

Council of Europe: Member states must act against transnational corruption to protect democracy

As heads of states and governments gather for the [Fourth Council of Europe Summit](#) in Reykjavik on 16-17 May, Transparency International urges the Council to centre anti-corruption efforts to successfully advance its mission to protect democracy, human rights and the rule of law in Europe and beyond.

The very issues prioritised at the Council of Europe Summit – the war in Ukraine [and the global climate crisis](#) – are exacerbated by transnational corruption. The failure to curb transnational corruption – including in the very country in which leaders are now meeting, undermines public trust in institutions and the rule of law. It also undermines democracy, diverts vital resources from the public, and buys undue influence over democratic decision-making.

In 2019, a joint media investigation uncovered the biggest corruption scandal in the history of Iceland and Namibia, but the Icelandic company suspected to be at the centre has yet [to be held accountable](#).

From 2012 to around 2018, the country's largest fishing company, Samherji, [reportedly](#) bribed Namibian government officials, including two former ministers, to divert fishing quotas away from local businesses and used anonymous shell companies to launder the proceeds of illegal fishing activities. This left Namibia's fishing industry and local fishing communities devastated and [diverted funds away from social programmes](#). The case is a textbook example of multinational companies using legal loopholes in foreign bribery and secrecy jurisdictions to gain profits.

Namibia has taken action, and suspects there will face trial in October 2023 – but no formal charges have been brought against Samherji in Iceland. Additionally, Iceland declined to extradite three Samherji executives who have been charged in Namibia, even though both Iceland and Namibia are parties to the UN Convention against Corruption (UNCAC) which provides a [basis for extradition](#).

Iceland is not the only member of the Council of Europe failing to hold companies to account for foreign bribery. Transparency International's 2022 Exporting Corruption report, which independently reviews the foreign bribery enforcement performance of 47 leading global exporters, found that [countries are failing on their commitments](#) to enforce against foreign bribery in line with international obligations, including those established by the Council of Europe Criminal Law Convention on Corruption, with the lowest level of enforcement in over a decade. The report found persistent inadequacies in the legal frameworks and justice systems needed to effectively combat international corruption.

For decades, the Council of Europe has been at the centre of improving member states' capacity to fight corruption. Now is the time to double down on such efforts, including against foreign bribery and all forms of transnational corruption. With the Summit, the first of its kind since 2005, Council of Europe member states have the opportunity to make meaningful commitments to combat domestic and transnational corruption to protect democracy.

Flora Cresswell, Regional Coordinator for Western Europe at Transparency International

“If the Council of Europe and its members states are serious about defending democracy and addressing challenges in Europe and beyond, they need to prioritise the fight against corruption.

The Fishrot Files should act as a warning of how failing to enforce against suspected foreign bribery in a democratic economy can completely undermine democratic institutions and human rights in other countries.

Little reference was made to anti-corruption commitments in the Council of Europe’s recent [high-level review](#). More needs to be done to strengthen member states’ enforcement of international standards and improve oversight of enablers to transnational corruption. Leaders must make concrete commitments in the Summit Action Plan to improve international cooperation to fight corruption in Europe and globally”.

Thor Fanndal, Executive Director, Transparency International Iceland

“The Fishrot Files are a lesson to the Icelandic government of how weak anti-corruption measures can have detrimental effects. Corruption has no borders; it erodes the rule of law and perpetuates inequalities in populations at home and abroad.

More than [three years on](#), Samherji acts with apparent impunity. It is time for all stakeholders to prove their commitment to fighting corruption and bring justice to the people of Namibia.

To [safeguard democracy](#), in Europe and globally, the Summit is the opportunity for all member states to take meaningful actions to combat corruption so scandals such as the Fishrot Files are not repeated”.