carries out regular reviews of MPs' meetings with interest groups and registered lobbyists published in official working calendars, personal websites and entries made in the website ManoSusitikimai.lt

In the first two years of the initiative (2017 and 2018), the number of MPs declaring meetings has almost doubled (from 45 in spring 2017 to 82 in autumn 2018), while the number of meetings declared have increased 1,5 times (from 475 in spring 2017 to 737 in autumn 2018).⁶⁰ In the spring 2019 session the number of MPs declaring meeting has decreased by a quarter and that 207 fewer meetings were published overall, in comparison to the autumn 2018 session.⁶¹

Latvia – In Latvia, several attempts to draft lobbying legislation have been made since 2008, but none of them has led to tangible outcomes. The main reasons for this have been of a political nature. There have been disagreements among stakeholders about the definition of lobbyist as well as the scope of the regulation.⁶² In its 4th Evaluation Round report, GRECO criticised the lack of a more resolute action in this

⁵⁵ <https://www.lobistai.lt/>

⁵⁶ GRECO (2019), '4th Evaluation Round in Lithuania: Corruption prevention in respect of members of the parliament, judges and prosecutors', 2nd Compliance report <https://rm.coe.int/greccor4-2019-18-fourth-evaluation-round-corruption-prevention-in-resp/168096d994>

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ <http://www.manosusitikimai.lt/>

⁶⁰ <https://www.transparency.lt/en/in-the-last-2-years-the-number-of-parliamentarians-who-declare-their-meetings-with-interest-groups-or-lobbyists-has-doubled/>

⁶¹ <https://www.transparency.lt/en/mps-meetings-spring-2019/>

⁶² Alksne A. (2014), 'Transparency of Lobbying in Latvia', Transparency International Latvia (Delna), http://delna.lv/wp-content/uploads/2011/04/National-Report_LLL_Latvia_EN.pdf

regard and reiterated the recommendation to introduce rules on how Members of Parliament engage with lobbyists.⁶³

Regulation of lobbying has been high on the agenda of the Corruption Prevention and Combating Bureau (KNAB). In 2015, the Bureau developed amendments to the Rules of Procedure of Parliament which also included regulation of interactions between MPs and lobbyists. Such amendments were discussed throughout 2019 by the Parliamentary Committee of Legal Affairs. A parallel process is ongoing in the Committee of Defence, Internal Affairs and Corruption Prevention, which in October 2019 has established a working group to develop a separate lobbying law. Its work is expected to terminate in spring 2020.

The Latvian government has made efforts to regulate lobbying also through the 2nd and 3rd OGP Action Plans. In the 2nd OGP Action Plan (2015-17), a commitment broadly focused on reducing the role of private money in politics also included assessment of the impact of lobbying on a number of high-risk sectors. However, the commitment did not result in increased transparency and/or approved amendments and its impact was considered marginal.⁶⁴

The lobbying commitment in the 3rd OGP action plan (2017-19) envisaged holding discussions on the impact of lobbying on decision-making and implementing public awareness measures. However, according to the 2019 interim report, the Action Plan does not explain how discussions would be organised or which groups would be involved, nor if they would result in any policy document. As such, the potential impact expected at the end of the action plan implementation has been considered minor.⁶⁵

Estonia – In Estonia, lobbying has also been considered as an important issue. However, compared to Latvia, the debate on the topic has been somewhat less active and fewer efforts were made to introduce regulation. GRECO has recently criticized the lack of political will and scarce progress in this area and recommended the introduction of rules on how MPs engage with lobbyists.⁶⁶

In response to GRECO recommendations, Estonian authorities, through the Estonian Parliament's (Riigikogu) Anti-Corruption Select Committee (ACSC), sought to update the Handbook for MPs with a Code of Good Practice for engaging lobby groups, and amend the Riigikogu Rules of Procedure and Internal Rules Act based on these updates. The implementation of this measure was also included as a commitment in the 3rd OGP Action Plan (2016-2018).⁶⁷

In 2017, the Parliament rejected the proposal to amend and instead approved and published on its website another type of non-binding Document, issued by the Anti-Corruption Select Committee. The document included eight general recommendations and example cases helping members of the Riigikogu (MPs)

⁶³ GRECO (2019), '4th Evaluation Round in Latvia: Corruption prevention in respect of members of the parliament, judges and prosecutors', 2nd Compliance report, <https://rm.coe.int/fourth-evaluation-round-corruption-prevention-in-respect-of-members-of/168094bc97>

⁶⁴ Miezaine Z. (2018), 'Open Government Partnership End of Term Assessment Report – Latvia', https://www.opengovpartnership.org/wp-content/uploads/2018/10/Latvia_EOT_Report_2015-2017_EN.pdf

⁶⁵ Miezaine Z. (2019), 'Open Government Partnership Design Report 2017-2019 – Latvia', <https://www.opengovpartnership.org/documents/latvia-design-report-2017-2019/>

⁶⁶ GRECO (2017), '4th Evaluation Round in Estonia: Corruption prevention in respect of members of the parliament, judges and prosecutors', 2nd Compliance report <https://rm.coe.int/fourth-evaluation-round-corruption-prevention-in-respect-of-members-of/1680728763>

⁶⁷ Toots M. (2018), OGP – Estonia end of term Report 2016-2018, https://www.opengovpartnership.org/sites/default/files/Estonia_End-Term-Report_2016-2018_EN_for-public-comment.pdf

assess potential conflict of interest and ethical issues in preparing legislation and coordinating with interest groups.⁶⁸

GRECO and TI Estonia commended the publication of the recommendations as a step in the right direction but noted that a more thorough and legally binding set of lobbying rules is needed to increase the actual transparency of MPs' interactions with lobbyists. Since then, the parliament has not carried out any specific activities related to this commitment and it has been difficult to verify if and how MPs actually implement the recommendations in their daily practices.⁶⁹

Estonia's 4th OGP Action Plan (2018-2020) includes a commitment to release data about the Parliament's plenary meetings as machine-readable open data and harmonize the publication practice of parliamentary committees' meeting proceedings on Riigikogu's website, but there is no mention of the introduction of rules for how MPs engage with lobbyists.⁷⁰

Lobbying transparency in the Nordic countries

In the Nordic countries, characterised by higher trust in the political system, lobbying has generally been perceived in a positive light, as a natural element of a healthy democracy. Yet, despite evidence that lobbying activities have increased together with the decline of the practice of corporatism⁷¹, regulation in this area is still absent, and in some cases seen as an unnecessary burden which may complicate the relationship between citizens and their representatives.

Denmark – Surveys and studies in Denmark have shown the relevance of the area in the country's politics. According to a 2012 survey, approximately 1700 organizations deal with lobbying and nine out of ten Danish MPs spoke to lobbyists at least once a week.⁷² Other studies have also shown that lobbying is by far the fastest growing job market for politicians in Denmark, with an 80% increase in hires of politicians in job position with lobbying activities between 1987 and 2015.⁷³

Another survey in 2013 by A&B Analysis for the monthly magazine *Altinget* reported that 68.6 percent of respondents agree that contact between parliamentary politicians and lobbyists must be registered and be publicly available.⁷⁴ Following growing demands for transparency, In 2014, professional lobbying groups in the Danish Industry launched an initiative to ensure openness about lobbying, including support to lobbying registration, but the plans to set up a lobbying register were later abandoned by the Parliament.⁷⁵

⁶⁸ Toots M. (2018), OGP – Estonia end of term Report 2016-2018

⁶⁹ Ibid.

⁷⁰ State Chancellery of the Republic of Estonia (2018), 'Estonia's Open Government Partnership Action Plan for 2018-2020', https://www.opengovpartnership.org/sites/default/files/Estonia_Action-Plan_2018-2020_EN.pdf

⁷¹ Corporatism broadly refers to the establishment formal mechanisms of negotiation between government, labour and business interest to shape and implement economic policy. Rommetvedt H. (2017), 'Scandinavian Corporatism in Decline', International Research Institute of Stavanger (IRIS)

⁷² <https://www.raeson.dk/2015/taet-paa-magten-saadan-fungerer-dansk-lobbyisme/>

⁷³ From 35 positions of politicians in jobs with lobbying content between 1987 and 2001, to 63 positions between 2001 and 2015. <https://www.dr.dk/nyheder/politik/overblik-flere-eks-politikere-gaar-gennem-den-gyldne-svingdoer-til-private-topjob>

⁷⁴ <https://www.altinget.dk/artikel/danskerne-gaar-ind-for-lobby-register>

⁷⁵ European Commission (2014), 'EU Anti-Corruption Report – Denmark', https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/organized-crime-and-human-trafficking/corruption/anti-corruption-report/docs/2014_acr_denmark_chapter_en.pdf

At present, in Denmark, it is largely left to academic research and investigative work to map and disclose what lobbying activities have taken place before a political decision is made, through attendance to public hearings, changing consultations, media articles and interviews. Danish academics have raised concerns about the absence of that lobbyists' work from the public debate because it increases the risk of – inadvertently or unconsciously – introducing inequalities in accessing and influencing policy decisions.⁷⁶

Finland – In Finland, concerns have been raised about the overly influential role of few powerful corporations and interest groups on political decision-making. Former professional lobbyist Anders Blom has warned about the so-called “buddy capitalism”, consisting of a group of 40-50 corporate and organizational executives with considerable insider information and privileged access to political decision-makers. He goes as far as defining the dependence of MPs on such lobbyists as structural corruption.⁷⁷

According to Blom, the lobbying debate in Finland is 10 years behind Brussels and Washington, due to the fact that corporations have not traditionally been seen as lobbyists, but as an integral part of the decision-making system.⁷⁸ Yet, the evolution and decline of corporatist practices has not been accompanied by corresponding regulations, and this has sparked concern among the Finnish civil society, which has sought to influence the debate through concrete advocacy actions.⁷⁹

In 2017, after a 3-years-long court battle with the Parliament, a group of activists led by Open Knowledge Finland, in cooperation with investigative journalists, published a usable database with logs of visitors to the Parliament. The event had a wide resonance in the country and was the source of several stories about dubious connections as well as calls for regulation. In response, four political parties out of the eight represented in parliament, declared that they would start publishing their own meetings with lobbyists.⁸⁰

Following elections in 2019, a parliamentary working group was created to draft a new law to include in the programme of the next government. This will also include the creation of a register for lobbying organisations and individuals. The register should initially cover state-level activities and subsequently municipalities and regional governments. However, it would not impose the obligations on political decision-makers to register their meetings, nor is it clear whether it will be available in open format.⁸¹

The Finnish government was the only one among Nordic countries to include a lobbying-related commitment in its 2nd OGP Action Plan (2015-2017). This envisaged carrying out research to assess the need for a lobbying regulation in Finland.⁸² The final report, published in September 2018 by the University of Eastern Finland⁸³, was used as a base for a new commitment in the 4th OGP Action Plan to create the new register. According to the Action Plan, this might also include MPs' interests and asset disclosures.⁸⁴

⁷⁶ <https://www.information.dk/debat/2018/09/lobbyisternes-indflydelse-vaere-skjult-lad-faa-lobbyregister>

⁷⁷ <https://yle.fi/uutiset/3-10133946>

⁷⁸ <https://yle.fi/uutiset/3-10786090>

⁷⁹ <https://yle.fi/uutiset/3-10133946>

⁸⁰ <https://blog.okfn.org/2017/11/16/how-mundane-admin-records-helped-open-finnish-politics-an-example-of-impolite-transparency-advocacy/>

⁸¹ <https://www.eduskunta.fi/FI/tiedotteet/Sivut/Puhemies-Risikko-eduskunta-haluua-lobbarit-rekisteriin.aspx>

⁸² Pritup D. (2018), 'Finland OGP End of Term Assessment 2015-2017', <https://www.opengovpartnership.org/documents/finland-end-of-term-report-2015-2017-year-2/>

⁸³ <https://tietokaytoon.fi/julkaisut/raportti?pubid=URN:ISBN:978-952-287-608-9>

⁸⁴ Open Government Finland (2019), 4th OGP Action Plan for Finland – 2019-2023, https://www.opengovpartnership.org/wp-content/uploads/2019/09/Finland_Action-Plan_2019-2023_EN.pdf

Norway – In Norway, there is also evidence that the practice of lobbying has increased in the past years. According to a 2010 survey by the communication firm Geelmuyden Kyese (GK) among 44 Norwegian lobbying organizations, around half (45.5 per cent) of lobbyists said they contacted people, institutions and elected bodies to discuss legislation on a weekly basis.⁸⁵ The survey shows that the oil industry is the most influential.

A more recent survey from the same firm carried out in 2019 shows that the pattern has not changed and that there are still relatively close ties between politicians and a particular lobbyist character: the PR adviser. 16% of representatives meet people from the PR industry once or several times a week, while 56 percent say they meet PR people monthly. Only 28% of the representatives say they never have contact with such agencies.⁸⁶ Four out of ten can even imagine a career in a PR agency after the end of the parliamentary term.

Norwegian MPs have mostly a positive perception about the frequent lobbying in parliament. The survey shows that more than 80 per cent of MPs perceive lobbying as a positive thing for democracy and 90 per cent believe they are a resource in everyday life. Only 2.4 percent of those surveyed believe that lobbying is a burden.⁸⁷ Yet, a recent proposal to set up a lobbying register for MPs and the executive, advanced by the Left party, was rejected by the Parliament.⁸⁸

Sweden – In Sweden, lobbying has also been object of a contested political debate in the last two decades. A state report in the early 2000s showed how lobbying was gradually overriding the old political processes in Sweden. At the same time, according to the lead researcher Jörgen Hermansson, relationships between MPs and interest group representatives resembled a “waterproof system” where it is almost impossible to gain insight.⁸⁹

There have also been concerns with regard to revolving doors between high-level political posts and big corporations. A 2013-analysis by Aftonbladet revealed that 37% of MPs or government officials had gone to the lobbying industry. Many of them had been employed directly by large companies, such as Saab, Philip Morris and Scania, or by associations such as the Swedish Enterprise and the Swedish Banking Association; and (45%) had started working at pure PR and lobbying companies.⁹⁰

Yet, the Swedish Parliament (Riksdagen) is reluctant to legislate for greater transparency of lobbying. The Green Party has proposed several bills with the aim to review and map Swedish lobbyism, but has in all cases been outvoted in Parliament.⁹¹ Political parties have divergent opinions on the matter.⁹² Some MPs are convinced that the issue should be given uttermost priority, while others do not see the need to add administrative burdens to a legislative process that they consider to be already open.

The issue also divides the PR industry in Sweden. Anna-Karin Hedlund, chair of the one of the major PR industry organizations in the country, finds it difficult to see how legislation mandating registration of

⁸⁵ <https://www.aftenposten.no/norge/i/Blvg9/Olje-lobbyistene-har-mest-innflytelse>

⁸⁶ <https://www.dagbladet.no/kultur/skjerpings-pr-folk/70926044>

⁸⁷ Ibid.

⁸⁸ <https://www.dagbladet.no/kultur/slik-undergraver-de-store-partiene-den-tilliten-de-er-helt-avhengige-av/70889666>

⁸⁹ <https://www.aftonbladet.se/nyheter/a/wEnB5L/inga-regler-ingen-insyn>

⁹⁰ <https://www.aftonbladet.se/nyheter/a/wEnB61/var-tredje-byter-sida>

⁹¹ <https://arenaide.se/wp-content/uploads/sites/2/2015/05/satt-riksdagen-i-karantan-20150511.pdf>

⁹² <https://www.dagensmedia.se/medier/pr/mp-dold-lobbying-kan-fa-negativa-konsekvenser-6098197>

lobbying activities would work in practice. This is because in the view of most organisations, publishing information about their clients is also about a matter of customer relationship, in which other considerations such as competitiveness and privacy also count.⁹³

Recommendations

Governments in all countries should complement their existing legislative frameworks on political integrity with comprehensive regulation on lobbying, including a comprehensive definition of lobbyists and lobbying acts, an open register with information on lobbyists and their activities, and a body tasked with enforcing the law and monitoring risks.

- **MPs in Latvia, Lithuania, Estonia and Finland** should organise inter-parliamentary meetings between legislative working groups in order to debate different approaches, common challenges and opportunity in seeking a comprehensive lobbying transparency regulation. While Lithuania could share progresses and lessons learned from the implementation of its law on Lobbying activities, other countries could seek inspiration from each other and seek agreement over common standards of lobbying transparency.
- **Governments in Denmark, Norway and Sweden**, in collaboration with leading academics, should carry out in-depth assessments of the increased lobbying activities in their countries, including potential risks deriving from the lack of regulation in the area on the equality of participation in policy-making and potential political corruption risks. In carrying out such assessments, governments should cooperate with leading academics and political scientists. As shown by the report, a similar assessment in Finland laid down the basis for regulation.
- **The Latvian government** should include an ambitious commitment on lobbying in the upcoming OGP action plan. This should aim to introduce a new law that includes: i) a set of broad definitions that capture all those actors who engage in lobbying activities and all key lobbying targets and lobbying acts; ii) institution of a public, open data register with information about lobbyists interactions with officials, and iii) sanctions for infringement and a public authority with monitoring and enforcement of the law.
- **The Estonian government** should supplement the existing OGP commitment on transparency of parliamentary information on draft laws with the amendment of the Code of Rules covering lobbyist interactions. This would make the commitment truly ambitious and would represent an achievable first step to full lobbying regulation in the future.

⁹³ <https://www.resume.se/nyheter/artiklar/2015/09/21/precis-om-lex-kreab-kan-inte-krava-oppnenhet/>

Political financing

Political financing is about the role money plays in the political sphere. Similar to lobbying, it is a necessary element to ensure inclusive democracy, effective governance and fair political competition, as it allows candidates and elected representatives to reach out to voters and run their political platform organisations.⁹⁴ However, when not properly regulated, political financing can be an illegitimate means for donors to influence the political agenda according to their special interests.

Many countries have introduced various provisions limiting who and how much can be contributed to political parties, how funds can be used, how parties and candidates have to report on their finances, and how enforcement is to be achieved. In particular, strong regulations on political financing feature bans on donations from anonymous and illicit sources as well as limits to the donation amounts, to ensure that wealthy individuals or entities are not disproportionately influential on party policy positions.⁹⁵

Internationally recognised indicators of good political financing transparency include disclosure regulations to income (including non-financial income), spending, assets and loans of political parties as well as publishing detailed information about donations including date, donor name, recipient name, and the amount of each donation on a single, online portal in open data format. To enhance public monitoring during election campaigns, this data should be released with a daily frequency.

Such a register would allow to better scrutinise political parties and candidates and hold them into account. For example, users could analyse trends on big donors and understand if someone is paying to get political access. Moreover, the register could be cross-referenced with procurement and corporate registries, can help investigators build red-flagging systems for detecting potential conflicts of interests or illicit practices in public procurement.

Peru – Using political financing data to expose illicit interests in politics

Investigative journalists in Peru demonstrated how political financing data can be used to track connections between politicians and illicit interests' networks.

In 2017, journalists from the Peruvian investigative outlet Ojo Publico (Public Eye) used reports from the National Police, the prosecutor's office, the judiciary, the congress and the financial intelligence unit to build a dataset of 856 individuals who have been investigated for organised crime, corruption, environmental crimes, money laundering and illicit drug trafficking. Ojo Publico then analysed this data against publicly available campaign contributions made to 65 political parties over a decade, this revealed that 54 per cent of the individuals actively supported political parties with financial contributions, suggesting that illicit interests have deeply penetrated Peruvian politics.

Source: Transparency International (2018), 'Recommendations on Political Financing for Open government Partnership National Action Plans'

⁹⁴ <http://europam.eu/?module=about>

⁹⁵ Transparency International (2018), 'Recommendations on Political Financing for Open government Partnership National Action Plans', http://files.transparency.org/content/download/2316/14286/file/2018_PolicyPaper_PoliticalFinanceOGP_English.pdf

Legislation on political financing should also be complemented with adequate public funding to minimise dependence from private interests and ensure that all political parties, including those that have not obtained seats, but significant voter support can participate to the political competition.⁹⁶ Countries should also ensure that the oversight body is effective in the enforcement of regulations and insulated from political pressure.

Regional Overview

All countries have over time introduced relatively comprehensive legislation on political financing, including frameworks for disclosure of individual political financing donations. However, regulations have been generally stronger in Baltic countries than in Nordic countries. Among these, Norway, Sweden and Finland have been more receptive towards GRECO and EU recommendations. Denmark, on the other hand, has lagged behind, and is still allowing for anonymous and foreign donations.

Estonia, Finland, Lithuania and Norway all have open and comprehensive datasets with information on individual political donations and identity of donors. Latvia also has a dataset with comprehensive information, but this is not available in machine-readable format. The situation seems to be worse in Sweden and Denmark, where datasets only include aggregate amounts on revenues from parties' annual reports, with no details of private donors.

OGP Commitments in Latvia and Lithuania failed to achieve a meaningful impact in terms of data disclosure. In Latvia, the commitment in the 2nd Action Plan (2015-2017) helped to strengthen legislation on monitoring and sanctioning of illicit campaign finance. In Lithuania, a commitment to create a dataset for monitoring political donations in the elections was not completed due to lack of funding and technical capability, though the register was later developed outside the OGP process.

Table 5 – Political financing information in the Nordic Region

Country	Regulation	Information
Estonia		
Latvia		
Lithuania		
Denmark		
Finland		
Norway		
Sweden		

⁹⁶ International IDEA and Open Government Partnership (2019), 'Political Party Finance', <https://www.idea.int/sites/default/files/publications/political-finance-transparency.pdf>

Political financing in the Baltic countries

All three Baltic states have adopted comprehensive legislations on political financing, with bans from anonymous donors, foreign entities, corporations as well as other sources specified in the law. There are also limits on the amount that can be donated and sanctions for violations. Political parties in all three countries are required to submit accounts which must be made public and reveal the identity of donors. These are overseen by the Political Party Financing Supervision Committee in Estonia, the Corruption Prevention and Combating Bureau in Latvia, and the Central Electoral Commission in Lithuania.⁹⁷

Comprehensive data on political donations in all three countries is published in a timely manner on the websites of the respective monitoring institutions (see table below). However, there are differences in how the data is made available. While in Estonia⁹⁸ and Lithuania⁹⁹ the datasets are downloadable in different open formats (XLSX, XML, CSV), the Latvian portal allows only to explore and visualise the information in HTML.¹⁰⁰

Table 6 – Political financing data in the Baltic countries

Country	Available	Timely	Granular	Format	Open/Accessible
Estonia	Yes	Yes	Yes	Yes (XLSX, CSV)	Yes
Latvia	Yes	Yes	Yes	No (HTML)	Yes
Lithuania	Yes	Yes	Yes	Yes (XLS, XLSX, XML)	Yes

Both Latvia and Lithuania have sought to improve regulation and transparency of political financing through the inclusion of specific commitments in recent OGP action plans. In Latvia, a commitment in the 2nd OGP Action Plan (2015-2017) resulted in stricter administrative sanctions and improved mitigation mechanisms for the risk of covert pre-election campaign. However, this did not increase the scope of the information which is publicly available, nor the way in which it is provided.¹⁰¹

In Lithuania, the commitment on party financing in the 3rd OGP Action Plan (2016-2018), taken directly from the National Anti-Corruption Programme for 2015-2019, sought to improve access to information on elections, voting procedures and donations to political campaigns through a dedicated portal. While the commitment was not completed during the OGP reporting period and not carried forward, the portal was later developed by the government outside the framework of the initiative (see above).¹⁰²

⁹⁷ European Research Centre on Anti-Corruption and State Building (ERCAS), 'European Public Accountability Mechanisms'

⁹⁸ <http://www.erjk.ee/en/financing-reports/revenues-political-parties?report=125918>

⁹⁹ <https://www.rinkejopuslapis.lt/ataskaitu-formavimas>

¹⁰⁰ <https://www.knab.gov.lv/lv/db/>

¹⁰¹ Miežaine Z. (2018), 'Open Government Partnership End of Term Assessment Report – Latvia'

¹⁰² Trumpyte R. (2018), 'OGP Independent Reporting Mechanism: Lithuania End of Term Report 2016-2018', Open Government Partnership, https://www.opengovpartnership.org/sites/default/files/Lithuania_End-Term_Report_2016-2018_EN.pdf

A hackathon organised in March 2019 by Transparency International Latvia and School of Data in Latvia demonstrated how open data on political financing can be put to good use. At the event, one group of participants cross-referenced the machine-readable version of KNAB's political financing database (provided by the bureau for the occasion) with data on shareholders of companies in the Enterprise register to identify connections between campaign donations in the 2018 political elections and officials working in state-owned enterprises.¹⁰³

Political Financing in the Nordic countries

According to the 2017 EuroPAM assessment, Nordic countries have had weaker legislative frameworks on political party financing in place compared to the European average.¹⁰⁴ The issue has received different degrees of attention in the past two years, though Finland and Norway seem to have been more proactive in improving legislation according to GRECO recommendations compared to Sweden and Denmark. Yet, none of the countries except Finland has limits on the amount of donations that can be received.¹⁰⁵

In Finland, only donations from foreign entities, unidentified donors and State-Owned Enterprises are banned. There are also limits in place for the amount of donations that can be received (€30.000 annually for donors not affiliated to political parties). In Norway, there are also bans on donations from foreign entities, anonymous donors and State-Owned Enterprises, but no limits on the amount that can be donated to political parties.¹⁰⁶

Finnish political parties are required to provide information on their incomes, expenditures and assets, as well as the amount of individual donations and identity of donors. Donations over €1.500 are disclosed in open format (XLSX, CSV) on the website of the National Audit Office.¹⁰⁷ In Norway, this data is available in machine-readable format through the website partifinansiering.no. However, it only contains reports from the previous year (2018 at the time of writing), thus limiting the potential usefulness of the database.¹⁰⁸

In Denmark and Sweden, up to 2017, the legislative frameworks on political party financing contained a number of relevant loopholes. In both countries there were no limits on the amount of donation that could be received, and no bans on donations neither from foreign entities nor from anonymous donors.¹⁰⁹ For this reason, the governments in both countries were repeatedly criticized by GRECO, the media and civil society actors.

In response, both countries introduced new legislation between 2017 and 2018 providing for bans on anonymous donations over a specific threshold (around €2.700 in Denmark and €218 in Sweden¹¹⁰) GRECO welcomed these changes but warned of the ongoing risk of circumvention of the ban, as the same

¹⁰³ <http://www.datuskola.lv/2019/03/04/atvertie-dati-palidz-identificet-korupcijas-riskus/>

¹⁰⁴ European Research Centre on Anti-Corruption and State Building (ERCAS), 'European Public Accountability Mechanisms'

¹⁰⁵ <https://www.idea.int/data-tools/data/political-finance-database>

¹⁰⁶ Ibid.

¹⁰⁷ <https://www.vaalirahoitusvalvonta.fi/en/index/puoluerahoitus/raporttietusivu/tietoaineistot.html.stx>

¹⁰⁸ <https://www.partifinansiering.no/en/>

¹⁰⁹ European Research Centre on Anti-Corruption and State Building (ERCAS), 'European Public Accountability Mechanisms'

¹¹⁰ GRECO (2018), '3rd Evaluation Round, Second Addendum to the Second Compliance Report on Sweden – Transparency of Party Funding', <https://rm.coe.int/third-evaluation-round-second-addendum-to-the-second-compliance-report/168090229a>

anonymous donors can repeat donations over time. Furthermore, in Denmark the threshold is still too high to allow for a meaningful prevention of undue influence from anonymous sources.¹¹¹

In Sweden, reporting is still limited to incomes and does not cover the expenditures, assets and debts of the parties. Only aggregate data from political parties' accounts is available in XLSX on the website of the Legal, Financial and Administrative Services Agency (Kammarkollegiet). Disclosures of the amount individual donations and identity of donors have to be requested separately from the agency.¹¹²

In Denmark, though the introduction of the new legislation mandated political parties to submit reports on their income and expenses, it still does not require disclosure of the amount of donations and identity of donors. Information from political parties' accounts is published on the Parliament's website. However, at the time of writing, only the 2017 report was available, and this is not in machine-readable format (PDF).¹¹³

In September 2019, Denmark was further criticised by GRECO for weak efforts in closing the remaining relevant loopholes on anonymous donations, transparency and supervision. However, the new Minister of Social Affairs and Internal Affairs apparently has no current, concrete plans to change the rules.¹¹⁴ According to Jesper Olsen, vice-president of TI Denmark, this is worrying and leaves an impression that the Danish government is not taking the issue seriously. In response, citizens have also advanced a proposal with seven points for more transparency about party support.¹¹⁵

Table 7 – Political financing data in the Nordic Countries

Country	Available	Timely	Granular	Format	Open/Accessible
Denmark	Yes	No	No	No (PDF)	Yes
Finland	Yes	Yes	Yes	Yes (XSLX, CSV)	Yes
Norway	Yes	Yes	Yes	Yes (XLSX, CSV, JSON)	Yes
Sweden	Yes	Yes	No	Yes (XSLX)	Yes

¹¹¹ GRECO (2018), Second Evaluation Round, 'Transparency of Party Funding', 6th Interim, <https://rm.coe.int/sixth-interim-compliance-report-on-denmark-incriminations-ets-173-and-/16808b07df>

¹¹² <https://www.kammarkollegiet.se/vara-tjanster/partiinsyn/hamta-ut-redovisade-intakter/redovisade-intakter-fran-politiska-aktorer-2018->

¹¹³ <https://www.ft.dk/da/partier/om-politiske-partier/gruppestoette-og-regnskaber>

¹¹⁴ <https://www.altinget.dk/artikel/danmark-faar-igen-kritik-for-manglende-aabenhed-om-partistoette>

¹¹⁵ <https://www.borgerforslag.dk/se-og-stoet-forslag/?Id=FT-02954>

Recommendations

- **The governments of Latvia, Estonia, Norway and Finland should develop a shared data standard for publishing data on political financing.** These countries all have their own political financing register with comprehensive information, with good potential for further development and innovation. A common standard would allow journalists, civil society and academics to establish connections and identify trends across countries. It would also ease cooperation between authorities on potential cross-border corruption cases.
- **The Latvian government and KNAB**, following the example of Estonian, Finnish and Norwegian peers should publish its political financing database in machine-readable format. The dataset would allow users to better monitor whether introduction of new legislation increasing public funding will have an impact on the overall amount of donations. This could also take the form of a specific commitment in the next OGP action plan.
- **The Danish and Swedish governments** should further improve its legislation on political financing, by introducing a complete ban on anonymous donations as well as limits to amounts of individual donations. In addition, while the Danish government should require disclosure of individual donations and identity of donors, the Swedish government should publish this data on the existing repository.

Interest and Asset Disclosure

Conflict of interest indicates a situation in which ‘a public official has a private or other interests that influence, or appear to influence, the impartial and objective performance of his or her official duties’.¹¹⁶ This should be understood broadly to include not merely potential illicit financial gains deriving from decision-making powers, but also attempts to curry favour with potential future benefactors or employers and the professional advancement of friends and family.

It is important to note that conflicts of interests are themselves not evidence of wrongdoing, but rather a warning of its possibility. In fact, given that public officials inherently occupy multiple social roles, conflicts of interest are almost bound to occur. As such, the rationale of good conflict of interest regulations is to assist public officials in avoiding situations where a conflict of interest can arise. If the right measures are in place, conflict of interests can be easily defused, often voluntarily.

Across the world, regulations on conflict of interest are often embedded in Codes of Conduct for public officials, but they can also have their own legislation. These usually list and mandate the prohibition of activities and positions deemed to be incompatible with an impartial performance of public duties, including the acceptance of gifts, employment in the private sector during and after holding a public post, as well as holding ownership stakes in private and state-owned companies.¹¹⁷

Legislative frameworks on conflict of interests are usually coupled and made more effective by disclosure regimes including both private interests of public officials and their financial assets. In particular, practitioners often make a distinction between interest-focused and financial-focused disclosure regimes:

- **interest-focused disclosure systems** aim to flag up potential conflict of interest to employees themselves as well as internal and external observers. Disclosures may be required on all restriction areas outlined above (gifts, private employment, ownership of companies and information on spouses and/or children).
- **financial-focused disclosure systems**, on the other hand, aid the prevention, detection and prosecution of illicit enrichment, for example by enabling verification of reported income against other registers, previous declarations and lifestyle. Disclosures should encompass income from outside employment and assets, ownership of real estate, amounts of cash as well as active loans and debts towards third parties.

Public access to officials’ interest and asset declarations can be a valuable addition to institutional verification mechanisms. Experience has shown that where asset declarations are logically archived, searchable and publicly available, disclosure regimes are generally more effective. When disclosures are published as structured data, it also becomes more complex and costlier for a public official to hide information and creates a pressure for more accurate disclosures.

Another important element is the presence of an independent and well-resourced public body, that should be empowered to request and access relevant information from other government agencies. It is also important that an effective enforcement and sanctioning regimes in place, punishing late submission, non-submission and misreporting.

¹¹⁶ Transparency International (2015), ‘Public Sector Integrity – Topic Guide’;

¹¹⁷ *ibid.*

Ukraine – Opening up officials’ asset declarations for the public good

In its second action plan (2014), Ukraine committed to create a unified web-portal of civil servants’ declarations of income, property and expenditures for their public disclosure in open access to replace the previous system which was paper-based and had a limited effectiveness. Following the launch of the new system, in September 2016, the National Anti-Corruption Bureau started several criminal investigations into unjustified wealth and false statements, based on the new e-declarations.

The new system also drew enormous media and public attention, resulting in numerous journalist investigations, reports in the national and foreign press and praise from international organisations and foreign governments. Ukrainian citizens also considered the e-declarations system launch to be the fourth most successful event of 2016.

As of December 2016, the public web portal contained more than 135,00 electronic documents (declarations of different types, notifications of significant changes in declarant’s assets) for public scrutiny, including in machine-readable format.

Source: Kotlyar D. (2016), ‘OGP End of Term Report 2014-2016 – Ukraine’,

<https://www.opengovpartnership.org/documents/ukraine-end-of-term-report-2014-2016/>

Regional Overview

All countries have in place regulations on conflict of interest coupled with frameworks for MPs’ interest and asset disclosures. While the Baltic countries have been early adopters, Nordic countries have only recently introduced regulation, mostly following GRECO’s encouragement and recommendations. However, while Norway, Finland, and to some extent Sweden, have been more proactive on this aspect, Denmark has explicitly refused to introduce legislation over concerns of “excessive formalisation”.

All countries, except Sweden, have published online information on MPs’ interests and assets disclosures, but none of the datasets is available as open data. In Estonia, access is granted only to holders of an Estonian ID card. Finland, Norway and Denmark have published data on their Parliament’s websites, but they contain only partial information. In Sweden, the dataset is not available to the public and accessible only through a formal request to the Parliament.

All countries have had problems with systematic verification mechanisms for the accuracy of the information submitted and risk assessment. While in Baltic countries this is related more to lack of capacity of monitoring bodies, in Nordic countries “soft” enforcement mechanisms have prevailed based on naming and shaming in the Parliament. None of the countries have had recent OGP commitments on interest and asset declarations.

Table 8 – Interest and Asset Declarations information in the Nordic Region		
Country	Regulation	Information
Estonia		
Latvia		
Lithuania		
Denmark		
Finland		
Norway		
Sweden		-

Conflict of Interest Regimes in the Baltic countries

All three Baltic countries have introduced comprehensive legislative frameworks on conflict of interests and MPs' financial disclosure, in line with recommendations from GRECO and other international bodies.

In Estonia, MPs cannot simultaneously hold policy-making and policy-executing positions (which includes public agencies, boards and councils of SOEs and working as an attorney). When faced by decisions that conflict with private interests, officials must make sure that they dispose themselves from the decision-making process and protocol the action.¹¹⁸The Anti-Corruption Select Committee of the Estonian parliament is in charge of monitoring conflict of interest, enforcing the law and provide guidance to MPs.¹¹⁹

In Latvia, MPs are not allowed to hold shares or contracts in public companies, or to be shareholders or members in private companies that receive state budget funding (i.e. procurement contracts and state-guaranteed credit). Furthermore, public officials cannot be employed by or acquire shares from an actor that was previously under their supervision for two years after ending tenure. The Corruption Prevention and Combating Bureau is in charge of monitoring MPs and enforce the law.¹²⁰

In Lithuania, MPs may not accept gifts that might give rise to conflict of interest or take up employment in the executive of a private company for one year after ending tenure. Additionally, they are prevented from holding another office, receiving remuneration for outside employment and perform advisory and managerial functions in a private company. The Commission for Ethics and Procedures provides guidance on the law to MPs and is responsible for investigating and enforcing the implementation of the rules.¹²¹

¹¹⁸ Estonian Anti-Corruption Act, <https://www.riigiteataja.ee/akt/113032019096>

¹¹⁹ <https://m.riigikogu.ee/en/parliament-of-estonia/committees/anti-corruption-select-committee/>

¹²⁰ Latvian Law on Prevention of Conflict of Interest in the Activities of Public Officials <https://likumi.lv/ta/id/61913-par-interesu-konfliktak-noversanu-valsts-amatpersonu-darbiba>

¹²¹ Lithuanian Law on the Adjustment of Public and Private Interests in the Civil Service <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/cc39be529d5811e9aab6d8dd69c6da66>

Interest and Asset Disclosure in the Baltic Countries

Disclosure requirements for MPs in Baltic countries include declarations of real estate, movable assets, cash, debt, income from outside employment, all other positions held, firm ownership, shares in public or private companies and participation in government contracts, spouses and children.¹²² While in Latvia and Lithuania the respective tax authorities together with anti-corruption bodies exercise verification and monitoring, in Estonia this task is upon the Anti-Corruption Select Committee of the Parliament.

The Estonian electronic register of declarations of interests was established and made publicly available in 2014. The register is interconnected with other data collection systems, and supervising officials are entitled to obtain information on the declaring official and his/her assets and interest from other public databases, and to make queries to all persons and entities, including banks, for control purposes. However, access to the register is possible only to owners of an Estonian ID card.¹²³

In Latvia, public officials' interest and asset declarations are publicly available on the website of the State Revenue Service. However, the dataset is closed and not user-friendly in terms of searchability and comparability. It is only possible to check officials' declarations one at a time, by inserting name and surname. The data is only available in HTML, and users need a written permission by the SRS to automatically extract data through data-scraping tools.¹²⁴

In Lithuania, there are two separate registers. Data on private interests is published on the webpage of the Chief Official Ethics Commission and is not available in machine-readable format.¹²⁵ Asset declarations are published in the website of the Tax Inspectorate¹²⁶. Up to November 2019, these were available in machine-readable format (XLS). However, the dataset was recently taken off due to an ongoing data audit, with no specification from the Inspectorate about when and if it will be available again.

Table 9 – Interest and Asset Declarations Data in the Baltic Countries

Country	Available	Timely	Granular	Format	Open/Accessible
Estonia	Yes	Yes	Yes	No (HTML)	No
Latvia	Yes	Yes	Yes	No (HTML)	Yes
Lithuania	Yes	Yes	Yes	No (HTML)	Yes

¹²² European Research Centre on Anti-Corruption and State Building (ERCAS), 'European Public Accountability Mechanisms'

¹²³ <https://www.emta.ee/et>

¹²⁴ <https://www6.vid.gov.lv/VAD>

¹²⁵ <https://www.vtek.lt/deklaraciju-paieska>

¹²⁶ <http://www.vmi.lt/cms/gyventoju-turto-deklaraciju-duomenis-israsu-duomenys>

Interest and Asset Disclosure in the Nordic countries

In the last two years, Nordic countries have introduced stricter regulations on conflict of interest, mostly following GRECO's encouragement and recommendations. However, while Norway, Finland, and to some extent Sweden, have been more proactive in introducing measures to strengthen the framework. Denmark, on the other hand, has seen some resistance to further regulate the area due to concerns of excessive formalisation.

Denmark – In Denmark, there are no regulations governing conflicts of interests for Members of the Parliament. In its 4th Evaluation Round, GRECO recommended to adopt a code of conduct for MPs, including guidance on conflict of interest, gifts and behaviour with external groups of interest. In response, in 2014, the then speaker of the Parliament sent a letter to all MPs in order to draw their attention to the issue of conflict of interest, but this did not result in an official Code of Conduct be adopted.¹²⁷

In a letter exchange with GRECO in 2014, the then speaker of Danish Parliament related the weak effort in introducing formal restrictions on the activities of Danish MPs to the need to safeguard a conscience-based relationship between voters and MPs. According to the speaker, the pressure of public opinion alone is well suited to keep elected representatives accountable, and this mechanism might be hindered by a highly prescriptive body of rules.¹²⁸

Up to 2017, no public official in Denmark was obliged to make any financial disclosure statements, though a voluntary mechanism for disclosing public or private interests was in place. In its 4th Evaluation round, GRECO recommended introducing regular and mandatory public registration of occupations and financial interests of MPs, including quantitative data and liabilities, spouses and children. It also recommended the adoption of measures to ensure supervision and enforcement of disclosure rules.¹²⁹

In response, the Danish government introduced compulsory registration of MPs interests, including outside income and positions in private firms, gifts and agreements with past or future employers. The data is published on the website of the Parliament but is not available in machine-readable format.¹³⁰ There are no formal mechanism to ensure supervision and enforcement of the rules, but the Parliament publishes the list of MPs that have not registered.¹³¹

Finland – In Finland, MPs are not allowed to accept gifts and required to abstain from decision-making where they have a private interest. However, no further limitations, for example as to outside employment, firm membership or post-employment, are made for any public officials. Sanctions for violating regulations on conflicts of interests exist only for accepting gifts. Here, MPs face a fine or imprisonment of up to two years. The Parliamentary Office is tasked with supervising and enforcing these laws for MPs.¹³²

¹²⁷ GRECO (2018), 4th Evaluation Round Denmark: Corruption prevention in respect of members of the parliament, judges and prosecutors – Second Compliance Report, <https://rm.coe.int/fourth-evaluation-round-corruption-prevention-in-respect-of-members-of/16808d4292>

¹²⁸ Ibid.

¹²⁹ GRECO (2018), 4th Evaluation Round Denmark: Corruption prevention in respect of members of parliament, judges and prosecutors – Second Compliance Report

¹³⁰ <https://www.ft.dk/da/medlemmer/hverv-og-oekonomiske-interesser>

¹³¹ Ibid.

¹³² http://europam.eu/index.php?module=country-profile&country=Finland#info_COI

The Finnish Parliament's Rules of Procedure require MPs to declare real estate, movable assets, cash, shareholdings, as well as any additional duties that may be relevant to decision-making. The current thresholds in respect of assets or shares are set at €50.000 or 20% (earlier 30%) of the votes of a company. In addition, MPs must disclose any income they receive from outside employment. Names of spouses and children are not disclosed.¹³³

MPs make their declarations annually and submit them to the Parliament's Central Office, but there are no specific sanctions for late or non-filing, but those MPs who are found in breach are announced publicly in parliament. The Parliamentary Office holds the Register with MPs' disclosures. MPs' interest and asset declarations are available on the Parliament's website on each MP's page. The page with general information on disclosures also contains gifts declaration.¹³⁴

Norway – In Norway, the Ethical Guidelines for Members of the Storting and the Guidelines on Gifts for Members of the Storting restrict MPs from accepting gifts, practicing second jobs that are incompatible with the interests of the state, and participating in decisions which affect private interests. Administrative and penal sanctions can be stipulated for MPs. The Register of Members of the Storting's Appointments and Economic Interests is responsible for providing guidance to MPs.¹³⁵

In Norway, MPs face disclosure requirements based on the Register of Member's Appointments and Economic Interests. These include real estate that is not for private use, providers of cash or movable assets, outside employers, and business interests that exceed one percent of a company's total capital. In addition, MPs must disclose any position obtained within the year after leaving public service. Family members are not included in any disclosures.¹³⁶

Declarations by Ministers and MPs are received by the Register of Member's Appointments and Economic Interests. The Register is made publicly available on the Parliamentary website and contains information on MPs' interests, assets and liabilities. In case of changes to existing information it is updated within 10 days from the date in which the MPs as reported it. Though comprehensive in relation to the law, the register is only available in PDF and html (in individual MPs pages).¹³⁷

Since the start of the incumbent parliamentary term (October 2018), the administration of the Storting is entitled to conduct more systematic checks on the information given against other public available information. If there are inconsistencies between the information from different sources, the member in question is then asked to clarify the case. Moreover, as stated by parliamentary authorities in the GRECO report, close monitoring of the Register by the media further ensures compliance with disclosure requirements.¹³⁸

¹³³ http://europam.eu/index.php?module=country-profile&country=Finland#info_COI

¹³⁴ [General info; MPs page](#)

¹³⁵ <http://europam.eu/index.php?module=country-profile&country=Norway>

¹³⁶ Ibid.

¹³⁷ <https://www.stortinget.no/no/Stortinget-og-demokratiet/Representantene/Okonomiske-interesser/>

¹³⁸ GRECO (2019), '4th Evaluation Round in Norway: Corruption prevention in respect of members of the parliament, judges and prosecutors – Second Compliance report', <https://rm.coe.int/greco4-2019-1-fourth-evaluation-round-corruption-prevention-in-respe/168093bde8>

Sweden – In Sweden, the Code of Ethics of the Parliament prevents MPs from owning private or public firms, and from holding managerial or advisory positions in companies. It also includes rules and guidance for accepting gifts, but there are no specific sanctions for violations.¹³⁹ The Deputy Speakers and the party group leaders are in charge of ensuring that the Code is applied. However, GRECO has raised concern about such predominant partisan involvement, considering the system as weak.¹⁴⁰

Swedish MPs must declare real estate serving a business purpose, any income-generating employment which is not temporary, shares, board or accounting positions held in private companies, government contracts and liabilities over €9.380. Contracts of financial nature with an employer which take effect after the end of the mandate must also be included in the declaration. Family members are not included in disclosure statements.¹⁴¹

Members of Parliament first submit their statements when taking office and submit any changes within four weeks after they arise. However, no sanctions are specified for MPs who fail to make a declaration or make a false statement, and no enforcement body is specified to verify the accuracy of the information submitted. Declarations are submitted to a Register held by the Parliament, but the Register is not available to the public and only accessible through a formal request to the Secretariat of the Chamber.¹⁴²

Table 10 – Interest and Asset Declarations Data in the Nordic Countries

Country	Available	Timely	Granular	Format	Open/Accessible
Denmark	Yes	Yes	Yes	No (HTML)	Yes
Finland	Yes	Yes	Yes	No (HTML)	Yes
Norway	Yes	Yes	Yes	No (HTML)	Yes
Sweden	No	-	-	-	-

Recommendations

- **Governments in all countries** should consider opening up their datasets with MPs’ interest and asset declarations as a first step towards disclosure for all public officials. Recent GRECO reports have pointed out the limits of the current systems, mostly related to the lack of authorities’ capacity to verify the accuracy of the declarations and carry out systematic monitoring. Open data would allow the media and civil society to better scrutinise the registers, contributing to data quality and detection of potential conflicts of interest.

¹³⁹ <http://europam.eu/index.php?module=country-profile&country=Sweden>

¹⁴⁰ GRECO (2017), ‘4th Evaluation Round in Sweden: Corruption prevention in respect of members of the parliament, judges and prosecutors’

¹⁴¹ *ibid.*

¹⁴² <https://www.riksdagen.se/en/how-the-riksdag-works/the-work-of-the-riksdag/the-members/>

- **The Latvian government** should include a commitment on disclosing the dataset with MPs' interest and asset declaration in the upcoming OGP Action Plan. Ukraine's success story with its open register provides evidence that there is considerable space for peer-learning within the OGP, and Latvian authorities might benefit from knowledge transfer from this country.
- **The Danish government** should strengthen its current approach to conflict of interest and assess existing corruption risks in the parliament. The absence of regulatory frameworks and Code of Ethics with MPs, together with lack of lobbying regulation and transparency in political financing make the country much more vulnerable to political corruption in comparison to Nordic and Latvian peers.
- **The Finnish, Danish and Swedish governments** should adopt more solid systems for monitoring and verification of politicians' declarations. Though the "naming and shaming" mechanism might seem appropriate as a soft preventive measure, it does not ensure that MPs are effectively dissuaded from submitting incomplete, false or inaccurate declarations.

Public Procurement

The staggering value of public procurement contracts in Europe and across the world makes the sector a corruption risk hotspot. Fifty-seven per cent of cases concluded under the Organisation for Economic Co-operation and Development (OECD)'s Anti-Bribery Convention relate to bribes paid for public contracts. This is not surprising given that goods and services obtained through procurement can account for between 30 per cent and 50 per cent of government expenditure.¹⁴³

A transparent public procurement system, with a solid system of thresholds for bid publication, is particularly important to fight political corruption, as it addresses potential risks of nepotism, cronyism and unethical post-employment. Governments now use e-procurement systems to manage the procurement process and capture such data. However, their transparency, technical quality and usage by public bodies varies greatly.¹⁴⁴

Good practice is publishing all information related to each stage of the procurement cycle in a centralized portal, ensuring that data is in open format. The Open Contracting Partnership¹⁴⁵, a global community of policy experts and activists promoting transparency in public procurement has developed the so-called Open Contracting Data Standard for procurement data.¹⁴⁶ This ensures the transparency and data quality of e-procurement systems meet a globally recognised benchmark at each stage of the procurement cycle.

Georgia and Ukraine - Saving public resources through centralised, open and transparent public procurement platforms

In 2010, Georgia implemented a transparent and mandatory e-procurement system allowing access to comprehensive data from a single location. By 2011, the total number of competitive tenders run in the country had risen from 1,933 to 33,000, which greatly increased market competition. Within five years the country had saved US\$400 million, according to the World Bank.*

In 2015, the government of Ukraine, drawing inspiration from Georgia and working closely with civil society and the private sector, replaced its corrupt and opaque procurement system with the online platform ProZorro. The system uses the Open Contracting Data Standard to publish data about the whole procurement cycle. Three years later, government savings have topped USD 1bn.**

* World Bank, *Benchmarking Public Procurement 2017, 2016*

**“Ukraine’s coffers save almost \$1 bln using ProZorro”, *Interfax-Ukraine (web)*, 23 May 2017.

¹⁴³ Transparency International (2012), ‘Money, Politics, Power: Corruption Risks in Europe’

¹⁴⁴ Ibid.

¹⁴⁵ <https://www.open-contracting.org/>

¹⁴⁶ <http://standard.open-contracting.org/latest/en/>

Regional overview

All countries, except Sweden, have over time implemented centralised e-procurement portals with information on tenders and awards. However, while Latvia and Estonia have recently managed to improve the quality of the data and release it in open format, Lithuania and Nordic countries data is not machine-readable. In Sweden's case, there is no national public database for public procurement notices. Instead, there is a private market for the release of such data.¹⁴⁷

OGP commitments on public procurement in Latvia, Finland and Norway have been more ambitious compared to other areas. In Latvia, the process resulted in the development of the public procurement portal with open data on tenders and awards and the establishment of a subsystem for publishing awarded contracts. In Finland, the OGP commitment translated in the opening up of government spending data and the creation of a visualisation platform. Norway has recently committed to create a centralised and open register containing information on all phases of the public procurement cycle.

Table 11 – Procurement tender and awards information in the Nordic Region		
Country	Regulation	Information
Estonia		
Latvia		
Lithuania		
Denmark		
Finland		
Norway		
Sweden		-

Public procurement transparency in the Baltic countries

Public procurement has been one of the sectors with the highest corruption risks in the Baltic states. A substantial part of the business and commercial community in these countries perceive that corruption and favouritism in allocating contracts as well as collusive bidding and conflict of interest are widespread, especially in Latvia and Lithuania.¹⁴⁸ Furthermore, as noted above, the awarding of public contracts in exchange for political financing is believed to be the most widespread corruption practice.

There were also instances of cross-border high-level corruption. In a prominent public procurement case that came to light in 2015, Uģis Magonis, president of the Latvian state-owned railway operator (Latvijas Dzelzceļš) allegedly accepted a bribe of EUR 500,000 from Estonian entrepreneur Oleg Osinovsky to grant

¹⁴⁷ "Statistik om offentlig upphandling 2018". UPPHANDLINGSMYNDIGHETEN RAPPORT 2018:2/KONKURRENSVERKET RAPPORT 2018:9. P. 20: http://www.konkurrensverket.se/globalassets/publikationer/rapporter/rapport_2018-9_statistikrapport_2018_webb.pdf

¹⁴⁸ <https://www.ganintegrity.com/portal/>

a contract to supply several used trains. Formal charges against Magonis were filed in July 2016). Magonis has pleaded not guilty and his trial was ongoing as of the time of review.¹⁴⁹

Nevertheless, all three countries in recent years have increased transparency in the public procurement cycle through the adoption of centralized e-procurement systems providing citizens and businesses with data about tenders and awards, procedures and contracts. This is a positive development, as business links between the countries are strong and there is a need to prevent the risk of cross-border corruption as well as scrutinize risky patterns such as single-bid procurements and short-time advertisements.

In Estonia, the State Public Procurement Register records the information about procurement notices and results as well as other data and electronic documents specified in the Public Procurement Act. It also offers online procurement services such as company registration and management. Following up on its promise to further increase transparency, the government has recently released data about public procurement notices in open format.¹⁵⁰

In Lithuania, the government has effectively implemented e-procurement in recent years, setting up a central public procurement portal (CVPP) with relevant data and documents. As a result, almost 90% of public bids were conducted electronically in 2016. Even though data on all public procurements from 2003 to 2016 is available in open format¹⁵¹, the information currently published in the central procurement portal CVPP is only available in PDF and DOCX.¹⁵²

In Latvia, up to 2015, there was no system of electronic procurement in place. Procurement data, if available, were obtainable only by searching various files on the Procurement Monitoring Office website, but they did not include the beneficiaries of the contracts. To tackle the problem, in recent years, the government undertook a long-term reform to introduce e-procurement and publish all procurement data at a central repository.¹⁵³

The OGP process in Latvia was partly instrumental in implementing public procurement reform. As part of a commitment on open contracting in Latvia's 2nd OGP Action Plan (2015-2017), the government passed regulations requiring the publication of procurement-related information in an open data format. Accordingly, the Public Procurement Office started releasing data on historical procurements and contracts on the open data section of its web page as well as on the central open data portal data.gov.lv.¹⁵⁴

The implementation of the commitment led to mixed results. On the one hand, the launch of the electronic procurement system steadily improved the accessibility and transparency of procurement information. On the other hand, the threshold for mandatory disclosure of documents was increased and fewer contracting documents were required to be published at a central location at the close of the action plan (July 2017) than at the beginning.¹⁵⁵

Latvia's 3rd action plan (2017-19) has also included a commitment on open contracting. This has aimed to further increase transparency by publishing procurement contracts in an e-procurement subsystem (by January 2019) and providing policy options for regulating procurements under the reporting thresholds.

¹⁴⁹ <https://www.ganintegrity.com/portal/country-profiles/latvia/>

¹⁵⁰ <https://riigihanked.riik.ee/rhr-web/#/>

¹⁵¹ <http://www.freedata.lt/vpt/>

¹⁵² <https://cvpp.eviesiejipirkimai.lt/>

¹⁵³ <https://data.gov.lv/dati/lv/dataset/publisko-iepirkumu-pazinojumi>

¹⁵⁴ Miežaine Z. (2018), 'Open Government Partnership End of Term Assessment Report – Latvia'

¹⁵⁵ Ibid.

The implementation of the e-procurement system and its use by government institutions has also been expected to ease the bid submission process.

According to the OGP mid-term assessment report, this commitment could moderately impact access to procurement contracts, once all the government institutions start using the system. However, increasing transparency for procurements below the reporting threshold and expanding IT functionalities for that purpose are not described specifically enough to assess their potential impact, and thus unlikely to solve the issue from the previous action plan.¹⁵⁶

The potential usefulness of open data about tender and awards was demonstrated in a recent hackathon organized by TI Latvia and Datu Skola. In fact, the winner group of the hackathon combined open data on tenders and awards from the Procurement Monitoring Bureau’s portal, together with beneficial ownership information and data on political financing to develop a prototype for a red-flagging system to spot suspicious procurements.¹⁵⁷

Table 12 – Public procurement tenders and awards data in the Baltic countries

Country	Available	Timely	Granular	Format	Open/Accessible
Estonia	Yes	Yes	Yes	Yes (XML, XLSX)	Yes
Latvia	Yes	Yes	Yes	Yes (XML)	Yes
Lithuania	Yes	Yes	Yes	No (PDF, DOCX)	Yes

Public procurement transparency in the Nordic countries

Public procurement in Nordic countries is generally perceived to be much less prone to corruption risks. Only a small fraction of companies operating in these countries believe that corruption hampers business, or that there is collusion and favouritism in allocating public contracts. Corruption and favouritism risks are believed to be more widespread among local authorities and municipalities, but recent episodes have shown that there are risks also at higher levels.¹⁵⁸

In what has been considered as the biggest corruption case in Denmark, in 2016, nearly forty public officials working in IT departments were charged in connection to a bribery investigation for accepting gifts of electronic devices from IT vendor Atea A/S.¹⁵⁹ Atea A/S was then prosecuted by Danish authorities

¹⁵⁶ Miezaine Z. (2019), ‘Open Government Partnership Design Report 2017-2019 – Latvia’

¹⁵⁷ <http://www.datuskola.lv/2019/03/04/atvertie-dati-palidz-identificet-korupcijas-riskus/>

¹⁵⁸ <https://www.ganintegrity.com/portal/>

¹⁵⁹ <https://www.ganintegrity.com/portal/country-profiles/denmark/>

for bribery and embezzlement carried out by a number of employees.¹⁶⁰ In summer 2018, the company reached a settlement with prosecutors to pay a penalty of DKK 10 million.¹⁶¹

In another isolated corruption case, the former head of Helsinki's anti-drug police unit, Jari Aarnio, was found guilty of abuse of office, aggravated fraud and passive bribery in relation to the purchase of equipment and software on behalf of the Helsinki police department from a company in which Aarnio was an investor with decision-making powers.¹⁶² In 2016, Aarnio was sentenced to ten years of imprisonment over the charges.¹⁶³

Sweden has been hit by scandals surrounding the construction of a new hospital in the county of Stockholm. According to media reports, the scandal was the biggest ever in Sweden, and involved billions of kronor of taxpayers' money. Conflict of interests in this case were more than evident, with huge fees paid out to a consultancy firm jointly owned by the key decision-maker in the city council and her husband, who was at the time the procurement manager of the hospital.¹⁶⁴

Apart from such corruption episodes, the public procurement system in the Nordic countries is considered as transparent and efficient. All of them, except Sweden, have established centralised procurement portals with information on tenders and awards. Though there are still some challenges from a technical point of view, all governments have pledged to further improve the system in the near future.

In Denmark, the law mandates contracting authorities to provide free, direct and full electronic access to the procurement documents from the date of publication of the contract notice to the Official Journal of the European Union. All public tenders are published on the central portal www.udbud.dk. However, the data is not available as in open format and individual tender's documents are only accessible via the website of the contracting authority's own choice.¹⁶⁵

In Finland, the law requires that tender documents are published in full. Procurement notices are to be electronically submitted for publication on the website at www.hankintailmoitukset.fi.¹⁶⁶ The data in the website is not available in open format, though the government has pledged to make it so in the near future. Finland also had OGP commitments in public procurement that reportedly increased transparency in the sector.

The commitment "Clear Administration" in the 2nd OGP Action Plan (2015-2017), generally sought to improve visualisation and accessibility of government information. As a result of the commitment, the visualisation service Tutkihankintoja.fi, where user can visualise state spending information in a friendly manner, was made available on 4 September 2017 by the government's central purchasing body (Hansel Ltd.). The data were also uploaded in the central open data portal avoindata.fi.¹⁶⁷

The 3rd OGP action plan (2017-2019), included another commitment on public procurement. This, however, simply consisted in publishing the Tutkihankintoja.fi service, which was already implemented in the previous action plan. Even though these commitments on public procurement referred more to

¹⁶⁰ <https://www.reuters.com/article/idUSL5N1GG1EE>

¹⁶¹ <https://www.linkedin.com/pulse/interesting-day-anti-corruption-denmark-atea-case-nicolai-ellehuus>

¹⁶² https://yle.fi/uutiset/osasto/news/ex-cop_aarnio_gets_prison_sentence_in_first_corruption_verdict/8037619

¹⁶³ https://yle.fi/uutiset/osasto/news/convicted_ex-helsinki_drug_cop_jari_aarnio_begins_appeal_to_overturn_10-year_prison_sentence/9832688

¹⁶⁴ <https://www.aftonbladet.se/ledare/a/On7AXV/bilden-av-moderat-vanskapskorruption>

¹⁶⁵ <https://www.udbud.dk/>

¹⁶⁶ <https://www.hankintailmoitukset.fi/fi/>

¹⁶⁷ Pritup D. (2018), 'Finland OGP End of Term Assessment 2015-2017'

government spending data rather than information on tenders and awards, the government has expressed the possibility to also make such information available in open format through the existing Tutkihankintoja platform.¹⁶⁸

In Norway, procurement tenders and awards are published in the central portal doffin.no, managed by the procurement agency Difi.¹⁶⁹ However, the data is not available in open format. According to Difi, one of the main challenges is related to the operation of public procurement in a decentralised way and the systematic collection and use of public procurement data.¹⁷⁰

Norway’s current OGP Action Plan (2019-2021) includes a commitment aimed at fully digitalising the procurement process, as part of a longer government undertaking running from 2018 to 2024 to improve the scope, quality and accessibility of the information available. According to the action plan, full digitalisation of the procurement process will be described in more detail in a forthcoming white paper on public procurement to be published by the government.¹⁷¹

In Sweden, where there is a highly decentralised public procurement system, there is no requirement that tender documents are published in full, with the exception of tenders and award notices. Moreover, in what seems to be at odds with the practice of EU Member states, it is not mandatory to publish procurement notices and other documents at a central place. Instead, most contracting authorities are using private publication services, such as Visma Opic¹⁷² to publish tender documents.

Even though public procurement in Sweden is generally considered efficient, transparent and free from corruption, the absence of a central portal reduces the possibility for public scrutiny of how public funds are spent. This is particularly relevant in a country where local public procurement is considered prone to corruption risks compared to the national one. In addition, municipalities reportedly lack effective control mechanisms to prevent cronyism and nepotism in public procurement.¹⁷³

Table 13 – Public procurement tenders and awards data in the Nordic countries

Country	Available	Timely	Granular	Format	Open/Accessible
Denmark	Yes	Yes	Yes	No (HTML)	Yes
Finland	Yes	Yes	Yes	No (HTML)	Yes
Norway	Yes	Yes	Yes	No (HTML)	Yes
Sweden	No	-	-	-	-

¹⁶⁸ Pritup D. & Laulainen T. (2019), ‘Finland’s OGP Design Report 2017-2019 - Mid-term assessment’ https://www.opengovpartnership.org/sites/default/files/Finland_Design-Report_2017-2019_EN_for-public-comment.pdf

¹⁶⁹ www.doffin.no

¹⁷⁰ https://www.anskaffelser.no/sites/anskaffelser2/files/maps_norway.pdf

¹⁷¹ Norwegian Ministry of Local Government and Modernisation (2019), ‘4th Norwegian Action Plan Open Government Partnership’

¹⁷² www.opic.com

¹⁷³ <https://www.ganintegrity.com/portal/country-profiles/sweden/>

Recommendations

- **Governments in all countries**, possibly through the Nordic+ format, should seek cooperation with the Open Contracting Partnership and implement the Open Contracting Data Standard for public procurement data. This will boost their efforts to further improve public procurement data governance mechanisms and transparency in the provision of information. The promotion of good public procurement practices, including technological Innovation is also one of the main goals set out in the in line with Nordic Council of Ministers’ strategic priority set out in the Nordic-Baltic Declaration on Digitisation.
- **The Latvian government** should include an ambitious commitment on Public Procurement in its upcoming action plan. The commitment should envisage the integration of the two existing subsystems on public procurement and the implementation of the OCDS. Peer-learning through the OGP is also possible. While Norway has currently a similar commitment, Ukraine, with its ProZorro system, has one of the best practices globally on public procurement.
- **The Swedish government** should assess demand for freely available public procurement data in the country, taking into consideration the needs of national and foreign businesses, as well as stakeholders in media and civil society. The “privatisation” of publication of procurement data might have raised the financial barriers to data accessibility and reuse and caused problems with regard to access to information.

Beneficial ownership

Anonymous companies have long been considered as a key means for moving, laundering and spending the illicit gains of corruption and organised crime. According to a recent review from the World Bank, they were used in 70 per cent of grand corruption cases assessed in the study.¹⁷⁴ The Panama Papers, the Russian Laundromat and the Azerbaijani Laundromat all revealed how corrupt individuals and criminal networks used anonymous companies to secretly control or profit from state assets.¹⁷⁵

As a result of all these scandals, there has been a revived debate on beneficial ownership transparency. A beneficial owner is the individual (or individuals) who ultimately owns, controls or benefits from large company, trust or other legal vehicles.¹⁷⁶ The beneficial owner can be different from a company's legal owner, i.e. the person or entity with immediate and formal ownership. In the case of complex corporate structures, a whole chain of legal owners might obscure the beneficial owner.

Despite its importance for fighting corruption, in the vast majority of countries it remains legal for companies to hide the identity of their beneficial owners. This has partly changed in the European Union, where the Panama Papers have triggered a reform process of anti-money laundering rules. In 2017, a new European Anti-Money Laundering Directive was approved, that mandates to publish basic information on beneficial owners – name, month of birth, nationality, country of residence, nature/size of interest held.¹⁷⁷

Even though this is a big step forward, the Directive does not require governments to adopt specific standards in publishing this information, leaving issues of accessibility and interoperability at discretion of national authorities. This means that governments can still place paywalls for accessing information or release the data in non-machine-readable formats, which makes it more difficult for users to employ it in effective ways.

A beneficial ownership register in open format can bring many benefits not only in the prevention of money laundering, but also in the broader fight against corruption, by cross-referencing it with other public registers at the national and international level. It would also make financial sense, as governments could save costs in information exchange and tax collection, while companies and banks would better fulfill their due diligence duties and risk management obligations.

Open Ownership¹⁷⁸ is a UK-based global civil society initiative that links data from corporate registries and other sources to create a single, accessible source of information on worldwide beneficial ownership. The initiative is developing a Beneficial Ownership Data Standard, that provides a technical model for governments to create their own registers and to ensure that national datasets are comparable and interoperable with one another. The site, launched in April 2017, currently hosts data from Slovakia, the UK and Ukraine.¹⁷⁹

¹⁷⁴ <https://star.worldbank.org/sites/star/files/puppetmastersv1.pdf>

¹⁷⁵ <https://www.icij.org/investigations/panama-papers/>

¹⁷⁶ Knobel A. (2019), 'Beneficial Ownership Verification: ensuring the truthfulness and accuracy of registered ownership information', Tax Justice Network, https://www.taxjustice.net/wp-content/uploads/2019/01/Beneficial-ownership-verification_Tax-Justice-Network_Jan-2019.pdf

¹⁷⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018L0843>

¹⁷⁸ <https://openownership.org/>

¹⁷⁹ <http://standard.openownership.org/en/master/>

United Kingdom – Shedding a light on suspicious shell companies

After the UK government in 2016 published the world's first open register of beneficial ownership, the NGO Global Witness and data scientists from the civic and private sectors carried out an extensive analysis of the data to shed a light on the thriving shell company formation industry. According to Global Witness, the data was useful not only to track suspicious entities, but also to provide recommendations on data quality issues to Companies House and building a red-flagging system.

Cross-referencing open data from the register with other public interest datasets, the activist found that 3,000 companies listed their beneficial owner as a company with a tax haven address, which is not permitted. In addition, they discovered that 76 beneficial owners share the same name and birthday as someone on the US sanctions list, and that some other 4,000 were listed as being under the age of two.

Source: Global Witness (2018), 'The Companies We Keep',

<https://www.globalwitness.org/en/campaigns/corruption-and-money-laundering/anonymous-company-owners/companies-we-keep/>

Regional Overview

The significance of beneficial ownership transparency for the Nordic region has become evident in 2018 and 2019. Media reported multiple allegations about huge amounts of illicit financial flows from the post-Soviet space passing through Nordic banks and other institutions in Latvia, Estonia and Lithuania during the years 2007-2015. Some of these money laundering schemes were labelled 'laundromats' because of the systematic ways in which illicit funds were funnelled with the support of corrupt networks.

Estonia was involved Danske bank money laundering scandal, in which over EUR 200bn of suspicious transactions flowed from Estonia, Russian, Latvian and other sources through the Estonian branch of the Danish lender in the years 2007-2015. In February 2019, media reports revealed that about EUR 135bn of high-risk non-resident money flowed through Swedbank's Estonian branch for over a decade. Both scandals had huge repercussions on the reputation of the banks and their business.¹⁸⁰

Latvia was also hit by multiple money laundering scandals involving its famous non-resident banking sector. It was estimated that between 2009-2015, at least €25bn in corrupt money flows was funnelled through Latvian financial institutions catering clients from high-risk countries in the post-Soviet space. More recently, in February 2018, Latvia hit again the headline due to US allegations of systematic money laundering and corruption through its biggest financial institution, ABLV.

Lithuania is suspected to be involved the so-called "Troika Laundromat" – a collection of 70 offshore shell companies used to move around \$4.6bn of private wealth from Russia to the west. According to the allegations, the scheme was operated by staff at an independent arm of the Russian investment bank Troika Dialog. Most of the transfers are said to have taken place at Lithuania's Ukio Bank, which was closed by authorities in 2013 and is under investigation.¹⁸¹

¹⁸⁰ <https://www.ft.com/content/c10076e2-d920-11e9-8f9b-77216ebe1f17>

¹⁸¹ <https://www.theguardian.com/world/2019/mar/04/qa-what-is-the-troika-laundromat-and-how-did-it-work>

Even though the scandals were mostly about anonymous shell companies based in offshore havens such as the British Virgin Islands or major global financial centres such as the United Kingdom, they were a powerful reminder of how lack of transparency of information on beneficial owners (those who ultimately own and/or control company), can be used by corrupt and embezzlers to enjoy the proceeds of their crime or shed their wealth away from tax authorities in their own countries.

Following transposition of the EU 4th and 5th anti-money laundering directives, all countries except Lithuania have established beneficial ownership registers.¹⁸² However, there is considerable variation in the way in which this data is disclosed. Denmark is the only country in the region, and one of the few globally, that has completely opened up the register. Latvia will open up the register starting from January 2020, while Norway has recently passed legislation providing for such register in the next couple of years.

Among other countries, Estonia has a beneficial ownership register that is available to the public, but the data is currently behind a paywall and cannot be downloaded. In Sweden, the register is available to the public in machine-readable format, but against a high fee. In Finland, the register is only accessible by those with a legitimate interest. In Lithuania, the government has delayed the creation of the register due to lack of financial resources.

Latvia and Norway have had OGP commitments on beneficial ownership. In Latvia, it aimed to pass legislation for public access to information beneficial ownership and modernise the Enterprise Register. In Norway, it also aimed to improve legislation by transposing EU Directives. Though these commitments did not result in increased access to beneficial ownership information, they were important for laying down the bases for the future implementation of open registers.

Table 14 – Beneficial Ownership information in the Nordic Region		
Country	Regulation	Information
Estonia		
Latvia		
Lithuania		-
Denmark		
Finland		-
Norway		-
Sweden		

¹⁸² https://ec.europa.eu/info/policies/justice-and-fundamental-rights/criminal-justice/anti-money-laundering-and-counter-terrorist-financing_en

Beneficial Ownership Transparency in the Baltic countries

In the last couple of years, thanks to the transposition of the 4th EU AML Directive and prompted by money laundering scandals, all three countries strengthened their AML framework as well as availability of beneficial ownership information. However, there is some variation in the urgency and scope of the measures, as well as their practical results.

In Estonia, beneficial ownership registration started in September 2018. At present, basic company information (name, registration number, address) is available for free and accessible through the company register website. However, beneficial ownership information as well as other relevant information, i.e. financial statements is behind a €1 paywall and not available in machine-readable format.¹⁸³ It seems that at present the government has no plans of opening up the register.

In Lithuania, information on legal persons is contained in the Register of Legal Entities (JAR) and the Information System of Members of Legal Entities (JADIS). Amendments to the AML law that came into effect in 2019 mandates for the creation of a public beneficial ownership register, as a sub-system of JADIS. However, the register was not yet created because no state budget has been yet allocated to it, though this might change with the upcoming Budget law.¹⁸⁴

In Latvia, following the banking sector reputation crisis of February 2018 and recommendations from MONEYVAL, the government has implemented an ambitious plan to impose robust anti-money laundering standards in the country. This included stricter requirements for the registration of beneficial ownership registration, public access to beneficial ownership information, the modernisation of the Enterprise Register (ER) and the introduction of a risk-based approach in monitoring registered legal entities.¹⁸⁵

Latvia's anti-money laundering measures were partly reflected in the 3rd OGP Action Plan (2017-2019), where the government included a commitment on beneficial ownership transparency, aiming to develop a new ER website and to improve the searchability of the available information. In parallel, the government introduced a requirement for all types of legal entities operating in the country to disclose to the ER information on their beneficial owners.¹⁸⁶

Following the implementation of the commitment, the ER website was updated, and basic company information is now available as open data (XSLX, CSV) through the central open data portal data.gov.lv. In addition, starting from April 2019, beneficial ownership information was made publicly available through the website info.ur.gov.lv.¹⁸⁷ However, this did not result in increased public access to beneficial ownership data, as at the end of the implementation period it was still behind a €6 paywall.

The situation is bound to change, as expected increased budget allocations to the ER will allow the agency to publish comprehensive beneficial ownership information free of charge and in open format.¹⁸⁸ This is a good step forward and is likely to increase transparency and mitigation of risks. However, to achieve the

¹⁸³ <https://ettevotjaportaal.rik.ee/index.py?chlang=eng>

¹⁸⁴ <https://www.15min.lt/naujiena/aktualu/lietuva/istatymas-del-tikruju-savininku-viesinimo-galioja-bet-neveikia-nedave-pinigu-56-1213912?copied>

¹⁸⁵ <https://www.mk.gov.lv/en/aktualitates/pm-latvia-passes-ambitious-reforms-fight-financial-crime>

¹⁸⁶ Miezaïne Z. (2019), 'Open Government Partnership Design Report 2017-2019 – Latvia'

¹⁸⁷ <https://www.latvija.lv/lv/Epakalpojumi/EP120/Apraksts>

¹⁸⁸ <https://www.ur.gov.lv/lv/jaunumi/aktualitates/uznemumu-registrs-velas-atvert-registrus/>

full potential of the register the government should ensure that the data is available according to international standards and interoperable with foreign repositories.

Table 15 – Beneficial Ownership Data in the Baltic Countries

Country	Available	Timely	Granular	Format	Open/Accessible
Estonia	Yes	Yes	Yes	No (HTML)	No
Latvia	Yes	Yes	Yes	No (HTML)	No
Lithuania	No	-	-	-	-

Beneficial Ownership Transparency in the Nordic countries

Following the introduction of new AML legislation implementing EU Directives, Denmark has become one of the few countries in the world to provide information on beneficial ownership, management and financial statements free of charge and in machine-readable format. The Virk IT system is freely accessible and searchable, and can make linkages between persons, companies, addresses and other data.¹⁸⁹ In 2018, data from the register have been uploaded on Open Ownership’s Global Register.¹⁹⁰

In Finland, registration of beneficial ownership information for existing legal entities started in January 2019. Basic company information from the ER, managed by the Finnish Patent Registration Office, is available in open data (JSON) through the open data portal. However, beneficial ownership information is not available to the public. According to the PRH, only parties with legitimate interest can access the information, after submitting a request form. In addition, the information is subject to a charge (€7).¹⁹¹

In Norway, measures to set up a system for the collection, maintenance and registration of beneficial ownership information have been underway since 2015. Norway’s 3rd OGP Action Plan (2016-2018) included a commitment aimed at developing proposals for a publicly accessible register of ultimate beneficial owners (UBOs) of Norwegian companies, based on international standards from the Financial Action Task Force (FATF) and relevant EU directives.¹⁹²

By the end of 2016, the Storting’s Commission on the Money Laundering Act issued two proposals for a UBO registry (in December 2015 and December 2016), which were discussed in the Ministry of Finance and Ministry of Trade, Industry and Fisheries. In the reports, the Commission suggested that a new registry not be open to the public, and that companies on the Oslo stock exchange be exempted. This proposal was seen as a major setback by stakeholders and the Parliament.¹⁹³

¹⁸⁹ <https://datacvr.virk.dk/data/?language=en-gb&>

¹⁹⁰ <https://www.openownership.org/news/new-on-the-openownership-register-data-from-the-danish-business-register-has-been-added/>

¹⁹¹ https://www.prh.fi/sv/kaupparekisteri/formanstagare_registreras_fran_juli_2019/uppgifter_formanstagare.html

¹⁹² Skedsmo P.W. (2018), ‘OGP IRM – Norway End of Term Report 2016-2018’, Open Government Partnership,

¹⁹³ Ibid.

In June 2018, the Norwegian government submitted to Parliament a proposal for a new Beneficial Ownership Act, stating that the register should be open to the public and be free of charge. Civil society welcomed the change, but criticised some limitations, including a threshold criterion meaning that only shareholders holding more than 25 percent of the shares will be obliged to register, and that companies on the Oslo stock exchange will likely be exempted.

Accordingly, the Norwegian government has included a commitment in the 4th action plan (2019-2021) for establishing a UBO registry once the parliament has passed and/or amended the existing proposal. However, the action plan does not provide detailed information on how this will specifically be implemented, nor what characteristics and functionalities will be available in the new register.¹⁹⁴

The Beneficial Ownership Act was adopted by the Norwegian parliament at the beginning of March 2019, mandating for a publicly accessible register in user-friendly format. The adopted law is based on the Government's previous proposal and does not entail many changes. The law is now awaiting supplementing regulations concerning the location of the Register as well as technical details for accessing information.¹⁹⁵

In Sweden, comprehensive company information, including beneficial ownership, is publicly available through the website of the Bolagsverket. The Register allows users to purchase the information in machine-readable format (XML) or connect it to their own systems through an API. However, these services as well as other functionalities are only sold in “packages”, and the high paywalls (€600) constitute a significant barrier to reuse. In addition, use of the register requires eID registration.¹⁹⁶

Table 16 – Beneficial Ownership Data in the Nordic Countries

Country	Available	Timely	Granular	Format	Open/Accessible
Denmark	Yes	Yes	Yes	Yes (CVR)	Yes
Finland	No	-	-	-	-
Norway	No	-	-	-	-
Sweden	Yes	Yes	Yes	Yes (XML)	No

¹⁹⁴ Norwegian Ministry of Local Government and Modernisation (2019), '4th Norwegian Action Plan Open Government Partnership'

¹⁹⁵ <https://www.wr.no/aktuelt/update-beneficial-ownership-register-act/>

¹⁹⁶ <https://bolagsverket.se/be/sok/xml>

Recommendations

- **Governments in all countries** should establish cooperation with Open Ownership and other countries in the OGP for the implementation of the Beneficial Ownership Data Standard. The recent money laundering scandals have called for improved beneficial ownership transparency, not only for the prevention of financial crime, but also as a way to improve the business climate.
- **The Estonian government** should allocate state budget to the company register in order to remove the paywall currently in place in the register. The Laundromat scandals in the Baltic States have demonstrated the role played by company service providers based in the country. The opening up of the register would help build trust and better assess the risk of misuse of legal entities in the country.
- **The Lithuanian and Finnish governments** should aim for an ambitious transposition of the 5th EU AML Directive, providing for the release of beneficial ownership information in open format as well as adequate mechanisms of verification of the accuracy of the information. In doing this, they should seek cooperation from other Nordic countries that have already set up the registers.

Annex – Overview of datasets by policy area

Political financing

Political financing data in the Baltic countries					
Country	Available	Timely	Granular	Format	Open/Accessible
Estonia	Yes	Yes	Yes	Yes (XLSX, CSV)	Yes
Latvia	Yes	Yes	Yes	No (HTML)	Yes
Lithuania	Yes	Yes	Yes	Yes (XLS, XLSX, XML)	Yes

Estonia – <http://www.erik.ee/en/financing-reports/revenues-political-parties?report=125918>

Latvia – <https://www.knab.gov.lv/lv/db/>

Lithuania – <https://www.rinkejopuslapis.lt/ataskaitu-formavimas>

Political financing data in the Nordic Countries					
Country	Available	Timely	Granular	Format	Open/Accessible
Denmark	Yes	No	No	No (PDF)	Yes
Finland	Yes	Yes	Yes	Yes (XSLX, CSV)	Yes
Norway	Yes	Yes	Yes	Yes (XLSX, CSV, JSON)	Yes
Sweden	Yes	Yes	No	Yes (XSLX)	Yes

Denmark – <https://www.ft.dk/da/partier/om-politiske-partier/gruppestoette-og-regnskaber>

Finland – <https://www.vaalirahoitusvalvonta.fi/en/index/puoluerahoitus/raporttietusivu/tietoaineistot.html.stx>

Norway – <https://www.partifinansiering.no/en/>

Sweden – <https://www.kammarkollegiet.se/vara-tjanster/partiinsyn/hamta-ut-redovisade-intakter/redovisade-intakter-fran-politiska-aktorer-2018->

Interest and Asset Declarations

Interest and Asset Declarations Data in the Baltic Countries					
Country	Available	Timely	Granular	Format	Open/Accessible
Estonia	Yes	Yes	Yes	No (HTML)	No
Latvia	Yes	Yes	Yes	No (HTML)	Yes
Lithuania	Yes	Yes	Yes	No (HTML)	Yes

Estonia – <https://www.emta.ee/et>

Latvia – <https://www6.vid.gov.lv/VAD>

Lithuania – <https://www.vtek.lt/deklaraciju-paieska>

Interest and Asset Declarations Data in the Nordic Countries					
Country	Available	Timely	Granular	Format	Open/Accessible
Denmark	Yes	Yes	Yes	No (HTML)	Yes
Finland	Yes	Yes	Yes	No (HTML)	Yes
Norway	Yes	Yes	Yes	No (HTML)	Yes
Sweden	No	-	-	-	-

Denmark – <https://www.ft.dk/da/medlemmer/hverv-og-oekonomiske-interesser>

Finland – <https://www.eduskunta.fi/FI/kansanedustajat/sidonnaisuudet/Sivut/default.aspx>

Norway – <https://www.stortinget.no/no/Stortinget-og-demokratiet/Representantene/Okonomiske-interesser/>

Sweden – <https://www.riksdagen.se/en/how-the-riksdag-works/the-work-of-the-riksdag/the-members/>

Public Procurement (Tenders and Awards)

Public procurement tenders and awards data in the Baltic countries					
Country	Available	Timely	Granular	Format	Open/Accessible
Estonia	Yes	Yes	Yes	Yes (XML, XLSX)	Yes
Latvia	Yes	Yes	Yes	Yes (XML)	Yes
Lithuania	Yes	Yes	Yes	No (PDF, DOCX)	Yes

Estonia – <https://riigihanked.riik.ee/rhr-web/#/>

Latvia – <https://data.gov.lv/dati/lv/dataset/publisko-iepirkumu-pazinojumi>

Lithuania – <https://cvpp.eviesiejipirkimai.lt/>

Public procurement tenders and awards data in the Nordic countries					
Country	Available	Timely	Granular	Format	Open/Accessible
Denmark	Yes	Yes	Yes	No (HTML)	Yes
Finland	Yes	Yes	Yes	No (HTML)	Yes
Norway	Yes	Yes	Yes	No (HTML)	Yes
Sweden	No	-	-	-	-

Denmark – <https://www.udbud.dk/>

Finland – <https://www.hankintailmoitukset.fi/fi/>

Norway – www.doffin.no

Beneficial Ownership

Beneficial Ownership Data in the Baltic Countries					
Country	Available	Timely	Granular	Format	Open/Accessible
Estonia	Yes	Yes	Yes	No (HTML)	No
Latvia	Yes	Yes	Yes	No (HTML)	No
Lithuania	No	-	-	-	-

Estonia – <https://ettevotjaportaal.rik.ee/index.py?chlang=eng>

Latvia – <https://www.ur.gov.lv/>

Beneficial Ownership Data in the Nordic Countries					
Country	Available	Timely	Granular	Format	Open/Accessible
Denmark	Yes	Yes	Yes	Yes (CVR)	Yes
Finland	No	-	-		
Norway	No	-			
Sweden	Yes	Yes	Yes	Yes (XML)	No

Denmark – <https://datacvr.virk.dk/data/?language=en-gb&>

Finland – https://www.prh.fi/sv/kaupparekisteri/formanstagare_registreras_fran_juli_2019/uppgifter_formanstagare.html

Sweden – <https://bolagsverket.se/be/sok/xml>

The background features a dark blue gradient with a pattern of binary code (0s and 1s) and a network of white lines connecting circular nodes of varying sizes, suggesting a digital or data network theme.

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