



**IACC HIGH-LEVEL SEGMENT  
MONITORING MECHANISM  
NORWAY  
2018-2022**

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# TABLE OF CONTENTS

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<b>EXECUTIVE SUMMARY.....</b>	<b>4</b>
<b>INTRODUCTION.....</b>	<b>6</b>
<b>FILTERING OF COMMITMENTS.....</b>	<b>7</b>
<b>COUNTRY CONTEXT.....</b>	<b>20</b>
<b>PROGRESS ON COMMITMENT IMPLEMENTATION.....</b>	<b>28</b>
<b>RECOMMENDATIONS.....</b>	<b>43</b>
<b>ANNEX 1: STAKEHOLDERS CONSULTED.....</b>	<b>45</b>

# EXECUTIVE SUMMARY

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## SUMMARY OF FINDINGS

Total number of commitments made at the 18 <sup>th</sup> International Anti-Corruption Conference (IACC)	19
Total number of commitments selected for monitoring	7

Current level of progress in commitment implementation	
Number of fulfilled commitments	5
Number of partially fulfilled commitments	2
Number of commitments not fulfilled/dropped	0

## KEY CHALLENGES TO COMMITMENT IMPLEMENTATION

Out of 19 anti-corruption commitments made by the Government of Norway at the International Anti-Corruption Conference (IACC) 2018, only seven were specific and measurable. One of the related challenges is that the wording of several commitments does not clearly outline how they can be achieved. This is because they are too broad in scope and do not have a specific and measurable target. The lack of clear and concrete measurable actions and indicators limits civil society and the general public in monitoring whether the commitments are fulfilled, clearly and without loopholes.

In addition, many of the commitments lack ambition. Even if they introduce good anti-corruption mechanisms in line with the government's anti-corruption efforts, they often do not define clear activities to achieve progress towards the commitments – beyond just the continuation of ongoing work.

Another challenge to implementing several of Norway's commitments is that they involve international stakeholders such as the Organisation for Economic Co-operation and Development (OECD) and the UN Office on Drugs and Crime (UNODC) or require the commitment of other countries. This is a challenge because fulfilment of these commitments does not depend exclusively on Norway's action, but also on other countries' participation, which brings difficulties in agreeing on collective action.

Norway's focus in its anti-corruption commitments is very much on international initiatives. The country plays a key role in setting standards internationally, but also needs to ensure that the standards it sets at national level are effectively transferred to municipal level. A comprehensive and effective anti-corruption agenda must work simultaneously at international, national and local levels.

## KEY OPPORTUNITIES TO ACCELERATE COMMITMENT IMPLEMENTATION

Internationally, Norway's anti-corruption efforts focus mainly on prevention and enforcement. However, the country's extensive and exemplary experience in anti-corruption represents a key opportunity to develop much-needed knowledge-based work to be shared nationally and globally, as does its international influence in multilateral fora and developing countries – for example, through the work of the Norwegian Agency for Development Cooperation (Norad) and as an elected member of the UN Security Council in 2021 and 2022. Such knowledge-based work includes extracting lessons learned, selecting feasible good practices and developing tailored knowledge-exchange initiatives with other countries trying to achieve more robust anti-corruption frameworks, for example, in official development assistance or promoting institutional transparency.

## KEY RECOMMENDATIONS

**Specify collective action commitments:** Commitments that involve other countries or international organisations such as the OECD or UNODC should define Norway's specific contribution to advancing any collective initiative.

**Facilitate commitment implementation:** To facilitate implementation, commitment formulation should establish clear, measurable actions, defining not only what to do, but also how to do it and measure it.

**Set more ambitious anti-corruption work:** To advance its anti-corruption work, Norway should make more ambitious commitments that proceed to the next level in preventing corruption.

**Promote knowledge-based anti-corruption:** Drawing on its extensive and positive anti-corruption experience, Norway should invest more effort in knowledge-based anti-corruption initiatives, including promoting learning, organising training and setting up advisory and assistance services to support other countries' efforts to improve anti-corruption.

**Address local issues:** Commitments should address existing corruption risks at the local and municipal levels and in specific sectors, such as real estate.

# INTRODUCTION

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The 18th International Anti-Corruption Conference (IACC) in Copenhagen featured a series of high-level meetings among countries in the Organisation for Economic Co-operation and Development (OECD) and non-OECD countries, as well as international and regional organisations. As part of these meetings, participants made a set of statements outlining the steps that each intends to take to make progress in the field of anti-corruption, based on existing commitments, such as Open Government Partnership action plans, the UK summit, the United Nations Convention against Corruption (UNCAC), OECD instruments and the UN Sustainable Development Goals.<sup>1</sup> Participants at the high-level meetings agreed to establish a follow-up mechanism engaging all stakeholders – including governments, international and regional organisations, companies and civil society – in monitoring implementation of these commitments.

The aims of the follow-up mechanisms are to:

- assess the level of progress towards implementation of the commitments
- provide further analysis on, and complement, other reporting mechanisms
- focus on the commitments' qualitative nature, rather than quantitative scoring or ranking
- provide insights into what has and has not worked, and why
- provide insights into the opportunities and challenges for implementation, as a basis for understanding where technical support should be targeted.

The follow-up mechanism aims to capture the context and conditions under which the commitments are being implemented, as well as recording progress in implementation. It complements rather than duplicates other reporting mechanisms, providing further analysis.

This report presents the results of the first round of monitoring for Norway, and contains the following sections:

1. Filtering of commitments: our selection of Norway's commitments for monitoring, based on their levels of specificity and measurability, and hence the feasibility of monitoring them.
2. Analysis of the Norwegian context: a brief overview of the extent to which the commitments are considered pertinent to the country context.
3. Implementation progress: assessment of the level of progress made towards the commitments selected for monitoring, as well as challenges and opportunities for implementation.
4. Recommendations: key recommendations to accelerate implementation of the commitments.

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<sup>1</sup> International Anti-Corruption Conference (IACC), 18th IACC High-Level Segment Commitments, <https://iaccseries.org/wp-content/uploads/2018/10/High-Level-Joint-Statement-IACC-2018.pdf>

# FILTERING OF COMMITMENTS

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In total, Norway presented 19 commitments at the 18<sup>th</sup> IACC in 2018. Of these, we deemed seven feasible to monitor, based on their levels of specificity and measurability, as presented below.

**COMMITMENT 1: Norway is committed to the effective implementation of international standards on anti-corruption, including the conventions and the review mechanisms under UNODC, the OECD and the Council of Europe. Peer reviews help us see where we stand and what gaps need to be addressed.**

IS THE COMMITMENT SPECIFIC? NO

This commitment is considered too general and broad because it involves implementing several standards and conventions. The international cooperation within the UNODC, OECD and the Group of States against Corruption (GRECO) – the Council of Europe’s anti-corruption monitoring body – consists in the participation of Norway in review mechanisms, detailing the progress made by each country in implementing international standards and providing recommendations. These include, for example, the UNCAC Review Mechanism for the second review cycle (2016-2021), the GRECO *Fifth Evaluation Round* adopted in October 2020,<sup>2</sup> and the OECD *Implementing the OECD Anti-Bribery Convention Phase 4 Report*, adopted in June 2018 (before the IACC conference in October 2018).<sup>3</sup> Monitoring whether all recommendations have been implemented would be beyond the scope of this report. The commitment does not identify a concrete policy area the government aims to address as a result of these review mechanisms.

IS THE COMMITMENT MEASURABLE? NO

The way in which this commitment is formulated means it does not include clear, measurable actions which the government of Norway intends to take, and which could indicate progress in implementing international standards on anti-corruption as a result of the reviews. In future commitment-making initiatives, Norway should focus on the actual gaps identified by international review mechanisms and make separate commitments for different policy areas, which are specific and measurable, on how the government aims to address those gaps.

IS THE COMMITMENT SELECTED FOR MONITORING? NO

**COMMITMENT 2: In connection with the upcoming evaluation of the international standard for automatic exchange of country-by-country reports for tax purposes, Norway is considering the possibility of introducing a global commitment for public country-by-country reporting for large multinational enterprises.**

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<sup>2</sup> Group of States against Corruption (GRECO), Fifth Evaluation Round – Evaluation Report Norway, <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a1167c>

<sup>3</sup> Organisation for Economic Co-operation and Development (OECD), Implementing the OECD Anti-Bribery Convention Phase 4 Report Norway, <https://www.oecd.org/corruption/anti-bribery/Norway-Phase-4-Report-ENG.pdf>

IS THE COMMITMENT SPECIFIC? YES

This commitment is considered specific because it refers to a concrete anti-corruption mechanism (country-by-country reports for tax purposes) and initiative (the evaluation of the international standard for this mechanism). The initiative is framed under the Base Erosion and Profit Shifting (BEPS) Action 13, requiring all large multinational enterprises to prepare country-by-country reports with aggregate data on the global allocation of income, profit, taxes paid and economic activity among tax jurisdictions in which they operate.<sup>4</sup> With the overall goal of preventing tax avoidance by corporations, the BEPS Action 13 report (*Transfer Pricing Documentation and Country-by-Country Reporting*) provides a template for multinational enterprises to report annually and for each tax jurisdiction in which they do business. Under the BEPS Action 13, OECD members planned a review of the country-by-country reporting minimum standard in 2020. Norway signed the multilateral competent authority agreement on the exchange of country-by-country reports in 2016. It was part of the 2017-2018 and the 2018-2019 peer reviews, which were supplemented with the review of the third phase published in 2020.<sup>5</sup>

IS THE COMMITMENT MEASURABLE? NO

The commitment is not considered measurable because the language used to formulate it is non-committal (“Norway is considering”). Feedback from Norway’s government highlights that this is still a long-term goal, but that there is currently not enough support globally to move it forward. Besides adopting committal language, such a commitment could be made more measurable in future by narrowing it through promising concrete actions on how the Norwegian government wants to get other countries on board.

IS THE COMMITMENT SELECTED FOR MONITORING NO

**COMMITMENT 3: Norway supports the outcomes of the OECD BEPS project and urges countries to implement the internationally agreed measures through the Inclusive Framework on BEPS.**

IS THE COMMITMENT SPECIFIC? NO

The commitment is a general statement of support for the international collaboration to end tax avoidance initiative promoted by the OECD. Although it mentions a specific initiative – the OECD Base Erosion and Profit Shifting (BEPS) project – it refers to actions to be taken by third parties (other countries). Norway signed the Multilateral Convention to Implement

<sup>4</sup> OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS), Action 13, Country-by-Country Reporting, <https://www.oecd.org/tax/beps/beps-actions/action13/>

<sup>5</sup> Organisation for Economic Co-operation and Development (OECD), OECD/G20 Base Erosion and Profit Shifting Project, <https://www.oecd-ilibrary.org/docserver/fa6d31d7-en.pdf?expires=1640026915&id=id&accname=guest&checksum=E28D299E407FFB43272716BAE67802D7>

Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) in June 2017, which entered into force in November 2019.<sup>6</sup>

IS THE COMMITMENT MEASURABLE? NO

There is no identification of a measurable action through which Norway's support for the outcomes of the OECD BEPS project can be assessed. Likewise, there is no mention of a measurable way in which Norway urges other countries to implement BEPS recommendations. To demonstrate Norway's support for the BEPS initiative, the Ministry of Finance cites tax treaty agreements such as one signed with Ghana in November 2020,<sup>7</sup> and the additional protocol with Belgium, signed in September 2021<sup>8</sup>. The ministry also highlights that Norway goes further than the four BEPS minimum standards<sup>9</sup> when it comes to introducing the multilateral instrument for implementation of BEPS measures in tax treaties. In 2019, 28 tax agreements between Norway and other countries were modified by the MLI.<sup>10</sup> A modification only takes effect when both jurisdictions have made it, hence in part the need to negotiate. The Ministry of Finance has published synthesised texts to promote understanding of how the MLI applies to the treaty.<sup>11</sup> According to information provided by the ministry, there are currently ongoing negotiations with Brazil, Canada, China, France, Germany, Hong Kong, Iran, Liechtenstein, New Zealand, Singapore and Spain, in which Norway wants to go further than the minimum standards. However, since the commitment itself does not refer to these actions by Norway, it cannot be considered measurable in this regard.

IS THE COMMITMENT SELECTED FOR MONITORING NO

**COMMITMENT 4: Norway will continue to support and promote the OECD Common Reporting Standard (CRS) initiative for the automatic exchange of information on bank accounts between tax authorities.**

IS THE COMMITMENT SPECIFIC? YES

<sup>6</sup> Organisation for Economic Co-operation and Development (OECD), Signatories and Parties to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion And Profit Shifting, <https://www.oecd.org/tax/treaties/beps-ml-signatories-and-parties.pdf>. For more information on tax treaties between Norway and other countries and their status in 2019, see: Norwegian Ministry of Finance, General tax conventions between Norway and other states, <https://www.regjeringen.no/en/topics/the-economy/taxes-and-duties/tax-treaties-between-norway-and-other-st/id417330/>

<sup>7</sup> Orbitax, Update-Tax treaty between Ghana and Norway, <https://www.orbitax.com/news/archive.php/Update---Tax-Treaty-between-Gh-45100>

<sup>8</sup> Norwegian Ministry of Finance, Convention Norway-Belgium, <https://www.regjeringen.no/en/topics/the-economy/taxes-and-duties/skatteavtaler/convention-norway---belgium2/id2665993/>

<sup>9</sup> The four BEPS minimum standards are: fighting harmful tax practices (Action 5), preventing tax treaty abuse (Action 6), improving transparency with country-by-country reporting (Action 13) and enhancing the effectiveness of dispute resolution (Action 14). Organisation for Economic Co-operation and Development (OECD), Inclusive Framework on BEPS Progress Report July 2016-June 2017, <https://www.oecd.org/tax/beps/inclusive-framework-on-BEPS-progress-report-july-2016-june-2017.pdf>

<sup>10</sup> Kingdom of Norway, Status of List of Reservations and Notifications upon Deposit of the Instrument of Ratification, <https://www.oecd.org/tax/treaties/beps-ml-position-norway-instrument-deposit.pdf>

<sup>11</sup> Norwegian Ministry of Finance, Multilateral Convention to implement BEPS Measures (MLI), <https://www.regjeringen.no/en/topics/the-economy/taxes-and-duties/tax-treaties-between-norway-and-other-st/multilateral-convention-to-implement-beps-measures/id2630264/>

The commitment is considered specific because it refers to a concrete initiative, the OECD Common Reporting Standards (CRS), and to a concrete area of work – the automatic exchange of information on bank accounts between tax authorities.

IS THE COMMITMENT MEASURABLE? NO

Although it is possible to check whether Norway still participates in the CRS, the commitment does not identify any measurable action on how the government aims to progress within this initiative. It is unclear what concrete actions are related to the promotion of the initiative, especially with regard to Norway's own tax authorities. Norway's Ministry of Finance reports that one of the ways in which the country has promoted the CRS is through participation in the Global Forum on Transparency and Exchange of Information for Tax Purposes. Norway has been part of the Global Forum Steering Group, which prepares and guides the forum's future work, since 2019.<sup>12</sup> From communications with the Ministry of Finance, another way in which Norway has helped enhance the effective use of CRS information is by supporting the Global Forum's capacity-building activities, providing technical and expert assistance.<sup>13</sup> For example, in 2019, a Norwegian data expert supported workshops with Colombian, Indonesian and Peruvian tax administrators, aimed at assessing and improving their capabilities for the collection, exchange, matching and use of CRS data.<sup>14</sup> Through the Norwegian Agency for Development Cooperation (Norad), the country also contributes financially to the Global Forum's capacity-building programme via voluntary contributions and grants.<sup>15</sup> Norway has been a member of the Global Forum since 2009.<sup>16</sup> However, as the commitment itself does not refer to these actions by Norway, it cannot be considered measurable in this regard.

IS THE COMMITMENT SELECTED FOR MONITORING NO

**COMMITMENT 5: Norway is well on track to fulfilling the Addis Tax Initiative pledge of doubling tax-related development assistance by 2020. In addition, we are working constructively in the relevant multilateral arenas to ensure coherent policies that support domestic resource mobilisation in developing countries.**

IS THE COMMITMENT SPECIFIC? YES

The commitment refers to the work in progress to fulfil the Addis Tax Initiative pledge by 2020. It is specific regarding the policy area it focuses on, the initiative to implement and the timeframe to achieve it.

<sup>12</sup> OECD – Global Forum on Transparency and Exchange of Information for Tax Purposes, Steering Group (last updated January 2021), <https://www.oecd.org/tax/transparency/documents/GF-steering-group.pdf>

<sup>13</sup> OECD - Global Forum on Transparency and Exchange of Information for Tax Purposes, Developing Capacities in Times of COVID-19, <https://www.oecd.org/tax/transparency/documents/2021-Global-Forum-Capacity-Building-Report.pdf>

<sup>14</sup> OECD, Developing Capacities in Times of COVID-19, p. 30, <https://www.oecd.org/tax/transparency/documents/2021-Global-Forum-Capacity-Building-Report.pdf>

<sup>15</sup> OECD, Developing Capacities in Times of COVID-19, p. 32, <https://www.oecd.org/tax/transparency/documents/2021-Global-Forum-Capacity-Building-Report.pdf>

<sup>16</sup> Organisation for Economic Co-operation and Development (OECD), Global Forum on Transparency and Exchange of Information for Tax Purposes, <https://www.oecd.org/tax/transparency/>

IS THE COMMITMENT MEASURABLE? YES

To double Norway's tax-related development assistance is considered a concrete and measurable action. Even if the efforts in multilateral fora do not respond to a measurable and concrete strategy, they can still be monitored as part of Norway's general commitment to support domestic mobilisation in developing countries.

IS THE COMMITMENT SELECTED FOR MONITORING YES

**COMMITMENT 6: Of particular interest in the fight against corruption are the proposed updates in the regulation on politically exposed persons, so-called 'PEPs'. This includes a broadening of the definition of who PEPs are, in line with international developments in the Financial Action Task Force (FATF) and the EU.**

IS THE COMMITMENT SPECIFIC? YES

The commitment is specific in the sense that it defines a concrete area in which the intervention is intended: the regulation on politically exposed persons.

IS THE COMMITMENT MEASURABLE? YES

The broadening of the definition of PEPs in line with international developments in the Financial Action Task Force (FATF) and the EU is an action that can be measured to assess its fulfillment, although the way in which the commitment is formulated is non-committal. Feedback from Norway's government indicates that the language is a follow-on from a longer text that indicates more detail about the ongoing initiative. For this reason, it was decided to include this commitment in the monitoring.

IS THE COMMITMENT SELECTED FOR MONITORING YES

**COMMITMENT 7: In 2017, the government launched a new strategy for combatting money laundering and terrorist financing. This has led to the establishment of a network of representatives from relevant government agencies and law enforcement agencies to ensure a more coordinated strategic effort in this field. The private sector participates in the network as an observer. The strategy also calls for closer cooperation between the relevant public agencies and the private sector in order to share knowledge and experience.**

IS THE COMMITMENT SPECIFIC? YES

More than a commitment, this statement is considered a description of the current work of the Government of Norway to combat money laundering and terrorist financing. It is specific in the sense that it refers to a new strategy on the topic and to a concrete mechanism, the

network of representatives. Further input from the Ministry of Justice and the Ministry of Finance indicates that the government launched a more recent strategy for combatting money laundering and terrorist financing in 2020.<sup>17</sup> A new aspect in relation to the 2017 strategy is that the mandate of the network of representatives – the Contact Forum on Combatting Money Laundering and Terrorism Financing– was revised to increase its effectiveness in attracting relevant agencies. The forum now includes a higher number of participants. The forum was created in 2014 and is headed by the Ministry of Justice and Public Security. In 2019 it had members from the Ministry of Finance, Ministry of Foreign Affairs, Director of Public Prosecutions, National Police Directorate, Financial Supervisory Authority, Financial Intelligence Unit, Norwegian Police Security Service and the Police University College. The private sector is invited to attend the meetings when deemed appropriate.<sup>18</sup> The ministries also state that the network meets 2-4 times a year and, among other activities, coordinates measures following from the strategy. It also suggests research projects, new forms of cooperation between different institutions, and regulatory changes aimed at making anti-money laundering measures more efficient. The meetings' regularity has been impacted by the Covid pandemic.

IS THE COMMITMENT MEASURABLE?

NO

Even if there is a call for closer cooperation between public agencies and the private sector, there is no concrete action for measuring cooperation to assess the commitment's implementation. Therefore, in the way the commitment is formulated, it cannot be considered measurable. In addition, although the existence of the network can be measured, the establishment of the network as such cannot be considered in this monitoring report, because it was created before the IACC in 2018. However, the Ministry of Finance reports that the compilation and coordination work of the Contact Forum regarding a non-public action plan based on the strategy was established after 2018. Although requested, more information on the cooperation between public agencies and the private sector was not forthcoming, therefore the commitment cannot be considered measurable.

IS THE COMMITMENT SELECTED FOR MONITORING

NO

**COMMITMENT 8: In 2017, Norway spearheaded a United Nations resolution on preventing and countering corruption involving vast quantities of assets. It was adopted by consensus. Norway is working with UNODC and other interested countries to follow up this milestone resolution.**

IS THE COMMITMENT SPECIFIC? YES

<sup>17</sup> Norwegian Ministry of Justice and Public Security, and Ministry of Finance, The Government's strategy for combatting money laundering, terrorist financing and financing the proliferation of weapons of mass destruction, <https://www.regjeringen.no/no/dokumenter/regjeringens-strategi-for-bekjempelse-av-hvitvasking-terrofinansiering-og-finansiering-av-spredning-av-masseodeleggelsesvapen/id2706323/>

<sup>18</sup> Financial Action Task-Force (FATF), Anti-money laundering and counter-terrorist financing measures – Norway Follow-up Assessment, <https://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Assessment-Norway-2019.pdf>

This commitment is specific because it refers to the concrete policy area of grand corruption and Norway's role in initiating the UN resolution on preventing and countering corruption involving vast quantities of assets. The current work is not described, but the milestone resolution can provide further specificity.

**IS THE COMMITMENT MEASURABLE? NO**

There is no indication of a measurable action regarding the follow-up of the milestone resolution. This means it is unclear how Norway's government is planning to follow up the resolution's specific points.<sup>19</sup> The government indicates that with funding from Norway, the UNODC organised two expert meetings on corruption involving vast quantities of assets – in Lima in 2018 and Oslo in 2019.<sup>20</sup> Norway also initiated and financed the UN High Level Panel on Financial Accountability, Transparency and Integrity (FACTI), which delivered its final report in 2021.<sup>21</sup> In this report, the FACTI Panel concludes that transparency alone is not enough, and that transformative change is only possible when all countries commit to acting together to combat illicit financial flows, and to ensure that the funds recovered are directed to achieving the Sustainable Development Goals. Despite the description of Norway's work with UNODC, we do not consider the commitment measurable, because it does not identify any measurable actions to indicate whether it has been achieved.

**IS THE COMMITMENT SELECTED FOR MONITORING NO**

**COMMITMENT 9: Norway's Penal Code sets out strong provisions on asset recovery. Norway is also considering introducing new legislation on civil asset forfeiture to supplement the provisions in the Penal Code.**

**IS THE COMMITMENT SPECIFIC? YES**

The statement is specific in terms of identifying a concrete policy area (asset recovery).

**IS THE COMMITMENT MEASURABLE? NO**

Based on information received from the Ministry of Justice and Public Security, there has been progress regarding the reform of legislation on asset recovery in the last two years. The regulation on confiscation was addressed in 2020 and 2021 in reports by the Criminal Law Commission, in charge of analysing and suggesting changes to the laws regulating criminal matters, on request from the Ministry of Justice. On 16 September 2020, the commission

<sup>19</sup> United Nations (UN), Resolutions adopted by the Conference of the States Parties to the United Nations Convention against Corruption, <https://www.unodc.org/unodc/en/corruption/COSP/session7-resolutions.html>

<sup>20</sup> United Nations Office on Drugs and Crime (UNODC), Global Expert Group Meeting on Corruption Involving Vast Quantities of Assets, <https://www.unodc.org/unodc/en/corruption/meetings/Lima-egm-2018.html>; United Nations Office on Drugs and Crime (UNODC), Oslo Statement on Corruption Involving Vast Quantities of Assets, [https://www.unodc.org/documents/corruption/meetings/OsloEGM2019/Oslo\\_Outcome\\_Statement\\_on\\_Corruption\\_involving\\_Vast\\_Quantities\\_of\\_Assets\\_-\\_FINAL\\_VERSION.pdf](https://www.unodc.org/documents/corruption/meetings/OsloEGM2019/Oslo_Outcome_Statement_on_Corruption_involving_Vast_Quantities_of_Assets_-_FINAL_VERSION.pdf)

<sup>21</sup> Financial Integrity for Sustainable Development, Report of the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda, [https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/602e91032a209d0601ed4a2c\\_FACTI\\_Panel\\_Report.pdf](https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/602e91032a209d0601ed4a2c_FACTI_Panel_Report.pdf)

submitted its second evaluation addressing amendment of laws on the confiscation of assets or property gained through criminal conduct.<sup>22</sup> According to Professor Linda Gröning, chair of the commission, the work on the confiscation of such assets or property seeks to tackle the incentives at the heart of gang-related organised crime in order to discourage engaging in criminal conduct.<sup>23</sup> The first report of the Criminal Law Commission, from 2020, has been subject to consultation. In line with Norway's legislative process, after receiving comments from the consultation on the first report, the Ministry of Justice prepared a preparatory law, also called a Proposition, to be presented to the King-in-Council (when the monarch exercises executive authority, usually to approve orders, in the presence of the country's executive council). If the Proposition is approved, it will be sent to Parliament. As reported by the Ministry of Justice, the second report is still in the hearing process. After the consultation process, the Ministry of Justice concluded that the authorities have sufficient power to seize assets under the current penal code. However, two issues remain to be decided: whether the burden of proof required by the authorities should be lowered; and whether to accept the Criminal Law Commission's proposal to introduce new legislation to allow the authorities to seize assets with unclear ownership. As pointed out by the ministry, these issues will be decided after it reviews comments from the public consultation on the second report.

However, the language in which the statement is formulated is non-committal ("Norway is considering..."), therefore it cannot be considered measurable.

IS THE COMMITMENT SELECTED FOR MONITORING NO

**COMMITMENT 10: Norway is committed to international cooperation to enable more effective confiscation of the proceeds of crime, for example, through the OECD and UNODC. This includes the development of internationally endorsed guidelines for the management of returned stolen assets.**

IS THE COMMITMENT SPECIFIC? YES

The commitment is considered specific in terms of the area of intervention (the confiscation of the proceeds of crime) and the mechanism it wants to advance (guidelines for the management of returned stolen assets).

IS THE COMMITMENT MEASURABLE? YES

The action to fulfil this commitment is clear and is measurable in three ways: the development of guidelines for the management of returned stolen assets; the international endorsement of those guidelines, and international cooperation for more effective confiscation of the proceeds of crime by, for example, joining international initiatives with this purpose.

IS THE COMMITMENT SELECTED FOR MONITORING YES

<sup>22</sup> Criminal Law Commission, The Criminal Law Commission's Report No. 2. Confiscation of Proceeds from Gang Crime, <https://www.regjeringen.no/contentassets/3386fdf3859d498eba9ddc3a8b7b68cd/no/pdfs/nou202020200010000dddbf s.pdf>

<sup>23</sup> University of Bergen, UiB-Professor to lead Commission on Criminal Law Reformas First ever Female Chairperson, <https://www.uib.no/en/jur/141053/uib-professor-lead-commission-criminal-law-reform-first-ever-female-chairperson>

**COMMITMENT 11: A bill on the establishment of a central Beneficial Ownership Register was submitted to the Storting (Norwegian parliament) in June this year. The bill proposes that law enforcement agencies should have effective access to the information in the register, and that this information should also be made public. More detailed provisions will be prepared in due course, depending on the outcome of the Storting's debate on this new legislation.**

**IS THE COMMITMENT SPECIFIC? YES**

This commitment is considered specific because it identifies a concrete anti-corruption mechanism (a central Beneficial Ownership Register). It refers to an initiative already underway in 2018 (the submission to the Storting of a bill on the establishment of such a register). It also specifies a concrete aspect of the bill – access to the register for law enforcement agencies – with progress intended through the preparation of more detailed provisions for this.

**IS THE COMMITMENT MEASURABLE? YES**

Although the commitment suggests a measurable action such as the preparation of more provisions regarding access to the Beneficial Ownership Register, it is conditioned to an external circumstance (the Storting's debate on the new legislation). This necessitated an update on the situation in order to fully consider if the work around the bill is suitable for monitoring. The government confirmed that Norway has adopted an act on the establishment of a beneficial ownership register, which is partly in force, and that the register is currently under development.<sup>24</sup> On that basis, the commitment is considered measurable.

This measurability can be split in three parts: whether the bill was passed, whether it includes access to the register for law enforcement agencies and the public, and whether more detailed provisions have been made.

**IS THE COMMITMENT SELECTED FOR MONITORING YES**

**COMMITMENT 12: Norway supports the work of the Extractive Industries Transparency Initiative (EITI) both as a donor and as an implementing country. We welcome the reporting of companies' payments to governments under this initiative. We welcome the 2016 EITI Standard, in particular the requirements regarding beneficial ownership.**

**IS THE COMMITMENT SPECIFIC? YES**

This commitment is considered a statement because it describes Norway's position regarding the Extractive Industries Transparency Initiative (EITI), rather than making a promise of future action. It is specific because it refers to the EITI and concrete areas such as the reporting of companies' payments to governments and beneficial ownership.

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<sup>24</sup> Norwegian Ministry of Finance, Act on the Register of Beneficial Owners, <https://lovdata.no/dokument/LTI/lov/2019-03-01-2/>

IS THE COMMITMENT MEASURABLE? NO

The way this commitment is formulated does not include committal language on an action that can indicate the progress Norway's government wants to achieve in relation to the EITI and beneficial ownership. Rather than committing to an action, the government "welcomes" it, and the requirements it refers to are not mentioned.

IS THE COMMITMENT SELECTED FOR MONITORING NO

**COMMITMENT 13: Norway has implemented the main principles of the Open Contracting Data Standard (OCDS) in its public procurement legislation, which is based on EU rules, and through the establishment of the national public procurement database (Doffin). Full implementation of the OCDS data model will be considered in connection with the development of the next generation of the Doffin.**

IS THE COMMITMENT SPECIFIC? YES

The commitment refers to a specific anti-corruption mechanism, the Open Contracting Data Standard (OCDS), and how implementation took place (Doffin).

IS THE COMMITMENT MEASURABLE? NO

The action suggested, achieving full implementation of the OCDS, could potentially be constructed as measurable, although it may require some interpretation based on the OCDS data model characteristics. However, the language is non-committal ("full implementation will be considered"), therefore the commitment cannot be considered measurable.

IS THE COMMITMENT SELECTED FOR MONITORING NO

**COMMITMENT 14: Norway intends to establish a digital infrastructure for sharing information about companies bidding for public contracts. The government will consider whether this database should be expanded to include criminal records and information on corrupt bidders. This question raises both legal and practical/technical concerns.**

IS THE COMMITMENT SPECIFIC? YES

The commitment is specific in identifying a concrete anti-corruption mechanism – digital infrastructure for sharing information about companies bidding for public contracts.

IS THE COMMITMENT MEASURABLE? YES

This commitment includes in its second part non-committal language (“will consider”), which makes this part non-measurable. However, as the first part of the commitment includes a measurable action (the establishment of the digital infrastructure), we include that part in the monitoring.

IS THE COMMITMENT SELECTED FOR MONITORING YES

**COMMITMENT 15: We will promote international cooperation to fight illegal capital flows, tax evasion and corruption. The government will support international cooperation on ensuring transparent capital flows between countries and enhancing taxation of global companies.**

IS THE COMMITMENT SPECIFIC? NO

Although this commitment refers to three thematic priorities (illegal capital flows, tax evasion and corruption), it is broad in scope and lacks specificity about the policies or initiatives concerning the promotion and support intended.

IS THE COMMITMENT MEASURABLE? NO

The commitment aims to promote international cooperation to ensure transparent capital flows and enhance taxation, but it does not indicate measurable actions around the intention “to support”. In addition, the lack of specific policy or initiatives supporting this goal makes it difficult to interpret how it can be achieved in measurable terms.

IS THE COMMITMENT SELECTED FOR MONITORING NO

**COMMITMENT 16: Norway is in the process of entering into agreements on support for the important work carried out by the International Centre for Asset Recovery (ICAR) and the UNCAC Coalition, an umbrella network of more than 100 civil society and academic groups and organisations.**

IS THE COMMITMENT SPECIFIC? YES

The commitment is specific in that it identifies asset recovery as a concrete policy area, and names mechanisms to channel support in that area, such as ICAR and the UNCAC Coalition.

IS THE COMMITMENT MEASURABLE? YES

The measurable aspect of this commitment is whether Norway entered into the agreement in support of the 2017-2020 ICAR strategy, and made the grant for the UNCAC coalition project “Civil society participation in the UNCAC: building momentum for change”.

IS THE COMMITMENT SELECTED FOR MONITORING YES

**COMMITMENT 17: For 12 years, Norway has headed the Corruption Hunters Network, which consists of prosecutors, investigators and engaged individuals with a proven record in anti-corruption. We will continue to support this network, with a view to facilitating the exchange of knowledge and experience across borders.**

IS THE COMMITMENT SPECIFIC? YES

The commitment refers to a particular ongoing initiative (the Corruption Hunters Network) – although it could have been more specific regarding the form of support intended.

IS THE COMMITMENT MEASURABLE? NO

Clarification from Norad indicates that the support to the Corruption Hunters Network is in terms of continuing funding and coordinating the network.

As stated in its evaluation of Norway's anti-corruption efforts for the period 2010-2019, Norad has continued its support to the Corruption Hunter Network throughout those years.<sup>25</sup> Facilitated by Norad since 2005, the network brings together around 20 individual investigators and prosecutors of corruption cases worldwide. Norad is the only agency funding the network, which makes the network unique, and Norad selects the members and invites them to events organised and paid for by the agency.<sup>26</sup> Norad's support includes organising two meetings a year, creating space not only to exchange knowledge and experiences, but also to receive assistance and moral support in a safe environment operating under Chatham House rules.<sup>27</sup>

However, this commitment represents the continuation of Norad's ongoing work with the Corruption Hunter Network, rather than a change or an action that could elevate the network to a higher level. For this reason, the commitment is not considered measurable.

IS THE COMMITMENT SELECTED FOR MONITORING NO

**COMMITMENT 18: The Tax for Development programme and other relevant programmes are included in the Knowledge Bank, which was established in March 2018. The Knowledge Bank coordinates and strengthens technical cooperation and knowledge-sharing in areas where Norway has particular expertise. The objective of the Knowledge Bank is to assist in building capacity and competence in public institutions in Norway's partner countries, at the request of the countries concerned.**

<sup>25</sup> Norwegian Agency for Development Cooperation (Norad), Evaluation of Norway's Anti-Corruption Efforts as part of its Development Policy and Assistance, 2020, <https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/evaluating/report-5-2020-evaluation-of-norway-anti-corruption-efforts-as-part-of-its-development-policy-and-assistance-main-report.pdf>

<sup>26</sup> U4 Anti-corruption Resource Centre, Networks of anti-corruption authorities. Living up to their aspirations?, <https://www.u4.no/publications/networks-of-anti-corruption-authorities.pdf>

<sup>27</sup> U4 Anti-corruption Resource Centre, Networks of anti-corruption authorities. Living up to their aspirations?.,

IS THE COMMITMENT SPECIFIC? NO

This commitment cannot be considered specific, as it is merely a description of existing work.

IS THE COMMITMENT MEASURABLE? NO

It cannot be considered measurable, as it is a descriptive narrative that does not include a measurable intention or action to be achieved and to advance the work of the Knowledge Bank.

IS THE COMMITMENT SELECTED FOR MONITORING NO

**COMMITMENT 19: Norway is committed to the OECD 2016 Recommendation of the Council for Development Cooperation Actors on Managing the Risk of Corruption.**

IS THE COMMITMENT SPECIFIC? YES

This commitment can be considered specific because it refers to a concrete initiative (the OECD 2016 Recommendation of the Council for Development Cooperation Actors on Managing the Risk of Corruption). It could have been more specific regarding what Norway's commitment to this initiative implies.

IS THE COMMITMENT MEASURABLE? YES

As it is formulated, the commitment is measurable in terms of assessing whether Norway implemented all the OECD 2016 recommendations.

IS THE COMMITMENT SELECTED FOR MONITORING YES

# COUNTRY CONTEXT

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Several studies and indexes present corruption in Norway as among the lowest in the world. In Transparency International's 2021 *Corruption Perceptions Index*, Norway scored 85 (0 being highly corrupt and 100 very clean) and ranked fourth out of 180 countries.<sup>28</sup> The latest World Bank *Control of Corruption* indicator (2020) confirms this positive result, giving Norway the highest possible score (100) since 2010, with only slight decreases between 2003-2009 (the lowest point in 2008 was 97.09).<sup>29</sup>

Despite this encouraging data, Norway is not free of challenges. Norwegians trust their authorities highly, but this should not mean they can drop their guard when it comes to corruption or the abuse of power. In this sense, Transparency International Norway states that "blind trust, and excessive belief that corruption takes place everywhere other than Norway, in itself constitutes a risk of corruption".<sup>30</sup>

As in other strongly performing countries, the challenges in Norway are often related to cross-border financial crime. The country's economic and political stability makes it an attractive destination for foreign placement of assets with both legal and illegal origins.<sup>31</sup> At the same time, large sums of money are transferred from Norway and, according to the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM), some of this is likely to be sent to terrorist organisations abroad, especially in the Middle East.<sup>32</sup> Other challenges are the likely presence of financial crime and tax fraud in the fishing industry, the use of tax havens to evade Norwegian taxes,<sup>33</sup> and the presence of close networks and conflicts of interests in public institutions.<sup>34</sup> In the last ØKOKRIM report, from 2022, Norwegian authorities anticipate that criminal networks will increasingly adopt new technologies to commit financial crimes and that virtual assets will be used to launder money in the years to come.<sup>35</sup>

Norway offers a favourable context when it comes to political rights and civil liberties, and favourable conditions for civil society and the media. According to Freedom House, Norway's status is highly

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<sup>28</sup> Transparency International, *Corruption Perceptions Index 2020 Norway*,

<https://www.transparency.org/en/cpi/2020/index/nor>

<sup>29</sup> The World Bank, *GovData360 Control of Corruption*,

[https://govdata360.worldbank.org/indicators/hf0ef1ed3?country=NOR&indicator=369&viz=line\\_chart&years=1996,2020](https://govdata360.worldbank.org/indicators/hf0ef1ed3?country=NOR&indicator=369&viz=line_chart&years=1996,2020)

<sup>30</sup> Transparency International Norway, *High trust in institutions, but not free from corruption*,

<https://transparency.no/2021/09/06/hoy-tillit-til-institusjonene-men-ikke-ri-for-korrupsjon/>

<sup>31</sup> Financial Action Task Force (FATF), *Anti-money laundering and counter-terrorist financing measures. Norway 3<sup>rd</sup>*

*Enhanced Follow-up Report & Technical Compliance Re-Rating*, <https://www.fatf-gafi.org/media/fatf/documents/reports/mer4/FUR-Norway-March-2018.pdf>; FATF, *Anti-money laundering and counter-*

*terrorist financing measures. Norway. Enhanced Follow-up Report. 2<sup>nd</sup> Technical Compliance Re-Rating. March 2019.*

<https://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Report-Norway-2019.pdf>; FATF, *Anti-money*

*laundering and counter-terrorist financing measures. Norway. Follow-up assessment. December 2019.* <https://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Assessment-Norway-2019.pdf>

<https://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Assessment-Norway-2019.pdf>

<sup>32</sup> National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM),

*Threat Assessment 2020*,

<https://okokrim.custompublish.com/getfile.php/4701294.2528.tbnw.kumaikslu/%C3%98KOKRIMs+Threat+assessment>

[+2020.pdf](https://okokrim.custompublish.com/getfile.php/4701294.2528.tbnw.kumaikslu/%C3%98KOKRIMs+Threat+assessment)

<sup>33</sup> National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM),

*Threat Assessment 2020*,

<https://okokrim.custompublish.com/getfile.php/4701294.2528.tbnw.kumaikslu/%C3%98KOKRIMs+Threat+assessment>

[+2020.pdf](https://okokrim.custompublish.com/getfile.php/4701294.2528.tbnw.kumaikslu/%C3%98KOKRIMs+Threat+assessment)

<sup>34</sup> Group of States against Corruption (GRECO), *Fifth Evaluation Round – Evaluation Report Norway*,

<https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a1167c>

<sup>35</sup> National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM),

*Threat Assessment 2022.* <https://www.okokrim.no/oekokrim-t-russelvrdering-2022.6527255-549350.html>

free, with a score of 100/100.<sup>36</sup> This entails having a robust democracy, respect for civil liberties, an independent media and civil society actors holding the government to account. The Freedom House score is further confirmed by the CIVICUS Monitor, which defines Norway as an open country when it comes to civic space.<sup>37</sup>

It is worth highlighting that Norway has a remarkably high rate of implementation of international anti-corruption standards. For example, it achieved 100 per cent full implementation of GRECO's recommendations in all four previous evaluation rounds. The Ministry of Justice also emphasises that under the OECD mechanism, Norway is in the fourth round of evaluation and the subject of evaluation exceeds what is required under the OECD anti-bribery convention, showing Norway's commitment to international anti-corruption standards. According to the findings in the OECD Phase 4 Report for Norway, the country exceeded the convention requirements in the multiple bases for jurisdiction over foreign bribery offences -jurisdiction over corruption committed in Norway, jurisdiction over corruption committed abroad by Norwegian nationals and residents, and 'universal jurisdiction' over corruption committed by foreigners abroad given the consent by the King.<sup>38</sup>

### **Anti-corruption framework**

In Norway, responsibility for combatting corruption is shared among different institutions, including the Ministry of Foreign Affairs, the Ministry of Justice, the Ministry of Finance and the Ministry of Municipalities and Modernisation. These institutions exchange information on their anti-corruption actions in the Cooperation Forum for Anti-Corruption.<sup>39</sup>

Integrity and ethics play a significant role in anti-corruption efforts of the Norwegian public administration. Public officials receive several tools with guidance on ethical matters regarding impartiality and recusal, financial disclosure and whistleblowing, among others. Examples include the Political Leadership Handbook, the Guidance on Gifts, and the Ethical Guidelines for Public Service.<sup>40</sup> However, according to GRECO, even if these are considered sound and comprehensive, the lack of a range of consequences for failure to meet these principles and the absence of a system for determining consistency of ethical advice given by different institutions are matters of concern.<sup>41</sup>

There is currently no specific policy dedicated to combatting corruption. Instead, Norway's anti-corruption commitments span several initiatives. For example, the Fourth Norwegian Open Government Partnership Action Plan (2019-2021) focused on openness of public administration and anti-corruption. Two of the objectives of the Norwegian anti-corruption plan are to streamline and improve public procurement by full digitisation of the procurement process and to establish a public register of beneficial owners.<sup>42</sup> The Fourth Norwegian Action Plan has been updated and extended in Norway's National Action Plan 4B from 2021 to 2022.<sup>43</sup> This update responds to the difficulties that the Covid-19 pandemic presented for fulfilling some of the commitments, and reformulates

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<sup>36</sup> Freedom House, Freedom in the World 2021, Norway, <https://freedomhouse.org/country/norway/freedom-world/2021>

<sup>37</sup> CIVICUS Monitor, Tracking Civic Space Norway, <https://monitor.civicus.org/country/norway/>

<sup>38</sup> Organisation for Economic Co-operation and Development (OECD), Implementing the OECD Anti-Bribery Convention Phase 4 Report Norway, p.24, <https://www.oecd.org/corruption/anti-bribery/Norway-Phase-4-Report-ENG.pdf>

<sup>39</sup> Group of States against Corruption (GRECO), Fifth Evaluation Round – Evaluation Report Norway, <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a1167c>

<sup>40</sup> GRECO, Fifth Evaluation Round – Evaluation Report Norway.

<sup>41</sup> GRECO, Fifth Evaluation Round – Evaluation Report Norway.

<sup>42</sup> Norwegian Ministry of Local Government and Modernisation, Fourth Norwegian Open Government Partnership (OGP) Action Plan, 2019-2021, [https://www.opengovpartnership.org/wp-content/uploads/2019/04/Norway\\_Action-Plan\\_2019-2021\\_EN.pdf](https://www.opengovpartnership.org/wp-content/uploads/2019/04/Norway_Action-Plan_2019-2021_EN.pdf)

<sup>43</sup> Norwegian Ministry of Local Government and Modernisation, Norway's National Action Plan 4B, 2021-2022, Open Government Partnership, [https://www.opengovpartnership.org/wp-content/uploads/2019/04/Norway\\_Action-Plan\\_2019-2022\\_Amended\\_20211103\\_EN.pdf](https://www.opengovpartnership.org/wp-content/uploads/2019/04/Norway_Action-Plan_2019-2022_Amended_20211103_EN.pdf)

some previous commitments, as well as adding new ones, such as openness in artificial intelligence and algorithms.

Norway is also very active in the promotion of anti-corruption in developing countries through the Norwegian Agency for Development Cooperation (Norad).<sup>44</sup> One example is the Corruption Hunter Network, which is part of the Combatting Corruption Programme at the Knowledge Bank, an institution that coordinates technical cooperation and knowledge sharing in Norway's areas of expertise.<sup>45</sup> The Corruption Hunter Network is composed of members from the police, prosecution and heads of anti-corruption agencies from around 20 countries, who meet regularly to exchange experience, knowledge and views on what is working in the fight against corruption, and to support each other. The network addresses topics such as preventive work, investigation techniques, legal requests, anti-money laundering, whistleblower protection, illicit capital flows and asset recovery. The Knowledge Bank also includes the Tax for Development programme, which promotes effective and fair tax systems in developing countries.<sup>46</sup>

Another international initiative promoted by Norway is the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda, known as the FACTI Panel. The panel's purpose is to achieve financial integrity for sustainable development, through greater transparency, stronger institutions, enhanced accountability, and more cooperation at national, regional and international levels, including both the public and the private sectors.<sup>47</sup> The panel reviews current challenges and trends related to financial accountability, transparency and integrity. It also assesses existing international institutional and legal frameworks on these topics to identify gaps, impediments and vulnerability in their design and implementation, and makes evidence-based recommendations building on the successes of existing mechanisms.<sup>48</sup>

Another expression of Norway's general commitment to the promotion of international anti-corruption standards is its contribution to multilateral fora against corruption. For example, Norway was co-sponsor of the resolution initiated by Colombia in 2018 that led to the first special session of the UN General Assembly Against Corruption (UNGASS), held in New York in June 2021.<sup>49</sup> Also in 2021, Norway participated in the ninth session of the Conference of State Parties (COSP 9) to UNCAC in Egypt,<sup>50</sup> and in the US Summit for Democracy, which addressed the fight against corruption as one of three key themes.<sup>51</sup> In 2017, Norway and Peru initiated Resolution 7/2 on grand

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<sup>44</sup> Norwegian Agency for Development Cooperation (Norad), Evaluation of Norway's Anti-Corruption Efforts as part of its Development Policy and Assistance, <https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/evaluating-report-5-2020-evaluation-of-norway-anti-corruption-efforts-as-part-of-its-development-policy-and-assistance-main-report.pdf>

<sup>45</sup> Norwegian Agency for Development Cooperation (Norad), Corruption Hunter Network, <https://www.norad.no/en/front/the-knowledge-bank/programmes-in-the-knowledge-bank/combating-corruption/corruption-hunters/>

<sup>46</sup> Norwegian Agency for Development Cooperation (Norad), Tax for Development, <https://www.norad.no/en/front/the-knowledge-bank/programmes-in-the-knowledge-bank/tax-for-development/>

<sup>47</sup> Financial Accountability Transparency and Integrity, Report of the High Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda, [https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/602e91032a209d0601ed4a2c\\_FACTI\\_Panel\\_Report.pdf](https://uploads-ssl.webflow.com/5e0bd9edab846816e263d633/602e91032a209d0601ed4a2c_FACTI_Panel_Report.pdf)

<sup>48</sup> Financial Accountability, Transparency and Integrity, About, <https://www.factipanel.org/about>

<sup>49</sup> UNCAC Coalition, UNGASS 2021 – UN General Assembly Special Session Against Corruption, <https://uncaccoalition.org/ungass/>; UNCAC Coalition, UNGASS2021: UN General Assembly Special Session against Corruption – General debate, 3 June (3/5), (min 3:48-8:22), <https://www.youtube.com/watch?v=ZGzxmwONqXA>

<sup>50</sup> United Nations Office on Drugs and Crime (UNODC), Ninth Session of the Conference of the States Parties to the United Nations Convention against Corruption, <https://www.unodc.org/unodc/en/corruption/COSP/session9.html>

<sup>51</sup> US Department of State, The Summit for Democracy; <https://www.state.gov/summit-for-democracy/>; US Department of State, Summit Participant Statement by Norway for 2021 Summit for Democracy, <https://www.youtube.com/watch?v=C3k7Tw6fWY8>

corruption at the COSP 7.<sup>52</sup> UNODC subsequently organised two expert meetings, supported by Norway, and in 2019 produced a report with 64 recommendations for how to fight grand corruption.<sup>53</sup>

At national level, Norway has strict and comprehensive control systems applicable to the entire public administration. The Parliament (*Storting*) has supervisory functions over the Executive that include examining decisions by the Council of State, reviewing treaties with foreign countries and auditing state accounts. A key mechanism of control is the no-confidence motion, which can be directed at the whole government or at a particular minister. If the target loses the vote of no-confidence, they are obliged to resign.<sup>54</sup> In addition, there are three independent bodies established by the Storting to ensure that the government implements its decisions: the Office of the Auditor General, which ensures that public funds are used and administered properly; the Parliamentary Ombudsman, and the Committee for Monitoring Intelligence, Surveillance and Security Services. The media also has a significant control function, and investigative journalism is highly valued for its role uncovering illegal foreign bribery.<sup>55</sup>

The institutions in charge of investigating and prosecuting corruption are the National Authority for the Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM) and the Police Service, which operates under the Ministry of Justice and Public Security. The police is undergoing reforms to increase its investigative capacity and strengthen its internal control and audit systems. According to GRECO, Norway could do more work towards a coordinated and proactive integrity policy, including measures such as the refinement of risk-assessment and information-gathering tools, and better monitoring and cross-checking of integrity-related registers.<sup>56</sup>

Civil society participation in policy formulation is a regular practice in Norway. All draft laws are submitted to public consultation. Legislation can be initiated by the government or individually by a Member of Parliament. For important pieces of legislation or extensive revisions of existing laws, the government appoints an expert committee composed of stakeholders, independent experts or public authorities.<sup>57</sup>

In recent years there have been several legislative reforms concerning anti-corruption. The modification of the Penal Code narrowed Norway's jurisdiction over corruption offences committed abroad by Norwegian nationals and residents, by eliminating its universal jurisdiction. The country maintains territorial jurisdiction, which means that it can assert jurisdiction over acts of foreign bribery that occur in Norway. This change has been viewed with concern by the OECD, as it might increase the likelihood of certain offences going unpunished.<sup>58</sup>

Amendments in 2020 to the Norwegian Working Environment Act introduced greater protection for whistleblowers by prohibiting retaliation. This modification has special importance in Norway, due to the Scandinavian principle of an employee's "duty of loyalty" (an unwritten norm or principle) towards the employer. This principle holds that employees must refrain from harming their

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<sup>52</sup> UNCAC Coalition, How can we tackle grand corruption? A summary of our IRG [Implementation Review Group] side event, <https://uncaccoalition.org/how-can-we-tackle-grand-corruption-a-summary-of-our-irg-side-event/>

<sup>53</sup> United Nations Office on Drugs and Crime (UNODC), Preventing and Combating Corruption Involving Vast Quantities of Assets, Expert Recommendations, [https://www.unodc.org/documents/corruption/Publications/2019/19-10467\\_Preventing\\_Combating\\_Corruption\\_ebook.pdf](https://www.unodc.org/documents/corruption/Publications/2019/19-10467_Preventing_Combating_Corruption_ebook.pdf)

<sup>54</sup> Stortinget, Motions of no-confidence, <https://www.stortinget.no/nm/In-English/About-the-Storting/Control/motions-of-no-confidence/>

<sup>55</sup> Organisation for Economic Co-operation and Development (OECD), Implementing the OECD Anti-Bribery Convention, Phase 4 Report Norway, <https://www.oecd.org/corruption/anti-bribery/Norway-Phase-4-Report-ENG.pdf>

<sup>56</sup> Group of States against Corruption (GRECO), Fifth Evaluation Round – Evaluation Report Norway, <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a1167c>

<sup>57</sup> Ibid.

<sup>58</sup> Organisation for Economic Co-operation and Development (OECD), Implementing the OECD Anti-Bribery Convention, Phase 4 Report Norway, <https://www.oecd.org/corruption/anti-bribery/Norway-Phase-4-Report-ENG.pdf>

employer's interests and must not disclose confidential information.<sup>59</sup> An employee who observes wrongdoing is expected to report to the employer, rather than to the media or a third party. In this context, the extra protection against retaliation compensates for the employee's vulnerability. In addition, the amendments add clarification to the meaning of "censurable conditions" which employees are entitled to report, and bring stricter obligations for companies to act when notified.

Whistleblowing in Norway is regulated by the Norwegian Working Environment Act, chapter 2A. In comparison to the EU Whistleblower Directive, the Act includes a wider selection of topics a whistleblower may address, although the EU directive covers a greater range of personnel.<sup>60</sup>

In further legislative reform, the 2018 amendments to the Regulation on the Register of Members of the Storting's Appointments and Economic Interests<sup>61</sup> extended the activities and interests parliamentarians must report.<sup>62</sup> They must now disclose accessory posts and activities, economic interests, debts and liabilities, gifts and travel abroad, and other interests that might be considered as influencing a member's actions, but which are not subject to mandatory registration. Disclosure requirements are mandatory for both members of government and parliament.

The implementation of the EU Directive on Public Procurement in 2017 also altered Norwegian legislation. The law now provides for mandatory exclusion of economic operators from procurement procedures where the contracting authority has established that the tenderer has been convicted for corruption by final judgement or an optional penalty writ. However, this exclusion can be reversed by the contracting authority on grounds of the economic operator implementing remedial measures and new procedures, and cooperating with the authorities.<sup>63</sup>

## Main areas of concern

### *Public-sector corruption*

Within the public administration, local authorities are perceived as more vulnerable to corruption in their interactions with the private sector, as favouritism is more prevalent at the local level and it is harder to be impartial. In the 2021 Citizens' Survey conducted by the Directorate for Public Administration and Financial Management, half of respondents thought that nepotism is widespread in municipalities.<sup>64</sup> The perception of corruption at municipal level in Norway is also reflected in Transparency International's 2021 *Global Corruption Barometer*, where one in ten survey respondents believed that municipal authorities are involved in corruption.<sup>65</sup> Yet, local authorities are considered accountable for reducing this risk, ensuring well-functioning whistleblower channels, audit committees and proper whistleblower protection.<sup>66</sup>

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<sup>59</sup> International Bar Association, Latest developments on whistleblower protection in the Nordics, <https://www.ibanet.org/article/AEF5889C-AE04-419E-962F-8E43F94D1C51>

<sup>60</sup> Bird and Bird, An Overview of the Implementation of the Whistleblowing Directive in the Nordics, <https://www.lexology.com/library/detail.aspx?g=c2e93426-5988-497d-a939-86120cded050#:~:text=Under%20Norwegian%20law%20employees%20are,economic%20and%20non%2Deconomic%20damages>

<sup>61</sup> Bird and Bird, An Overview of the Implementation of the Whistleblowing Directive in the Nordics.

<sup>62</sup> Group of States against Corruption (GRECO), Fifth Evaluation Round – Evaluation Report Norway, <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a1167c>

<sup>63</sup> Organisation for Economic Co-operation and Development (OECD), Implementing the OECD Anti-Bribery Convention, Phase 4 Report Norway, <https://www.oecd.org/corruption/anti-bribery/Norway-Phase-4-Report-ENG.pdf>

<sup>64</sup> Directorate for Public Administration and Financial Management. Citizens' Survey 2021. <https://dfo.no/rapporter-og-statistikk/undersokelser/innbyggundersokelsen-2021/tillit#a6a310571c9666cf2f9932cf62ba52574>

<sup>65</sup> Transparency International Norway, Global Corruption Barometer 2021, <https://transparency.no/2021/09/06/hoy-tillit-til-institusjonene-men-ikke-fri-for-korrupsjon/>

<sup>66</sup> National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM), Threat Assessment 2020, <https://okokrim.custompublish.com/getfile.php/4701294.2528.tbnw.kumaikslu/%C3%98KOKRIMs+Threat+assessment+2020.pdf>

In addition, procurement processes are under the watch of Norwegian authorities, who believe there is a threat of criminals gaining access to tender processes.<sup>67</sup> This concern was confirmed in the 2022 ØKOKRIM threats report, which states that the risk of corruption in local government is likely highest in connection with tender processes, and that corrupt practices can continue undiscovered for many years.<sup>68</sup> In addition, new appointments to government institutions, made during the pandemic, of people lacking in-depth expertise in anti-corruption may have increased the risk of corruption in the public sector.<sup>69</sup>

A key question is whether Norway's government is as transparent as it should be, given that the country's political system relies primarily on trust.<sup>70</sup>

### *Tax evasion*

Tax evasion is an area of concern in Norway and, according to the state economic crime unit ØKOKRIM, is one of the biggest threats to the welfare state.<sup>71</sup> The fishing sector, which represents the country's second largest export industry, is especially vulnerable. According to ØKOKRIM, the illegal acquisition of Norwegian fish by actors with links abroad, and the use of forged or incorrect documents about exports, quoting incorrect prices, facilitate and conceal financial crimes, including tax evasion.<sup>72</sup>

The property market is also vulnerable to tax evasion, according to ØKOKRIM, due to contracts for future construction projects being sold at a large profit, as the increase in value is information not available to tax authorities.<sup>73</sup> Tax evasion also occurs among Norwegians living abroad, and to hide assets in tax havens is not uncommon. ØKOKRIM estimates that around US\$16.7 billion of Norwegian assets are hidden in tax havens.<sup>74</sup>

Other tax-related challenges in Norway include the use of corporate structures to conceal off-the-books sales or profits from sale of assets; claiming tax deductions for fictitious costs from foreign companies; corporations hiding that the tax subject is domiciled in Norway; non-reporting of income generated abroad for tax purposes, and concealment of the real owners of assets.<sup>75</sup>

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<sup>67</sup> National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM), Threat Assessment 2020, <https://okokrim.custompublish.com/getfile.php/4701294.2528.tbnw.kumaikslu/%C3%98KOKRIMs+Threat+assessment+2020.pdf>

<sup>68</sup> National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM), Threat Assessment 2022, <https://www.okokrim.no/oekokrim-trusselvurdering-2022.6527255-549350.html>

<sup>69</sup> National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM), Threat Assessment 2020, <https://okokrim.custompublish.com/getfile.php/4701294.2528.tbnw.kumaikslu/%C3%98KOKRIMs+Threat+assessment+2020.pdf>

<sup>70</sup> Group of States against Corruption (GRECO), Fifth Evaluation Round – Evaluation Report Norway, <https://rm.coe.int/fifth-evaluation-round-preventing-corruption-and-promoting-integrity-i/1680a1167c>

<sup>71</sup> News in English, Tax evasion poses threat to welfare, <https://www.newsinenglish.no/2018/08/24/tax-evasion-poses-threat-to-welfare/>

<sup>72</sup> National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM), Threat Assessment 2020, <https://okokrim.custompublish.com/getfile.php/4701294.2528.tbnw.kumaikslu/%C3%98KOKRIMs+Threat+assessment+2020.pdf>

<sup>73</sup> National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM), Threat Assessment 2020, <https://okokrim.custompublish.com/getfile.php/4701294.2528.tbnw.kumaikslu/%C3%98KOKRIMs+Threat+assessment+2020.pdf>

<sup>74</sup> Ibid.

<sup>75</sup> Ibid.

The fact that many of the largest Norwegian companies are established in developing countries is also a concern for corruption and tax evasion in Norway. This has led the country to play an active role in international initiatives to improve exchange information among tax authorities.

Transparency International's 2020 report *Exporting Corruption*, assessing enforcement of the OECD convention on foreign bribery, locates Norway among countries with moderate enforcement levels. The report highlights inadequacies in the enforcement system including the absence of full transparency in the calculation of fines and confiscation penalties imposed for foreign bribery, and the need for more information on the application of penalty notices and the use of mitigating factors. More information is also needed to allow companies to fully understand their obligations under the law and the procedures for self-reporting foreign bribery.<sup>76</sup>

### *Money laundering*

Another area of concern in Norway is money laundering. According to the 2019 Financial Action Task Force (FATF) report, the most vulnerable areas in this regard are the identification of beneficial owners and the misuse of reporting entities such as banks and money or value transfer services for purposes of money laundering and terrorist financing.<sup>77</sup> In 2020, for example, DNB Bank, the largest in Norway, faced a multi-million dollar fine for failing to comply with anti-money laundering rules.<sup>78</sup> This is not the first time DNB has been in trouble. In 2019, it was involved in the "Fishrot" scandal, allegedly transferring large amounts of money to Namibia between 2011 and 2018 through a shell company on behalf of Icelandic fishing company Samherji.<sup>79</sup>

In its 2018 National Risk Assessment, Norway also identified e-money institutions as especially vulnerable, in particular regarding transactions carried out in Norway using prepaid foreign payment cards.<sup>80</sup> Real estate agents, lawyers, finance enterprises, e-money institutions and the insurance sector are considered at medium risk of money laundering. According to ØKOKRIM in 2020, the property market is used by work-related criminal actors to launder money from tax evasion, undeclared wages from undeclared workers or hidden revenues. Money-laundering methods include paying for renovations with cash generated by criminal activities, manipulating property values, and buying or selling contracts for properties to be built in the future.<sup>81</sup> According to the 2020 National Risk Assessment on money laundering and terrorist financing, the risk of the real estate sector being used for money laundering in 2020 was higher than in 2018, as was the case for auditors and accountants.<sup>82</sup> The 2020 assessment also states that the greatest risk of money laundering is when using cryptocurrency, new payment services and in business activities; and is particular high for

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<sup>76</sup> Transparency International, *Exporting Corruption*. Progress Report 2020: Assessing Enforcement of the OECD Anti-Bribery Convention, [https://images.transparencycdn.org/images/2020\\_Report-Full\\_Exporting-Corruption\\_EN.pdf](https://images.transparencycdn.org/images/2020_Report-Full_Exporting-Corruption_EN.pdf)

<sup>77</sup> Financial Action Task-Force (FATF), *Anti-money laundering and counter-terrorist financing measures Norway, Follow-up assessment*, December 2019, <https://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Assessment-Norway-2019.pdf>

<sup>78</sup> Organized Crime and Corruption Reporting Project (OCCRP), *Largest Norwegian Bank Faces Fine for Anti-Money Laundering Failures*, <https://www.occrp.org/en/daily/13490-largest-norwegian-bank-faces-fine-for-anti-money-laundering-failures>

<sup>79</sup> Reuters, *Norwegian police probe bank DNB over Namibia fisheries scandal*, <https://www.reuters.com/article/us-namibia-iceland-dnb-idUSKBN1Y21XA>

<sup>80</sup> Financial Action Task-Force (FATF), *Anti-money laundering and counter-terrorist financing measures Norway, Follow-up assessment*, <https://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Assessment-Norway-2019.pdf>

<sup>81</sup> National Authority for Investigation and Prosecution of Economic and Environmental Crime in Norway (ØKOKRIM), *Threat Assessment 2020*, <https://okokrim.custompublish.com/getfile.php/4701294.2528.tbnw.kumaikslu/%C3%98KOKRIMs+Threat+assessment+2020.pdf>

<sup>82</sup> Andreas Lunde, *New national risk assessment on money laundering and terrorist financing*, <https://www.okokrim.no/ny-nasjonal-risikovurdering-om-hvitvasking-og-terrorfinansiering.6354385-411472.html>

actors involved in work-related crimes, “who in addition to money laundering’s own profit-generating crime facilitate money laundering of proceeds from drug crime in their business activities”.<sup>83</sup>

Norway has played an active role in developing international rules against money laundering and terrorist financing, as a FATF member.<sup>84</sup> The Norwegian government launched a new national strategy in 2020 to better coordinate efforts of relevant government agencies and law enforcement agencies against these crimes. It also called for closer exchanges between governmental agencies and the private sector, to share experience and promote knowledge-based preventive measures.<sup>85</sup>

The commitments made by Norway in the 2018 IACC cover a variety of topics and indicate some priority areas, including tax evasion and money laundering, as main areas of concern in the Norwegian context. The commitments in these areas reflect the international character of these problems and suggest the need to work in parallel at international level (for example, country-by-country reporting for multinational enterprises; bank account information exchange) and at the national level (for example, increased cooperation between the private sector and government agencies to combat money laundering) to achieve real change. However, considering these areas of concern in Norway, there are some gaps in the country’s commitment to anti-money laundering – for example, not addressing the risks in the real estate sector or in foreign investments in Norway. Of particular relevance in this sense would be to have commitments referring to FATF recommendation 18 – on the implementation of group-wide programmes against money laundering and terrorist financing – and recommendation 23, on the application of recommendation 18 to Designated Non-Financial Business and Professions. These include casinos, real estate agents, dealers in precious metals or stones, lawyers, notaries, other independent legal professionals and accountants, and trust and company service providers.<sup>86</sup> According to the FATF follow-up report from December 2019, Norway is largely compliant with recommendations 18 and 23, which indicates that there is more work to do to achieve full compliance.<sup>87</sup>

There are also commitments addressing some of the concerns around the Norwegian public sector, such as procurement – for example, the database on bidders for public contracts. However, none of the commitments explicitly targets corruption at the municipal level. Beneficial ownership and asset recovery, at both national and international levels, are targeted topics in Norway’s plans for change. Other commitments made at the IACC give continuity to two priority areas of anti-corruption work in Norway: the support of international anti-corruption initiatives and standards (for example, effective implementation of UNODC, OECD and Council of Europe standards), and the promotion of anti-corruption in international cooperation and development aid (for example, doubling tax-related aid as a development strategy, or support for the Corruption Hunters Network). Some of the commitments in these areas are not considered in our monitoring because they aim only for the continuation of ongoing work, rather than representing a strategy or measurable action to advance corruption prevention in Norway’s priority areas.

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<sup>83</sup> Ibid.

<sup>84</sup> Financial Action Task-Force (FATF), Norway, <https://www.fatf-gafi.org/countries/#Norway>

<sup>85</sup> Norwegian Ministry of Justice and Public Security, and Ministry of Finance, The Government’s strategy for combatting money laundering, terrorist financing and financing the proliferation of weapons of mass destruction, <https://www.regjeringen.no/no/dokumenter/regjeringens-strategi-for-bekjempelse-av-hvitvasking-terrorfinansiering-og-finansiering-av-spredning-av-masseodleggelsesvapen/id2706323/>

<sup>86</sup> Financial Action Task-Force (FATF), FATF Recommendations 18 and 23: The Application of Group-Wide Programmes by Non-Financial Business and Professions, <https://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/Explanatory-Materials-R18-R23.pdf>

<sup>87</sup> Financial Action Task-Force (FATF), Anti-money laundering and counter-terrorist financing measures Norway, Follow-up assessment, December 2019. <https://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Assessment-Norway-2019.pdf>

# PROGRESS ON COMMITMENT IMPLEMENTATION

**COMMITMENT 5: Norway is well on track to fulfilling the Addis Tax Initiative pledge of doubling tax-related development assistance by 2020. In addition, we are working constructively in the relevant multilateral arenas to ensure coherent policies that support domestic resource mobilisation in developing countries.**

**THEMATIC AREA:** International Cooperation and Support

**COMMITMENT TIMEFRAME:** By 2020

**COMMITMENT SOURCE:** UK Anti-Corruption Summit

## Current level of progress in commitment implementation

Fulfilled

X

Partially fulfilled

Not fulfilled/dropped

This commitment has been monitored at two levels: 1) the promise of doubling tax-related development assistance by 2020, and 2) the work in multilateral arenas to ensure coherent policies that support domestic mobilisation in developing countries.

The commitment refers to Norway's ongoing work supporting tax assistance as a development strategy, and responds to the country's commitment to the Addis Tax Initiative, which emerged from the Third International Conference on Financing for Development in Addis Ababa in 2015. Norwegian efforts in this regard are motivated by the belief that robust tax systems are essential for better resource distribution and to make countries more independent of development assistance.<sup>88</sup>

In terms of doubling tax-related development assistance by 2020, the Norwegian State Secretary of International Development, Aksel Jakobsen, stated in 2019 that during the previous two years, the government had doubled its efforts for better tax systems.<sup>89</sup> He made this declaration when Norway donated US\$10 million to the World Bank to reform tax systems in fragile states in September 2019.<sup>90</sup> A review by several civil society organisations assessing Nordic countries' support for domestic resource mobilisation through multilateral institutions confirms this data, showing an increase in Norway's total development assistance for domestic resource mobilisation from US\$15 million in 2015 to over US\$30 million in 2019.<sup>91</sup>

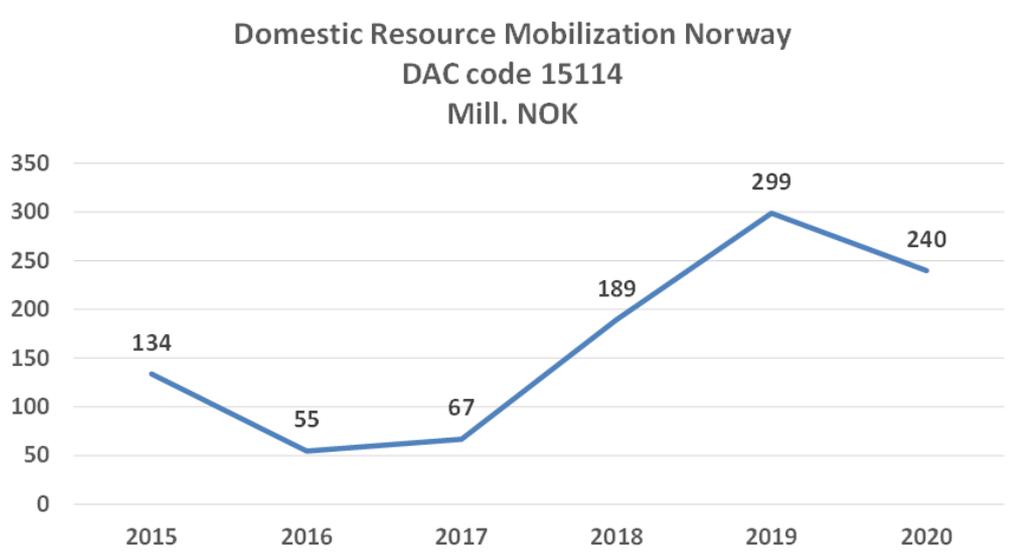
<sup>88</sup> Norwegian Agency for Development Cooperation (Norad), Tax for Development, <https://www.norad.no/en/front/the-knowledge-bank/programmes-in-the-knowledge-bank/tax-for-development/>

<sup>89</sup> World Bank, Norway Provides \$10 Million to Support World Bank on Reforming Tax Systems in Fragile States, <https://www.worldbank.org/en/news/press-release/2019/09/12/norway-provides-10-million-to-support-world-bank-on-reforming-tax-systems-in-fragile-states>

<sup>90</sup> World Bank, Norway Provides \$10 Million to Support World Bank on Reforming Tax Systems in Fragile States.

<sup>91</sup> The Nordic Alliance for Tax Justice, Quality tax aid? A review of Nordic countries' support for domestic resource mobilisation through multilateral institutions, p.17, <https://www.globaltaxjustice.org/sites/default/files/Quality-tax-aid-2021-.pdf>

As shown in the graph provided by Norad below, Norway’s support for domestic revenue mobilisation at the time of making the commitment in 2015 was 134 million NOK (US\$13.2 million), reaching 299 million NOK (US\$29.4 million) in 2019. In 2020 it decreased to 240 million NOK (US\$23.6 million) due to the Covid-19 pandemic, but Norad argues that it picked up by 2021, though official statistics about this increase are not yet available.



Source: DAC data. Graph provided by Norad.

This achievement was the result of the scaling-up plan approved by the Minister of Development in 2018 to fulfil the commitment made under the Addis Tax Initiative by 2020.<sup>92</sup> To fulfil this commitment, Norway followed a strategy of using multiple partnerships with national resource institutions, civil society, academia, the private sector, and multilateral and regional organisations. The Ministry of Finance led this work, but the scaling-up and institutional cooperation with developing countries was also enabled by collaboration between Norad and the Norwegian Tax Authority.

Norway’s tax-related development assistance is delivered not only in financial terms, through leading multilateral organisations on tax such as the World Bank, the OECD, the IMF and the UN, but also through knowledge exchange, capacity building and supporting civil society through the Tax Programme of the Knowledge Bank led by Norad.<sup>93</sup>

In terms of ensuring policy coherence in multilateral arenas, there is no specific strategy for coherence at national or international level, although Norwegian ministries and agencies participate in a number of international processes on policy coherence around domestic revenue mobilisation. Of particular importance are the four organisations that form the Platform for Collaboration on Tax: the World Bank, the IMF, the OECD and the UN, supported by Norway’s Tax for Development Programme.<sup>94</sup> Norway actively participated and financially supported the task force on tax and development established by the OECD to advise the OECD Development Assistance Committee (OECD DAC).<sup>95</sup> Through the Nordic-Baltic Constituency at the World Bank, Norway continues to push for a reinforced approach in the bank’s work on tax governance and administration, to counter tax avoidance, corruption and illicit financial flows. In addition, in 2020, Norway, as President of the UN Economic and Social Council, and Nigeria, as President of the UN

<sup>92</sup> Addis Tax Initiative, Norway, <https://www.addistaxinitiative.net/profile/norway>

<sup>93</sup> Norwegian Agency for Development Cooperation (Norad), Tax for Development, <https://www.norad.no/en/front/the-knowledge-bank/programmes-in-the-knowledge-bank/tax-for-development/>

<sup>94</sup> Norwegian Agency for Development Cooperation (Norad), Tax for Development Portfolio Strategy 2020-2025, [https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/tax-for-development\\_strategy.pdf](https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/tax-for-development_strategy.pdf)

<sup>95</sup> Organisation for Economic Co-operation and Development (OECD), Tax and Development Programme, <https://www.oecd.org/dac/tax-and-development.htm#meetings>

General Assembly, initiated the establishment of a high-level panel on financial accountability, transparency and integrity.<sup>96</sup> This work was preceded by the UN resolution on Illicit Financial Flows, proposed by Norway and the G77 group headed by Nigeria, which for the first time in a UN General Assembly included tax avoidance as well as tax evasion.<sup>97</sup> The importance of taxes in Norway's multilateral cooperation in recent years is also highlighted in the Foreign Ministry report, *Norway's Role and Interests in Multilateral Cooperation 2018-2019*.<sup>98</sup>

## Recommendations

- Design or make public a strategy to ensure policy coherence to support domestic revenue mobilisation in developing countries, and to coordinate initiatives on the topic in multilateral fora in which Norway participates.
- Support developing countries in finding new ways to constructively engage with citizens so tax systems are perceived as legitimate – for example, by sharing best practices in citizen engagement and creating spaces for dialogue between governments and civil society. Many studies have shown that a technical approach is not enough and proactive engagement is necessary.<sup>99</sup>
- Tailor aid on tax reform to the economic, political and institutional factors in each country, and include measures to prevent potential diversion of local capacities, reduction of local ownership and lack of coherence of reform programmes.

**COMMITMENT 6: Of particular interest in the fight against corruption are the proposed updates in the regulation on politically exposed persons, so-called 'PEPs'. This includes a broadening of the definition of who PEPs are, in line with international developments in the Financial Action Task Force (FATF) and the EU.**

**THEMATIC AREA:** Legislative and Institutional Framework

**COMMITMENT TIMEFRAME:** Not stated

**COMMITMENT SOURCE:** Not applicable

## Current level of progress in commitment implementation

Fulfilled

X

Partially fulfilled

Not fulfilled/dropped

<sup>96</sup> Norwegian Agency for Development Cooperation (Norad), Evaluation of Norway's Anti-Corruption Efforts as Part of its Development Policy and Assistance, <https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/evaluating/report-5-2020-evaluation-of-norway-anti-corruption-efforts-as-part-of-its-development-policy-and-assistance-main-report.pdf>

<sup>97</sup> Norwegian Agency for Development Cooperation (Norad), Evaluation of Norway's Anti-Corruption Efforts as Part of its Development Policy and Assistance, p. 31, <https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/evaluating/report-5-2020-evaluation-of-norway-anti-corruption-efforts-as-part-of-its-development-policy-and-assistance-main-report.pdf>

<sup>98</sup> Norwegian Ministry of Foreign Affairs, Norway's Role and Interests in Multilateral Cooperation 2018-2019, <https://www.effectivecooperation.org/system/files/2020-06/stm201820190027000engpdfs.pdf>

<sup>99</sup> Institute of Development Studies, Tax And Development: Donor Support to Strengthen Tax Systems in Developing Countries, <https://core.ac.uk/download/pdf/286048509.pdf>

This commitment refers to the ongoing work on the legislation regulating politically exposed persons (PEPs). The monitoring of this commitment takes into consideration: 1) the broadening of the definition, and 2) whether the update in the regulation has been made in line with international developments in FATF and the EU.

In June 2018, the legislation on PEPs was amended in the Act relating to Measures to Combat Money Laundering and Terrorist Financing (Anti-Money Laundering Act). This entered into force in October 2018, when the commitment was made.<sup>100</sup> Under this Act, the definition of politically exposed persons (PEPs) is extended to include persons with high-ranking positions in Norway.<sup>101</sup> A PEP is one who serves or has served in the position or function of:

- 1) head of state, head of government, minister or assistant minister
- 2) member of the national assembly
- 3) member of a governing body of a political party
- 4) member of a high-level judicial body, the decisions of which are not subject to further appeal, except in exceptional circumstances
- 5) member of the board of an auditor general's office, a court of auditors or a central bank
- 6) ambassador, chargé d'affaires or high-ranking officer of the armed forces
- 7) member of an administrative, management or supervisory body of a state-owned enterprise
- 8) director, member of the board or other person in the senior management of an international organisation.<sup>102</sup>

The inclusion of high-ranking positions in the definition of PEPs is in line with international standards set by FATF<sup>103</sup> and the EU Directive 2015/849.<sup>104</sup> According to FATF, both foreign and domestic PEPs are individuals who are or have been entrusted with prominent public functions such as heads of state or government; senior politicians; senior government, judicial or military officials; senior executives of state-owned corporations, and important political party officials. In the EU Directive 2015/849, a PEP is defined as a natural person who is or who has been entrusted with prominent public functions, including:

- 1) heads of state, heads of government, ministers and deputy or assistant ministers
- 2) members of parliament or of similar legislative bodies
- 3) members of the governing bodies of political parties
- 4) members of supreme courts, of constitutional courts or of other high-level judicial bodies, the decisions of which are not subject to further appeal, except in exceptional circumstances
- 5) members of courts of auditors or of the boards of central banks
- 6) ambassadors, chargés d'affaires and high-ranking officials in the armed forces
- 7) members of the administrative, management or supervisory bodies of state-owned enterprises
- 8) directors, deputy directors and members of the board or equivalent function of an international organisation.

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<sup>100</sup> Norwegian Ministry of Finance, Act Relating to Measures to Combat Money Laundering and Terrorist Financing (the Anti-Money Laundering Act), <https://lovdata.no/dokument/NLE/lov/2018-06-01-23>

<sup>101</sup> SCHJODT, New money laundering rules will enter into force on 15 October, <https://www.schjodt.no/en/news-events/newsletters/new-money-laundering-rules-will-enter-into-force-on-15-october/>

<sup>102</sup> Norwegian Ministry of Finance, Act Relating to Measures to Combat Money Laundering and Terrorist Financing (the Anti-Money Laundering Act), <https://lovdata.no/dokument/NLE/lov/2018-06-01-23>

<sup>103</sup> Financial Action Task-Force (FATF), Glossary, <https://www.fatf-gafi.org/glossary/n-r/>; FATF, Politically Exposed Persons (Recommendations 12 and 22), <https://www.fatf-gafi.org/media/fatf/documents/recommendations/Guidance-PEP-Rec12-22.pdf>

<sup>104</sup> European Union (EU), Directive (EU) 2015/849 of the European Parliament and of the Council, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32015L0849>

Deputy (person appointed to undertake the duties of a superior in the superior's absence) and deputy directors are omitted from the definition of PEPs in Norway. The government considers that in Norwegian legislation, they are included in the reference to "senior management".

The idea of high-ranking officials is emphasised with the clarification that "no public function referred to in points 1) and 8) shall be understood as covering middle-ranking or more junior officials".<sup>105</sup> Nevertheless, there is no legal definition of what is considered high-ranking in the law, nor is it clear what a "high level" of judicial body is.

Because the inclusion of high-ranking positions in the Norwegian definition of PEPs is part of how FATF and the EU define PEPs, we consider that the commitment has been fulfilled. However, the update of Norway's legislation falls short in relation to FATF requirements regarding foreign PEPs, in terms of what type of PEPs are included. Under FATF's recommendation 12, countries should implement measures requiring financial institutions to have appropriate risk management systems in place, to determine whether customers of beneficial owners are foreign PEPs, or related or connected to a foreign PEP.<sup>106</sup> The Norwegian legislation refers to foreign undertakings and foreign exchanges, and includes in its definition directors, board members and senior managers of international organisations, but there is no explicit reference to foreign PEPs. The Norwegian government claims that by eliminating the word "foreign", included in the old Anti-Money Laundering Act, which only referred to foreign PEPs, it has extended the current Act, which now includes foreign as well as domestic PEPs.

**COMMITMENT 10: Norway is committed to international cooperation to enable more effective confiscation of the proceeds of crime, for example, through the OECD and UNODC. This includes the development of internationally endorsed guidelines for the management of returned stolen assets.**

**THEMATIC AREA:** International Cooperation and Support

**COMMITMENT TIMEFRAME:** Not stated

**COMMITMENT SOURCE:** UK Anti-Corruption Summit

#### Current level of progress in commitment implementation

Fulfilled

Partially fulfilled

X

Not fulfilled/dropped

This commitment includes three different actions to be considered in the monitoring: 1) international cooperation for more effective confiscation of the proceeds of crime, 2) the development of

<sup>105</sup> European Union (EU), Directive 2015/849 of the European Parliament and of the Council, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32015L0849>

<sup>106</sup> Financial Action Task-Force (FATF), Politically Exposed Persons (Recommendations 12 and 22), <https://www.fatf-gafi.org/media/fatf/documents/recommendations/Guidance-PEP-Rec12-22.pdf>

guidelines for the management of returned stolen assets, and 3) the international endorsement of those guidelines.

Regarding international cooperation, Norway is member of the Camden Asset Recovery Inter-agency Network (CARIN),<sup>107</sup> an informal inter-agency network of law enforcement and judicial practitioners working on asset tracing, freezing, seizure and confiscation.<sup>108</sup> Its purpose is to increase its members' effectiveness to support the complete asset recovery process. Norway is also a member of the INTERPOL/StAR Global Focal Point Network on Asset Recovery<sup>109</sup> and of the Global Operational Network of Anti-Corruption Law Enforcement Authorities (GlobE Network).<sup>110</sup> This provides a platform for information exchange and informal cooperation to better identify, investigate and prosecute cross-border corruption offences and recover stolen assets.<sup>111</sup>

Norway's Penal Code allows the sharing of recovered assets with other countries. Article 75 states that the Ministry of Justice may decide that the proceeds of any confiscation shall be divided between the Norwegian State and one or more other states. The decision should consider what expenses have been incurred and in which countries harmful effects have occurred and assets been acquired.<sup>112</sup>

The idea of developing non-binding guidelines on the management, use and disposal of frozen, seized and confiscated assets was suggested by the Open-Ended Intergovernmental Working Group on Asset Recovery, at the fifth session of the Conference of the States Parties to the United Nations Convention against Corruption, held in Vienna in 2015 and attended by Norway.<sup>113</sup> The working group recommended that states parties and UNODC continue sharing experience on the topic and identify best practices as necessary, building on existing resources that address the administration of seized assets. It also recommended that they consider developing non-binding guidelines on the issue. To this end, states parties adopted the Resolution 5/3 on "Facilitating international cooperation in asset recovery". In relation to this, UNODC organised two meetings in 2014 and 2015 with experts on the topic from different countries. The discussions identified issues confronting countries when designing a legal and institutional framework and institutional capacities for the management of assets.<sup>114</sup> Issues included interim management of assets prior to a final confiscation order, determination of disposals after final confiscation, and institutional arrangements to dispose of assets.<sup>115</sup>

The recommendation of exchanging knowledge on the topic and best practices was subsequently raised at the international expert meeting on the management and disposal of recovered and returned stolen assets, including in support of sustainable development, held in 2017 in Addis

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<sup>107</sup> Stolen Asset Recovery Initiative (StAR), Directory of Asset Recovery Networks,

<https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2018-June-6-7/V1803851e.pdf>

<sup>108</sup> Camden Asset Recovery Inter-Agency Network (CARIN), <https://www.carin.network/>

<sup>109</sup> Stolen Asset Recovery Initiative (StAR), Directory of Asset Recovery Networks,

<https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2018-June-6-7/V1803851e.pdf>

<sup>110</sup> GlobE Network, GlobE Membership, <https://globenetwork.unodc.org/globenetwork/en/membership.html>

<sup>111</sup> GlobE Network, About the GlobE Network,

<https://globenetwork.unodc.org/globenetwork/en/about.html#:~:text=What%20is%20the%20GlobE%20Network,offences%20and%20recover%20stolen%20assets>.

<sup>112</sup> Norwegian Ministry of Justice and Public Security, The Penal Code, <https://lovdata.no/dokument/NLE/lov/2005-05-20-28>

<sup>113</sup> United Nations Office on Drugs and Crime (UNODC), Report on the meeting of the Open-ended Intergovernmental Working Group on Asset Recovery, held in Vienna on 3 and 4 September 2015,

<https://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup2/2015-September-3-4/V1506466e.pdf>

<sup>114</sup> United Nations Office on Drugs and Crime (UNODC), International expert meeting on the management and disposal of recovered and returned stolen assets, including in support of sustainable development, 14 to 16 February 2017, [https://www.unodc.org/documents/corruption/AddisEGM2017/Report\\_Addis.pdf](https://www.unodc.org/documents/corruption/AddisEGM2017/Report_Addis.pdf)

<sup>115</sup> United Nations Office on Drugs and Crime (UNODC), Compilation on the Management and Disposal of Seized and Confiscated Assets, [https://www.unodc.org/documents/corruption/AddisEGM2017/Presentations/Addis\\_Presentation\\_Hermione\\_Cronje.pdf](https://www.unodc.org/documents/corruption/AddisEGM2017/Presentations/Addis_Presentation_Hermione_Cronje.pdf)

Ababa. The meeting's concept note highlights "the opportunity for the international community to take cognisance of and analyse existing experiences with a view to identifying good practices and possibly embarking on the development of principles to offer guidance to the States parties to the Convention in the administration and return of stolen assets".<sup>116</sup> It also emphasises that, to be useful, this exercise would have to reflect the current "state of play" and be based on deep understanding of different national legal frameworks and approaches to the issue.

However, to date, there is no evidence of the development or endorsement of these guidelines, therefore this part of the commitment is not fulfilled.

### Challenges to effective commitment implementation

The challenges to developing guidelines for the management of returned stolen assets are based on the nature of the task at hand. As already recognised in the 2014 meeting, the approaches that countries had taken to creating systems for the management and disposal of seized and confiscated assets were so diverse that it was not considered opportune at that stage to pursue the development of guidelines on the matter.<sup>117</sup> In addition, commitments involving several countries' participation are challenging in themselves in terms of coordinating several stakeholders and achieving agreement on the guidelines' content. It also requires time and resources to understand in depth the national legal frameworks and approaches that countries have taken on the topic, as identified at the international expert meeting in Addis Ababa in 2017.

### Opportunities to accelerate commitment implementation

The fact that this commitment involves several stakeholders represents an opportunity as well as a challenge, in the sense that its fulfilment does not depend on the will and capacity of one country, and others can take leadership in pushing the commitment forward. For example, as an elected member of the UN Security Council in 2021 and 2022, Norway could take a leading role, incorporating into the Council's agenda measures to increase international cooperation in the confiscation of stolen assets, as part of combatting financial crime. This type of commitment is also an opportunity in the sense that the topic is of interest to many countries, and therefore has a higher chance of remaining on the international agenda.

### Recommendations

- Narrow commitments so they specify the contribution that Norway in particular could make to advance initiatives dependent on several countries or stakeholders. This would make the commitment more feasible, and would also enable stakeholders to hold Norway accountable. Otherwise, it is not possible to hold one country accountable for a commitment that depends on several.
- This could be in the form of Norway's financial support to the UNODC including a requirement to invest part of the funding to advance international work on the matter – for example, identifying the challenges to effective confiscation and management of the proceeds of crime.

<sup>116</sup> United Nations Office on Drugs and Crime (UNODC), International Expert Meeting on the management and disposal of recovered and returned stolen assets, including in support of sustainable development, [https://www.unodc.org/documents/corruption/AddisEGM2017/Concept\\_Note\\_Beyond\\_Addis.pdf](https://www.unodc.org/documents/corruption/AddisEGM2017/Concept_Note_Beyond_Addis.pdf)

<sup>117</sup> United Nations Office on Drugs and Crime (UNODC), Compilation on the Management and Disposal of Seized and Confiscated Assets, [https://www.unodc.org/documents/corruption/AddisEGM2017/Presentations/Addis\\_Presentation\\_Hermione\\_Cronje.pdf](https://www.unodc.org/documents/corruption/AddisEGM2017/Presentations/Addis_Presentation_Hermione_Cronje.pdf)

**COMMITMENT 11: A bill on the establishment of a central Beneficial Ownership Register was submitted to the Storting (Norwegian parliament) in June this year [2018]. The bill proposes that law enforcement agencies should have effective access to the information in the register, and that this information should also be made public. More detailed provisions will be prepared in due course, depending on the outcome of the Storting's debate on this new legislation.**

**THEMATIC AREA:** Legislative and Institutional Framework

**COMMITMENT TIMEFRAME:** In due course, depending on the outcome of the debate on the new legislation in the Storting.

**COMMITMENT SOURCE:** OGP Action Plan, UK Anti-Corruption Summit

### Current level of progress in commitment implementation

Fulfilled

X

Partially fulfilled

Not fulfilled/dropped

We have considered three aspects in monitoring this commitment: 1) whether the bill has been passed 2) whether it includes access to the register for law enforcement agencies and the public, and 3) whether more detailed provisions have been made.

The bill to establish a Beneficial Ownership Register<sup>118</sup> was presented by the Ministry of Finance to the Norwegian Parliament (Storting) on 22 June 2018,<sup>119</sup> shortly before the commitment was made, following the EU Money Laundering Directive requiring member states to establish a central register of beneficial owners.<sup>120</sup> Norway is not an EU state, but it is part of the European Economic Area (EEA). Under Article 102 of the EEA Agreement, as soon as an EEA-relevant EU law has been adopted, the EEA Joint Committee takes a decision concerning the appropriate amendment of the EEA Agreement in order to allow the simultaneous application of the legislation in the EEA.<sup>121</sup> The first time Article 102 was activated regarding money laundering was in 2002, concerning the EU Second Directive, which was incorporated into the EEA Agreement.<sup>122</sup> The fourth EU Money Laundering Directive was incorporated in 2018 and the fifth directive in 2020.<sup>123</sup>

The Norwegian Register of Beneficial Owners Act<sup>124</sup> was adopted on 1 March 2019, and parts of it entered into force on 1 November 2021.<sup>125</sup> These refer to the Act's scope and the rules on

<sup>118</sup> Norwegian Ministry of Finance, Prop. 109 L (2017-2018) Act on the Register of Beneficial Owners, <https://web.archive.org/web/20200815204042/https://www.regjeringen.no/no/dokumenter/prop.-109-l-20172018/id2604993/sec1>

<sup>119</sup> Haavind, Beneficial Ownership Register – Update, <https://haavind.no/en/news/beneficial-ownership-register/>

<sup>120</sup> European Union (EU), Directive (EU) 2015/849 of the European Parliament and of the Council, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32015L0849>

<sup>121</sup> European Free Trade Association (EFTA), EEA Decision Making, <https://www.efta.int/eea/eea-institutions/eea-decision-making>

<sup>122</sup> Norwegian Ministry of Foreign Affairs, The EEA Agreement and Norway's other agreements with the EU, [https://www.regjeringen.no/globalassets/upload/ud/vedlegg/europa/nou/meldst5\\_ud\\_eng.pdf](https://www.regjeringen.no/globalassets/upload/ud/vedlegg/europa/nou/meldst5_ud_eng.pdf)

<sup>123</sup> European Free Trade Association (EFTA), EEA Joint Committee incorporates Anti-Money Laundering Directive, <https://www.efta.int/EEA/news/EEA-Joint-Committee-incorporates-Anti-Money-Laundering-Directive-517771>

<sup>124</sup> Norwegian Ministry of Finance, Act on the Register of Beneficial Owners, <https://lovdata.no/dokument/LTV/lov/2019-03-01-2/>

<sup>125</sup> STORTINGET, Act on the Register of Beneficial Owners, <https://www.stortinget.no/no/Saker-og-publikasjoner/Saker/Sak/?p=72826>

procedures for identifying beneficial owners. The part on the regulation governing the obligation to register was omitted.<sup>126</sup> Article 11 of the Act states that “everyone” will have access to the information in the register, barring the personal identity number. This right of access includes both law enforcement agencies and the public. Further details are included in the Regulations to the Act, Articles 3-9, which state that the public authorities specified in Articles 3-11 also have access to the information on personal identity numbers. We therefore consider the commitment fulfilled.

## Recommendations

- Pursue entry into force of the regulation obliging companies to register their beneficial owners. The commitment monitored is focused on access to the information in the registry, but without the obligation to register, there is a risk of there being no information to access.
- Update Norway’s current standards for the Beneficial Ownership Registry, in line with the revision of FATF’s recommendation 24 in March 2022, which includes:<sup>127</sup>
  - Ensure that the information is available to competent authorities in a timely manner, and it is adequate for identifying the beneficial owner, accurate – based on verification – and up to date.
  - Ensure that public authorities have access to beneficial ownership information of legal persons in the course of public procurement.
  - Ensure the determination of beneficial ownership of a company by applying, if necessary, additional measures such as obtaining information on beneficial ownership from regulated financial institutions and professionals, regulators or stock exchanges.

**COMMITMENT 14: Norway intends to establish a digital infrastructure for sharing information about companies bidding for public contracts. The government will consider whether this database should be expanded to include criminal records and information on corrupt bidders. This question raises both legal and practical/technical concerns.**

**THEMATIC AREA:** Legislative and Institutional Framework

**COMMITMENT TIMEFRAME:** December 2024

**COMMITMENT SOURCE:** UK Anti-Corruption Summit, OGP Action Plan

## Current level of progress in commitment implementation

Fulfilled

X

Partially fulfilled

Not fulfilled/dropped

This commitment can be monitored in three parts. The first is whether the digital infrastructure has been created. The second is the extent to which expansion of the infrastructure to include criminal

<sup>126</sup> THOMMESSEN, The Norwegian Register of Beneficial Owners Act partially enters into force on 1 November 2021, <https://www.thommessen.no/en/news/delvis-ikrafttredelse-av-lov-om-register-over-reelle-rettighetshavere-1-november-2021>

<sup>127</sup> FATF, Public Statement on revisions to R.24. 4 March 2022, <https://www.fatf-gafi.org/publications/fatfrecommendations/documents/r24-statement-march-2022.html>

records and information on corrupt bidders has been considered and implemented. The third is whether the legal, practical and technical concerns raised in the commitment have been addressed.

The commitment to streamlining and improving public procurement by fully digitising the procurement process between January 2018 and December 2024 was made by the Norwegian Agency for Public and Financial Management (DFØ), under the responsibility of the Ministry of Trade, Industry and Fisheries.<sup>128</sup> The commitment being monitored is part of an overall commitment included in Norway's Open Government Partnership National Action Plan, 2021-2022.<sup>129</sup>

The digital infrastructure was created under the name "eBevis Service" and has been in production since May 2019.<sup>130</sup> According to information provided by the Department for Digital Transformation, in the DFØ Division for Public Procurement, it is not an open service and is implemented through market-based procurement systems. This means that the eBevis Service was created as a back-office application to be installed behind the interface of regular procurement systems. To build it in this way required convincing procurement system vendors to implement the service, which was free of charge bar vendors' internal development costs. The Brønnøysund Business Register (BR) and the Norwegian Digitalisation Agency (Digdir) collaborated in the development of the eBevis Service, before the Division for Public Procurement moved to the DFØ. One service provider and two contracting authorities collaborated with them in a pilot. The eBevis Service for public procurement formed the basis for a wider service (data.altinn.no) offered by BR and Digdir.<sup>131</sup> This wider service is being used in other areas such as retrieval of evidence for taxi licences and sharing data between different inspection authorities. According to DFØ's Division for Public Procurement, DFØ is currently responsible for the procurement side of the eBevis Service, and provides guidance on its use and the interpretation of evidence. DFØ also participates in an informal governance team, as indicated by a member of the Department for Digital Transformation.

According to the Division of Public Procurement, the inclusion of criminal records was considered for the first release of the eBevis Service, but was finally dismissed as too difficult, for legal, technical and organisational reasons. The legal challenge was the need to map the legal references of the different criminal convictions mentioned in the Procurement Directive to Norwegian legislation, in order to know what information to check. To check a company involves assessing both whether the company itself has any conviction and whether any board members or central contact persons have convictions, which implies General Data Protection Regulation issues. In addition, as reported by the Division of Public Procurement, the security for such functionality must be extremely comprehensive and requires deep consideration from legal, procurement and technical perspectives. Regarding the technical challenges, the internal system of criminal convictions is considered old and difficult to integrate, which implies that the police certificate should be made manually. In terms of organisational challenges, there is no previous experience of using criminal records as evidence in public procurement. The assessment of these challenges was made by the DFØ and the Brønnøysund Register Centre, based on their own deliberations about the likelihood of succeeding within their timeframe.

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<sup>128</sup> Norwegian Ministry of Local Government and Modernisation, Norway's National OGP Action Plan 2021-2022, [https://www.opengovpartnership.org/wp-content/uploads/2019/04/Norway\\_Action-Plan\\_2019-2022\\_Amended\\_20211103\\_EN.pdf](https://www.opengovpartnership.org/wp-content/uploads/2019/04/Norway_Action-Plan_2019-2022_Amended_20211103_EN.pdf)

<sup>129</sup> Norwegian Ministry of Local Government and Modernisation, Norway's National OGP Action Plan 2021-2022, [https://www.opengovpartnership.org/wp-content/uploads/2019/04/Norway\\_Action-Plan\\_2019-2022\\_Amended\\_20211103\\_EN.pdf](https://www.opengovpartnership.org/wp-content/uploads/2019/04/Norway_Action-Plan_2019-2022_Amended_20211103_EN.pdf)

<sup>130</sup> The Brønnøysund Register Centre, Easier public procurement with eDocumentation, <https://www.brreg.no/en/easier-public-procurement-with-edocumentation/?nocache=1652264922070>

<sup>131</sup> Altinn, Products, <https://data.altinn.no/produkter#2bMT9>

## Recommendations

- Include within the commitment details of how it will be assessed.
- Work with CSOs to overcome challenges, for example, on GDPR issues, and to consider the use of potentially helpful resources such as the [Open Sanctions datasets](#).<sup>132</sup>

**COMMITMENT 16: Norway is in the process of entering into agreements on support for the important work carried out by the International Centre for Asset Recovery (ICAR) and the UNCAC Coalition, an umbrella network of more than 100 civil society and academic groups and organisations.**

**THEMATIC AREA:** International Cooperation and Support

**COMMITMENT TIMEFRAME:** Not stated

**COMMITMENT SOURCE:** Not applicable

## Current level of progress in commitment implementation

Fulfilled

X

Partially fulfilled

Not fulfilled/dropped

In February 2019, Norad became a core donor to the International Centre for Asset Recovery (ICAR), embedded within the Basel Institute on Governance since 2006.<sup>133</sup> In this way, together with the UK, Switzerland, Liechtenstein and Jersey, Norway has supported ICAR's Operational Strategies for 2017-2020 and 2021-2024<sup>134</sup> with a three-year grant. This contributes to ICAR's work with authorities in developing and transition countries to strengthen their capacities to trace, recover and return stolen public assets, through financial investigations, training courses, e-learning modules and IT tools supporting investigators in tracing assets. As Norad points out, there is increasing demand for this type of technical assistance among countries willing to pursue corruption.<sup>135</sup>

At the end of 2018, Norway entered into an agreement with the UNCAC Coalition whereby Norad gave a grant to the coalition for a project entitled "Civil Society participation in the UNCAC: Building momentum for change", implemented from November 2018 to December 2020.<sup>136</sup> The project's general objective was to build momentum for effective anti-corruption reforms, to be implemented at

<sup>132</sup> OpenSanctions, Collections, <https://www.opensanctions.org/datasets/>

<sup>133</sup> Basel Institute on Governance, Norad becomes core donor to ICAR, <https://baselgovernance.org/news/norad-becomes-core-donor-icar>

<sup>134</sup> International Centre for Asset Recovery, Operational Strategy 2021-24, <https://baselgovernance.org/sites/default/files/2021-03/ICAR%20Operational%20Strategy%202021-24.pdf>

<sup>135</sup> Ibid.

<sup>136</sup> UNCAC Coalition, Grant agreement between the Norwegian Agency for Development Cooperation and UNCAC Coalition regarding QZA 18/0245 Civil Society participation in the UNCAC: building momentum for change, <https://uncaccoalition.org/wp-content/uploads/Grant-agreement-Norad-%E2%80%93-UNCAC-Coalition-%E2%80%93-4-Nov-2018-%E2%80%93-QZA-180245.pdf>

national level following a transparent and inclusive UNCAC review process, reflecting civil society input and recommendations.

These agreements, dated after 2018, prove the fulfilment of this commitment by Norway. Following Norad's evaluation of Norway's anti-corruption efforts, working with these organisations serves the dual purpose of strengthening the country's compliance with international norms and standards, and providing technical assistance to countries.<sup>137</sup> In addition, Norway had UNODC and the Corruption Hunter Network as delivery partners.<sup>138</sup> Under a recent agreement, for example, Norway will financially support the continuation of UNODC's presence in Mozambique for three years.<sup>139</sup> In 2019, Norad also signed an agreement with the OECD worth NOK13 million (US\$1.3 million) to support its anti-corruption and governance work for 2019-2021.<sup>140</sup> Norway's partnership with these organisations was in part possible thanks to the transfer of NOK19 million (US\$1.9 million) from the Ministry of Foreign Affairs to Norad, in support of the anti-corruption agenda in 2019.<sup>141</sup>

## Recommendations

- Support ICAR and the UNCAC Coalition according to a previously established and defined strategy with concrete goals.
- Connect Norway's long-term anti-corruption goals with ICAR and UNCAC Coalition goals and strategies.

**COMMITMENT 19: Norway is committed to the OECD 2016 Recommendation of the Council for Development Cooperation Actors on Managing the Risk of Corruption.**

**THEMATIC AREA:** Legislative and Institutional Framework

**COMMITMENT TIMEFRAME:** Not stated

**COMMITMENT SOURCE:** Not applicable

## Current level of progress in commitment implementation

Fulfilled

Partially fulfilled

X

Not fulfilled/dropped

<sup>137</sup> Norwegian Agency for Development Cooperation (Norad), Evaluation of Norway's Anti-corruption Efforts as Part of its Development Policy and Assistance, <https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/evaluating/report-5-2020-evaluation-of-norway-anti-corruption-efforts-as-part-of-its-development-policy-and-assistance-main-report.pdf>

<sup>138</sup> Ibid.

<sup>139</sup> United Nations Office on Drugs and Crime (UNODC), UNODC consolidates its presence and support to Mozambique with support from Norway, <https://www.unodc.org/southernafrica/en/aml/norway.html>

<sup>140</sup> Norwegian Agency for Development Cooperation (Norad), Evaluation of Norway's Anti-corruption Efforts as Part of its Development Policy and Assistance, <https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/evaluating/report-5-2020-evaluation-of-norway-anti-corruption-efforts-as-part-of-its-development-policy-and-assistance-main-report.pdf>

<sup>141</sup> Norwegian Agency for Development Cooperation (Norad), Evaluation of Norway's Anti-corruption Efforts as Part of its Development Policy and Assistance, <https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/evaluating/report-5-2020-evaluation-of-norway-anti-corruption-efforts-as-part-of-its-development-policy-and-assistance-main-report.pdf>

The OECD 2016 Recommendation of the Council for Development Cooperation Actors on Managing the Risk of Corruption includes several measures to manage and respond to risks and incidents of corruption in development co-operation.<sup>142</sup> Each has its own specificities for how it should be implemented, the monitoring of which is beyond the scope of this exercise. Therefore our monitoring considers each aspect in its general sense and its implementation status in Norway:

### **Code of conduct or equivalent**

One of the principles central to Norway's Ministry of Foreign Affairs (MFA) is zero tolerance of financial irregularities and other misuse of ministry funds. Examples of financial irregularities include corruption, embezzlement, misuse of funds, fraud, theft, accounting violations, favouritism or nepotism, or other abuse of position involving public funds. The zero tolerance policy is explained in the document *Zero tolerance of financial irregularities in practice*.<sup>143</sup> This principle must be observed by all employees in the Foreign Service, suppliers of goods and services, and organisations and others that manage ministry funds.<sup>144</sup> In addition, there are the *Guidelines for dealing with suspected financial irregularities in the Foreign Service*.<sup>145</sup> Norad requires its grant recipients to adhere to its ethical guidelines in carrying out their activities, including the obligation to combat corruption and other misuse of aid funds.<sup>146</sup>

### **Ethics or anti-corruption assistance and advisory services**

No evidence was found for assistance or advisory services provided by Norad or Norway's Ministry of Foreign Affairs on ethics or anti-corruption. Norway's anti-corruption work in ODA is more focused on enforcing, warning and investigation, than advising.

### **Training and awareness raising on anti-corruption**

There is mandatory training in grant management and the zero tolerance policy. In addition, between 2010 and 2019, Norad and the Ministry of Foreign Affairs turned to the U4 Anti-Corruption Resource Centre to develop guidelines for staff and to hold training workshops at embassies.<sup>147</sup>

### **High level of auditing and internal investigation**

Norad has an Internal Audit and Investigations Unit that provides risk-based and objective confirmations, advice and insight, and deals with cases of suspected financial irregularities.<sup>148</sup> The unit reports to the Ministry of Foreign Affairs. The ministry also has a Foreign Service Control Unit, created in 2007, which leads on cases breaching Foreign Service rules and those of financial irregularities, and oversees cases breaching rules in subordinate agencies. The unit's responsibilities include following up reports of deviations from grant agreements and other matters relating to financial irregularities in the Foreign Service.

### **Active and systematic assessment and management of corruption risks**

In response to Norway's zero tolerance to corruption, the Foreign Service Control Unit was also created to ensure that appropriate procedures, systems and routines are established and followed

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<sup>142</sup> Organisation for Economic Co-operation and Development (OECD), Recommendation of the Council for Development Co-operation Actors on Managing the Risk of Corruption, <https://www.oecd.org/corruption/anti-bribery/Recommendation-Development-Cooperation-Corruption.pdf>

<sup>143</sup> Norwegian Ministry of Foreign Affairs, Zero tolerance and financial irregularities in practice, [https://www.regjeringen.no/en/dep/ud/about\\_mfa/zero\\_tolerance/id2623676/](https://www.regjeringen.no/en/dep/ud/about_mfa/zero_tolerance/id2623676/)

<sup>144</sup> Norwegian Ministry of Foreign Affairs, Report on cases of financial irregularities in 2020, [https://www.regjeringen.no/en/dokumenter/irregularities\\_2020/id2835788/](https://www.regjeringen.no/en/dokumenter/irregularities_2020/id2835788/)

<sup>145</sup> Norwegian Ministry of Foreign Affairs, Guidelines for dealing with suspected financial irregularities in the Foreign Service, [https://www.regjeringen.no/en/dep/ud/about\\_mfa/dealing\\_irregularities/id2638099/](https://www.regjeringen.no/en/dep/ud/about_mfa/dealing_irregularities/id2638099/)

<sup>146</sup> Norwegian Agency for Development Cooperation (Norad), Ethical guidelines – Guide for Norad's grant recipients, <https://www.norad.no/globalassets/filer-2015/sivsa/ethical-guidelines--guide-for-norads-grant-recipients.pdf?id=22093>

<sup>147</sup> Norwegian Agency for Development Cooperation (Norad), Evaluation of Norway's Anti-corruption Efforts as Part of its Development Policy and Assistance, <https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/evaluering/report-5-2020-evaluation-of-norway-anti-corruption-efforts-as-part-of-its-development-policy-and-assistance-main-report.pdf>

<sup>148</sup> Norwegian Agency for Development Cooperation (Norad), Internal Audit and Investigations, <https://www.norad.no/en/about-norad/employees/internal-audit-and-investigations/>

for all funds under the Ministry of Foreign Affairs.<sup>149</sup> The unit is the focal point for cases of misuse of funds and reports to the Secretary General. In addition, and on request from the ministry, Norad conducts grant management reviews of selected embassies, which include results and risk management. These focus on compliance with rules and procedures, as well as on the quality of the assessments made by the embassies.<sup>150</sup>

### **Measures to prevent and detect corruption enshrined in Overseas Development Assistance (ODA) contracts**

There have been efforts to address the zero tolerance policy in contractual agreements and in the strengthening of processes. Yet, according to Norad's evaluation of anti-corruption efforts, the new contractual provisions have not led to changes in practice.<sup>151</sup> However, those efforts seem to be more about contractual agreements on the requirements with which delivery partners must comply, rather than putting in place measures enshrined in ODA contracts to prevent and detect corruption.

### **Reporting and whistleblowing mechanisms**

Norad has a whistleblowing channel through which Internal Audit and Investigations manages cases related to suspicion of financial irregularities within Norad's grant management and alerts of harassment by Norad's partners.<sup>152</sup> Norad's Internal Audit and Investigations can be reached by email or through an online form, with the option to remain anonymous in both cases. In January 2022, development of a new external notification channel began, operated by Ernst & Young AS, following EU regulations. Once in force, this external channel could be used for referrals or suspicion of fraud and other irregularities.<sup>153</sup> In addition, the Ministry of Foreign Affairs has its own whistleblowing mechanism for reporting unethical behaviour and financial irregularities related to its grants.<sup>154</sup>

### **Sanctioning regime**

In cases of misused funds, the Ministry of Foreign Affairs has the power to suspend payment of all or part of the grant, terminate the agreement, and claim repayment of all or part of the grant.<sup>155</sup> As a rule, misused funds must be repaid. Part of the sanctioning regime applied by the ministry is to report the case to the police if it is likely that a criminal offence has been committed. The ministry points out that the type or severity of the sanction should be proportional to the irregularity and the evidence found for the case. It also emphasizes that the purpose of the response should not be to punish the recipient. Another possible response is to make a claim for compensation after a proper assessment of the situation.

### **Joint responses to corruption**

The document *Zero tolerance and financial irregularities in practice* includes a section on cooperation with other donors in cases where Norway is not the only funding donor.<sup>156</sup> As a first step, the rule is to inform all donors when financial irregularities are suspected, as well as to encourage other donors to share information. If several donors are affected by the misuse of funds, the approach is to try to find a common and coordinated response without compromising Norway's zero tolerance of financial irregularities.

**Take into consideration the risks posed by the environment of operation** No evidence was found on this issue.

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<sup>149</sup> Organisation for Economic Co-operation and Development (OECD), OECD DAC Peer Review of Norway 2019, <https://www.oecd.org/dac/peer-reviews/Norway%202019%20Memorandum.pdf>

<sup>150</sup> OECD DAC Peer Review of Norway 2019.

<sup>151</sup> Norwegian Agency for Development Cooperation (Norad), Evaluation of Norway's Anti-corruption Efforts as Part of its Development Policy and Assistance, <https://www.norad.no/globalassets/publikasjoner/publikasjoner-2020/evaluering/report-5-2020-evaluation-of-norway-anti-corruption-efforts-as-part-of-its-development-policy-and-assistance-main-report.pdf>

<sup>152</sup> Norwegian Agency for Development Cooperation (Norad), Norad's Whistleblowing channel, <https://www.norad.no/en/front/about-norad/whistleblowing/>

<sup>153</sup> Ibid.

<sup>154</sup> Norwegian Ministry of Foreign Affairs, Whistleblowing in the Foreign Service, [https://www.regjeringen.no/en/topics/foreign-affairs/international-law/mfa\\_whistleblowing/id495009/](https://www.regjeringen.no/en/topics/foreign-affairs/international-law/mfa_whistleblowing/id495009/)

<sup>155</sup> Norwegian Ministry of Foreign Affairs, Zero tolerance and financial irregularities in practice, [https://www.regjeringen.no/en/dep/ud/about\\_mfa/zero\\_tolerance/id2623676/](https://www.regjeringen.no/en/dep/ud/about_mfa/zero_tolerance/id2623676/)

<sup>156</sup> Ibid.

## Challenges to effective commitment implementation

The main challenge to the effective implementation of this commitment is that there is no strategy or concrete activity plan to implement the OECD 2016 recommendation on managing the risk of corruption.

## Opportunities to accelerate commitment implementation

Norway's extensive experience as an international player supporting development, conflict resolution and peace processes in several countries gives it rich knowledge to draw from in the design of feasible, realistic and tailored anti-corruption support.

## Recommendations

- Establish mechanisms to detect and prevent loopholes in ODA contracts that might lead to abuse and corrupt practices.
- Promote learning and advisory initiatives to support developing countries in empowering themselves to create effective strategies and policies to combat corruption.
- Consider the reality and characteristics of the context in which developing countries try to combat corruption, to ensure effective and feasible anti-corruption support.

# RECOMMENDATIONS

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## **Commitment formulation:**

Norway's anti-corruption commitments were not formulated in a way that facilitated monitoring, which undermines civil society's ability to hold the government accountable. To improve the formulation of commitments, we recommend:

- Formulate commitments stating clearly what change or progress they seek, and which clear, measurable actions Norway aims to take to achieve the set goal. Link to relevant existing strategies or action plans, or include the development of such as a prerequisite in the commitment. ("Develop and implement a strategy and activities to ...")
- Use committal language instead of expressions such as "we will discuss", "we will consider", "we aim", to avoid ambiguity and descriptions of current situations or problems in the formulation of the commitment.
- Make the commitment as specific and detailed as possible, rather than including several general layers of intervention, such as mixing work at international and national levels, or including different tasks, such as being more efficient at "confiscating" and "managing" stolen assets.

## **Commitment content:**

Norway has shown its capacity to fulfil commitments, confirming its good reputation in this regard. However, in some cases, the commitments refer to ongoing work and do not include a significant next level in progress on the issue. We recommend:

- Make more ambitious commitments to ensure progress beyond continuing current work on an issue. For example, rather than carrying on supporting the Corruption Hunters Network in the same way, the commitment could be about taking it to the next level in terms of topic, activities or impact. Or it could select initiatives to fund as milestones towards concrete goals in a certain topic, country or region.
- Narrow commitments that depend on the action of several stakeholders, to specify actions that Norway can carry out independently of other countries.
- Use Norway's good reputation in anti-corruption to challenge the status quo in preventive mechanisms and set new standards – for example, by promoting strategies to increase integrity in public institutions.

## **Public administration:**

- Formulate commitments to address corruption at municipal level – for example, to reduce risks of favouritism by promoting decision-making processes that ensure impartiality.
- Expand e-access at municipal level in a clear and empowering manner for the user.
- Organise public information online coherently across municipalities and different levels of government, to avoid fragmentation and create clarity, ensuring that the information is available and accessible.

- Develop a clear strategy and action plan to implement the recommendations for Norway from Transparency International's report *Exporting Corruption. Progress report 2020: Assessing enforcement of the OECD Anti-Bribery Convention*.

**Financial crime:**

- Formulate specific commitments to target national risk areas for tax evasion, such as the property market and the fishing industry. For example, increase transparency and tax authorities' access to information on value changes in the property market. Digitise paperwork in the fishing industry to prevent forged export documents and increase coordination between local and foreign customs authorities.

**Development aid:**

- Expand anti-corruption work in developing countries beyond enforcing and investigating, to include advisory services and assistance on anti-corruption, drawing on Norway's expertise and experience. For example, promote knowledge-based anti-corruption assistance, selecting feasible good practices and developing tailored knowledge-exchange initiatives with other countries.
- Ensure that reforms are locally led, with support and guidance from a country's civil society organisations.
- Adopt a results-based approach in the promotion of anti-corruption in country partners – for example, accompanying technical assistance to public institutions with setting milestones and goals for them to achieve within a certain timeframe, and following up on the progress made.

# ANNEX 1: STAKEHOLDERS CONSULTED

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To develop this report, we consulted the following government institutions and civil society organisations:

Institutions	
1	Norwegian Ministry of Foreign Affairs
2	Norwegian Ministry of Finance
3	Norwegian Ministry of Justice and Public Security
4	Norwegian Agency for Development Cooperation (Norad)
5	Norwegian Department for Digital Transformation, Division for Public Procurement of the Norwegian Agency for Public and Financial Management (DFØ)
6	Transparency International Norway

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