



**Government Defence
Integrity Index**



2020

Country Brief:

SWITZERLAND



SWITZERLAND

Famed for its neutrality throughout the major international conflicts of the past century, Switzerland's defence strategy has long relied on deterrence and making itself a formidable and costly target to attack. To this day, mandatory military service remains in place, as does a militia system where soldiers keep their equipment at home to ensure constant vigilance against attack.¹ However, as conflict has evolved, becoming increasingly complex and protracted, so too has Switzerland's strategy. The deteriorating threat environment in Western Europe, where asymmetrical security challenges are increasingly prominent, has been impacted by the COVID-19 pandemic which is accelerating the break-up of the old internationalist order. Where previous challenges came from nation-states, current threats to Swiss security are amorphous and take the form of foreign influence and intelligence activities on Swiss soil, cyberattacks on critical infrastructure, and the growth of jihadism and violent political extremism.²

Member of Open Government Partnership	No
UN Convention Against Corruption	Ratified in 2009.
Arms Trade Treaty	Ratified in 2015.

In this context, Switzerland's military spending has been rising consistently over the past few years after a long period of stagnation.³ The military has also embraced a peacekeeping role, actively participating in United Nations Peace Operations, as well as, to a lesser extent, NATO and EU missions.⁴ As the role, resources and purpose of the defence and security forces evolve, close attention will need to be paid to ensuring that existing governance mechanisms are appropriate and effective in guaranteeing the transparency and accountability of these institutions. In particular, Switzerland's long tradition of strong parliamentary control over the defence and security forces and effective internal and external auditing of military spending are important guarantors of effective security sector governance. Good budget transparency, effective financial reporting, and strong personnel management systems are further positive features, as is the effectiveness of access to information processes. However, there remains room for improvement in relation to whistleblowing protections and anti-corruption safeguards for military operations.

Parliamentary Oversight

Legislative oversight of budget (Open Budget Survey, 2019)	Not ranked
Military expenditure as share of government spending (SIPRI, 2020)	2.2%
Committee members with defence expertise (%)	55% (11 out of 20 in SPC-N) & 76% (10 out of 13 in SPC-S)
# of meetings/year	11 in 2017; 11 in 2018; 11 in 2019 & 11 in 2020.
Last review of defence policy/strategy	2020

Switzerland relies on forms of direct democracy to a larger extent than any other mature democracy.⁵ Nevertheless, the vast majority of political decisions at the federal level are still made by parliament without direct-democratic decision-making, which instead is usually used for the most important and controversial issues, via referendums or public votes. Parliament's powers with regards to defence policy are wide-ranging. With different instruments at their disposal, such as motions, postulates, interpellations and questions, parliamentarians can shape government policies on defence and can legislate on strategic and organisational issues.⁶ Parliament is responsible for approving the military budget and has responsibility for oversight of expenditure, which is largely conducted through the Security Policy Committees (SPC) of both chambers of the Assembly.⁷ The SPC has extensive rights to scrutinise defence and security issues, and Switzerland's conscription system means that most members of the committee have direct experience of military service.⁸ While the Parliament Act limits the SPC's input to proposals, questions or postulates that are approved by the Assembly and does not formally invest the committee with the power to conduct investigations, it can issue recommendations and also mandate external bodies to conduct evaluations.⁹ The government is required to respond to such motions within strict timeframes and there is ample evidence of the Security Committee regularly discussing and making suggestions for amendments to proposed legislation and budgets.¹⁰ On top of parliament's powers, Switzerland's direct democracy also allows for a further layer of public oversight and policy-making. Binding referendums on Federal Acts are commonplace and triggered upon citizen requests that reach 50,000 signatures, as are popular initiatives that are triggered to block procurement projects when they reach 100,000 signatures.¹¹ This has been used in 2012 and 2020 in relation to the purchase of military jets and carries considerable weight as an amendment of the constitution.¹² Parliamentary oversight is buttressed by efficient auditing processes for defence spending by the Federal Department of Defence (DDPS) and Swiss Federal Audit Office (SFAO). The DDPS has an internal audit unit which carries out autonomous and independent verifications within the department. The unit sets its own work agenda, and its independence was strengthened in 2014 with reforms to the internal auditing functions of government departments.¹³

¹ René Roca, 'Switzerland's 'Militia' System', *Swiss National Museum*, October 2019.

² Swiss Confederation Federal Intelligence Service (FIS), *Switzerland's Security 2020*, Situation Report of the Federal Intelligence Service, Bern, 2021.

³ SIPRI, 'Military Expenditure by Country in constant (2019) US\$ m, 1988-2020', SIPRI 2021.

⁴ Federal Department of Defence, Civil Protection and Sport (VBS), 'Further Development of the Military's Peacebuilding Capacity – Report to Federal Councillor Viola Amherd, Head of VBS', Bern, 9 November 2020.

⁵ Bertelsmann Stiftung, *Switzerland Report: Sustainable Governance Indicators 2020*, Gütersloh Bertelsmann Stiftung, p. 38.

⁶ The Federal Assembly, *Federal Act of the Federal Assembly*, Article 118, 13 December 2002.

⁷ Swiss Confederation, *Federal Constitution of the Swiss Confederation*, Articles 168, 169 and 170, 1990.

⁸ The Federal Assembly, 'Security Policy Committees SPC'.

⁹ The Federal Assembly, *Parliament Act*, Article 44.1

¹⁰ See for instance, Secretariat of the Security Policy Committee, 'No Reduction of Credits in the Arms Programme', 19 June 2018; 'No Compromise on the Protection Vests', 30 October 2018.

¹¹ Swiss Confederation, *Federal Constitution*, Article 139.

¹² Urs Geiser, 'Wings of Air Force Clipped in Nationwide Ballot', *SwissInfo.ch*, 18 May 2014; *SwissInfo*, 'Swiss to Vote (Again) on Buying New Jet Fighters', 9 March 2018.

¹³ Stampfli Verlag AG, 'Administrative Organisation Law – Stat Liability Law – Public Service Law', 2013, Bern: Verlag Stampfli, p. 185.



SWITZERLAND

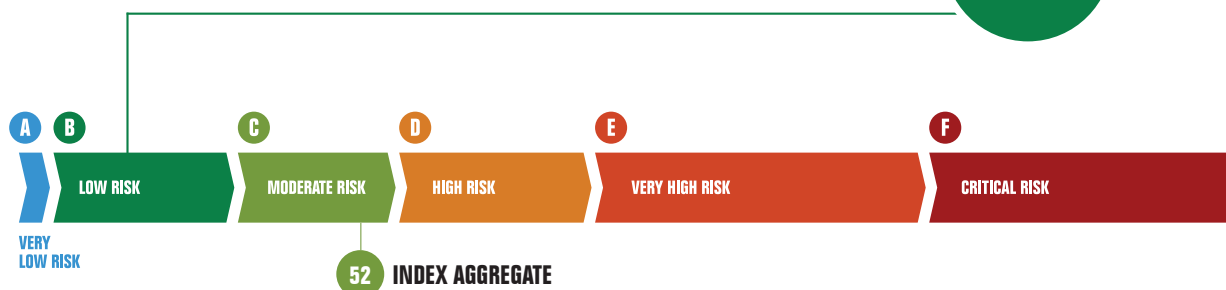
SWITZERLAND SCORE LOW RISK

B

68

Overall scores

The size of the colour band corresponds to number of countries that fall into that category.



A > 83-100 VERY LOW

B > 67-82 LOW

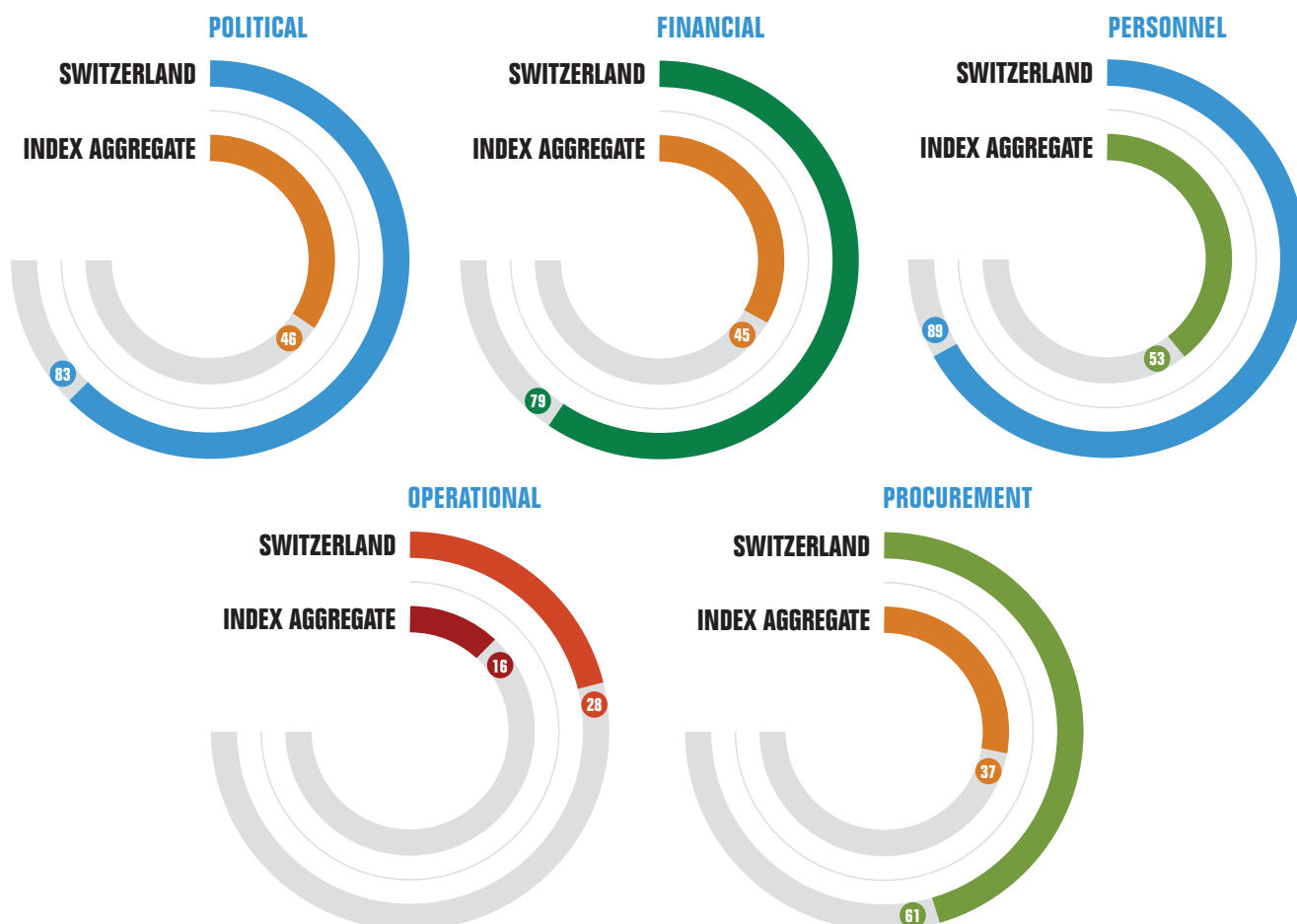
C > 50-66 MODERATE

D > 33-49 HIGH

E > 17-32 VERY HIGH

F > 0-16 CRITICAL

Risk Comparison





SWITZERLAND

The internal audit unit regularly reports on the implementation of its recommendations by the DDPS, with 99 such reports published between 2016 and 2020, indicating a clear process for following-up on report findings.¹⁴ The SFAO provides oversight and external scrutiny of the DDPS budget implementation. Its independence is guaranteed and budget is ring-fenced, allowing it autonomy in selecting and carrying out audits.¹⁵ The SFAO's audit reports are published once submitted to the Finance Delegation of the Federal Assembly, although this is not the case with all of its reports, some of which can only be accessed through Freedom of Information requests. Audited institutions are required by law to report on the implementation of SFAO recommendations and the body also conducts follow-up reports on previous audits to ensure compliance.

Financial Transparency

Defence-related access to information response rates	<p>(1) % granted full or partial access: 92% (207 out of 225 requests)</p> <p>(2) # subject to backlog: 4</p>
Defence-related complaints to ombudsman/ commissioner #	None.
Does the commissioner have authority over the MoD?	Yes.
Audit reports on defence (2017-2020) #	4 in 2017; 2 in 2018; 2 in 2019; 3 in 2020.
Open Budget Index (IBP, 2019)	Not ranked
World Press Freedom Index (RSF, 2021)	10th out of 180.

Switzerland is consistently highly-ranked in terms of government transparency and the availability of government data, and budget transparency is strong overall.¹⁶ The government submits a spending plan and property plan to parliament every year which together form the defence budget. Parliament discusses all aspects of defence expenditure, including major procurement projects, before signing off on the plans.¹⁷ Budget documents are made publicly available, including the four-year payment framework which is subdivided into several specific credits intended to finance specific long-term programmes.¹⁸ Moreover, a major scandal in 1999 involving a member of the intelligence services withdrawing funds for personal use has also led to an overhaul and tightening of the oversight mechanisms for defence and security budgets, including tighter rules against off-budget spending and more sophisticated accounting procedures.¹⁹ Financial transparency is also enhanced by an access to information framework, which is regulated by the Freedom of Information Act (FOIA).²⁰ In principle, it guarantees the right of any person to inspect official documents as a default, free of charge and imposes a 20-day

deadline for the information holder to respond.²¹ One exception to this is when the information requested could compromise national security. Classification is determined by the Ordinance on the Protection of Federal Information's (ISchV) classification system, which assigns clear criteria for each of the three levels of classification and specific modalities of who has access to each level.²² It should also be noted that the Swiss government is the sole owner of RUAG Holding AG, a provider of aerospace, security and defence technology, with assets worth roughly half of the annual defence budget.²³ Such significant holdings represent a potentially important corruption risk, if the lines between private enterprise and defence institution become blurred. However, RUAG publishes reports and financial statements similar to a publicly listed company and its ownership is regulated by the Federal Law on Armament Companies of the Confederation, ensuring a relatively high degree of transparency in its operations which are subject to regular external audits. The company's commitment to anti-corruption and transparency was scored a "B" ("High") in Transparency International's 2020 Defence Companies Index.²⁴

¹⁴ Federal Department of Defence, Civil Protection and Sport, 'Implementation of Recommendations 2016-2020'.

¹⁵ Swiss Federal Audit Office, 'About Us: Legal Mandate'.

¹⁶ Freedom House, 'Freedom in the World - Switzerland', 2021, C3.

¹⁷ Federal Department of Defence, Civil Protection and Sport, 'Armeebotschaften [Message]'.

¹⁸ The Federal Assembly, 'Armeebotschaft 2019 - Proceedings of the National Council 19.022,' *Official Bulletin*, 2019.

¹⁹ Philipp Loser, 'Die Amateure des Schweizer Geheimdienstes,' [The Amateurs of the Swiss Secret Service], *Tagess Anzeiger*, 9 May 2017.

²⁰ The Federal Assembly, *Federal Act on Freedom of Information in the Administration*, 152.3, 17 December 2004.

²¹ The Federal Assembly, *Freedom of Information Act*, Articles 17 & 12.

²² The Federal Council, 'Verordnung über den Schutz von Informationen Des Bundes (Informationsschutzverordnung, ISchV)', 4 July 2007.

²³ RUAG, RUAG Annual Report 2020, RUAG Holding AG, 2021.

²⁴ Transparency International Defence and Security, *Defence Companies Index 2020*.



SWITZERLAND

Personnel Ethics Framework

Whistleblowing legislation	None
# defence-sector whistleblower cases	Data is not publicly available.
# Code of conduct violations	Military: Data is not publicly available.
	Civilian: Data is not publicly available.
Financial disclosure system	# submitted: Data is not publicly available.
	# of violations: Data is not publicly available.

Corruption safeguards in personnel management are generally strong, albeit with a few significant gaps. The code of conduct for federal personnel is also applicable to the military and contains guidance on corruption-related issues, such as bribery, gifts, and conflicts of interests.²⁵ The Department of Defence (DDPS) has also introduced its own compliance booklet for employees, which draws on the federal code and re-affirms rules and procedures related to bribery, nepotism and corruption.²⁶ In 2020, the Department also enacted a specific Anti-Corruption Directive.²⁷ Though there are few known breaches of the codes, the ones that have occurred have been investigated at the highest level. The case of a high-ranking officer who was hired by Saab to lobby the armed forces to purchase the Gripen fighter jet received extensive coverage and the officer was relieved of his duties.²⁸ Another case involving an expenses scandal saw the suspect cleared of charges after investigation, but the rules were subsequently tightened to avoid frivolous spending.²⁹ A potential barrier to wrongdoing and corruption being reported is the lack of overarching whistleblowing legislation in Switzerland. In the private sector in particular, there are no specific protections for whistleblowers and numerous initiatives have failed over the last decade.³⁰ Public sector employees are obliged to report illegal activity according to the Federal Personnel Act, yet there remains no specific legal framework on whistleblowing in particular. Following the 2018 military expenses scandal, the unit which handles reports was moved from the Defence Department, to the Federal Audit Office, in order to better guarantee the independence of the process, though it remains to be seen what effect the move will have.³¹

Operations

Total armed forces personnel (World Bank, 2018)	21,450
Troops deployed on operations #	165 in Kosovo (KFOR), 16 in Bosnia & Herzegovina (EUFOR) 14 in Middle-East (UNTSO), 6 in Mali (MINUSMA), 1 in DRC (MONUSCO), 3 in India (UNMOGIP), 3 in Western Sahara (MINURSO), 1 in South Sudan (UNMISS)

Though Switzerland does not have a tradition of military intervention, it nevertheless contributes troops to a number of multilateral peace-keeping operations around the world, most notably with NATO and the United Nations.³² Despite these deployments, anti-corruption safeguards for military operations remain weak, potentially opening the door for corruption to undermine mission objectives. At a strategic level, Switzerland does not have a military doctrine that addresses corruption as a strategic issue for the success of military operations. Instead, it is treated almost exclusively as a behavioural and disciplinary issue, with little regard paid to how it could affect strategic objectives. There is also no evidence that it is included in the forward planning of operations, and no evidence that appropriate monitoring and evaluation and mitigation strategies are put in place to measure and address its impact. However, there is evidence of some specialised anti-corruption training for commanders. Participants in peace operations receive specific training which is delivered by the International Command and addresses some corruption issue.³³ Equally, an explicit part of the mandate of the mission in Kosovo (SWISSCOY) is the fight against corruption, indicating that some training should cover this, although no specific references could be found.

²⁵ Eidgenössisches Personalamt (EPA), *Code of Conduct Federal Administration*, 15 August 2012.

²⁶ Swiss Armed Forces, 'Compliance – Basic Behavioural Principles for the Group 'Defence' – Guidelines', 2018.

²⁷ Federal Department of Defence, Civil Protection and Sport, *Directives on the Organization of Corruption Prevention and the Code of Conduct for Employees at the DDPS*, 30 January 2020.

²⁸ Mischa Aebi, 'Hoher Luftwaffen-Offizier arbeitet als Gripen-Lobbyist', "[High Ranking Officer works as Lobbyist for Gripen], *Der Bund*, 26 January 2019.

²⁹ Marie-Amaelle Touré, 'Les Dépenses Excessives de Hauts Gradés de l'Armée Pointées du Doigt', *Le Temps*, 12 November 2018.

³⁰ Andy Müller, 'No Law to Protect - Whistleblowers have little Sympathy in this Country', *Schweizer Radio und Fernsehen (SRF)*, 5 March 2020.

³¹ Swiss Federal Audit Office, 'Swiss Federal Audit Office Whistleblowing Platform'.

³² See Kosovo Force, 'Key Facts and Figures', June 2020; United Nations Peacekeeping, 'Country Contributions by Mission and Personnel Type', 31 March 2021.

³³ Swiss Armed Forces, 'Training Centre Swiss Armed Forces International Command- Course Guide 2020', 2020.



SWITZERLAND

Defence Procurement

Military expenditure (US\$ mil) (SIPRI, 2020)	5,428
Open competition in defence procurement (%)	Data is not publicly available.
Main defence exports – to (SIPRI, 2016-20)	Australia, China, Denmark, France, Kuwait
Main defence imports – from (SIPRI, 2016-20)	United States, Sweden, Germany, Norway, Israel

After a decade of consistency, Swiss military spending has seen an upward trend in the past years. This is partly due to the shifting strategic environment which Switzerland perceives itself to be in, which is driving the need to increase deterrence and invest in new technologies.³⁴ Swiss defence procurement relies on a formalised cycle of acquisition planning, evaluation, and parliamentary deliberation that ensures broad buy-in for different programmes across the political spectrum, whilst also ensuring adequate oversight and transparency of different purchases. The reasoning for each programme is laid out in an Armament Programme, which is drawn up by the Department of Defence and must be approved by Parliament, which submits amendments through its committees.³⁵ These requirements are derived from the Armed Forces' Masterplan, which covers an eight year

period and defines the required capabilities and translates the strategic goals and planning into short term steps and an investment plan which can be actioned year on year.³⁶ For years, a significant legislative gap existed in relation to military procurement, since military goods were explicitly excluded from the general public procurement legislation.³⁷ As of January 2021 however, a revised law has been introduced which will include military goods at least to a certain extent.³⁸ Until then, under the 1994 Act, only certain military purchases were advertised on the government's online procurement portal, which lists specifications and award details. For the rest, falling under Article 3 of the 1994 procurement code, tenders could be granted without being publicly advertised or negotiated directly with the supplier,³⁹ significantly increasing the risk of corruption. The percentage of non-competitive negotiated tenders represented 68% of all defence contracts in 2018.⁴⁰ Nevertheless, procurement oversight bodies such as Parliament, the internal audit unit and the Federal Audit Office all have powers of scrutiny over defence procurement procedures and regularly conduct checks and publish reports on such processes. However, it should be noted that the bulk of these checks are conducted post-factum and occur in a reactionary, rather than preventative manner, meaning they have not been successful in cancelling programmes in the past.

³⁴ Swiss Confederation, *Switzerland's Security 2020*.

³⁵ Swiss Confederation, 'Armament Program'.

³⁶ Swiss Armed Forces, 'MASTERPLAN and Skill-Oriented Further Development of the Army'.

³⁷ The Federal Assembly, *Federal law on Public Procurement (BöB)*, 172.056.1, Article 3e, 15 December 1994.

³⁸ The Federal Assembly, *Federal law on Public Procurement (BöB)*, 172.056.1, 21 June 2019.

³⁹ Federal Council, 'Ordinance on Public Procurement', 11 December 1995.

⁴⁰ Federal Department of Finance, 'Reporting Set Procurement Controlling 2018 Federal Administration', 2 May 2019.

Version 1.0, October 2021

GDI data collection for **Switzerland** was conducted February 2020 to January 2021. The narrative discussion in this GDI brief was produced at a later time with the most recent information available for the country, which may not be reflected in the GDI country assessments or scores.



SWITZERLAND

2020 GDI Scorecard

		Grade	Score
Political Risk		A	83
Q1	Legislative Scrutiny	A	100
Q2	Defence Committee	A	85
Q3	Defence Policy Debate	A	94
Q4	CSO Engagement	A	83
Q5	Conventions: UNCAC / OECD	B	75
Q6	Public Debate	A	100
Q7	Anticorruption Policy	A	88
Q8	Compliance and Ethics Units	B	75
Q9	Public Trust in Institutions	NS	
Q10	Risk Assessments	NEI	
Q11	Acquisition Planning	A	83
Q12	Budget Transparency & Detail	A	100
Q13	Budget Scrutiny	A	100
Q14	Budget Availability	A	83
Q15	Defence Income	A	83
Q16	Internal Audit	A	100
Q17	External Audit	A	88
Q18	Natural Resources	A	83
Q19	Organised Crime Links	B	75
Q20	Organised Crime Policing	A	92
Q21	Intelligence Services Oversight	A	88
Q22	Intelligence Services Recruitment	A	83
Q23	Export Controls (ATT)	B	75
Q76	Lobbying	F	0
Financial Risk		B	79
Q24	Asset Disposal Controls	B	67
Q25	Asset Disposal Scrutiny	B	67
Q26	Secret Spending	B	75
Q27	Legislative Access to Information	A	100
Q28	Secret Program Auditing	A	100
Q29	Off-budget Spending	A	100
Q30	Access to Information	B	75
Q31	Beneficial Ownership	C	50
Q32	Military-Owned Business Scrutiny	A	88
Q33	Unauthorised Private Enterprise	C	63
Q77	Defence Spending	A	88
Personnel Risk		A	89
Q34	Public Commitment to Integrity	B	67
Q35	Disciplinary Measures for Personnel	A	100
Q36	Whistleblowing	A	83
Q37	High-risk Positions	A	100
Q38	Numbers of Personnel	B	67
Q39	Pay Rates and Allowances	A	100
Q40	Payment System	A	100
Q41	Objective Appointments	A	83
Q42	Objective Promotions	A	94
Q43	Bribery to Avoid Conscription	A	100
Q44	Bribery for Preferred Postings	A	100
Q45	Chains of Command and Payment	A	100
Q46	Military Code of Conduct	A	94

OVERALL COUNTRY SCORE

LOW RISK

B

68



		Grade	Score
Personnel Risk		A	89
Q47	Civilian Code of Conduct	A	94
Q48	Anticorruption Training	D	42
Q49	Corruption Prosecutions	A	92
Q50	Facilitation Payments	A	100
Operational Risk		E	28
Q51	Military Doctrine	F	0
Q52	Operational Training	C	50
Q53	Forward Planning	NEI	
Q54	Corruption Monitoring in Operations	F	0
Q55	Controls in Contracting	C	63
Q56	Private Military Contractors	NS	
Procurement Risk		C	61
Q57	Procurement Legislation	NEI	
Q58	Procurement Cycle	A	83
Q59	Procurement Oversight Mechanisms	A	92
Q60	Potential Purchases Disclosed	C	63
Q61	Actual Purchases Disclosed	B	75
Q62	Business Compliance Standards	NEI	
Q63	Procurement Requirements	A	83
Q64	Competition in Procurement	C	50
Q65	Tender Board Controls	B	69
Q66	Anti-Collusion Controls	B	75
Q67	Contract Award / Delivery	C	63
Q68	Complaint Mechanisms	A	83
Q69	Supplier Sanctions	NEI	
Q70	Offset Contracts	E	25
Q71	Offset Contract Monitoring	B	75
Q72	Offset Competition	B	75
Q73	Agents and Intermediaries	F	0
Q74	Financing Packages	F	0
Q75	Political Pressure in Acquisitions	NS	

KEY

NEI Not enough information to score indicator
NS Indicator is not scored for any country
NA Not applicable



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