

Open Government Partnership (OGP)

Government Norway: Transparency and Inclusive

Oslo, 19 September 2011, draft document, for public consultation

Summary

Norway will give priority to three areas in particular:

Open Public Sector and Inclusive Government:

The Government will develop digital public services. We will develop the Government Communication Policy and The Plain Language Project. We are developing a better system for the compilation and dissemination of official statistics on state resource use and results. We have initiated a major national survey to obtain open, accessible and comparable information about the population's perception of public services. We will improve user-orientation and a user-friendly culture in the public administration.

Measures to promote gender equality and women's full participation in civic life, the private sector, the public administration and political processes:

Follow up the recommendations of the government white paper on equal pay; equal pay for work of equal value is a fundamental principle of an open democracy. We will work to have more women apply for top posts in the private sector. We will work to strengthen the role of women in local democracy and develop a gender equality programme with all municipalities.

Transparency in the management of oil and gas revenues, efforts for financial transparency:

The Government will follow up EITI –implementation, and support developing countries' EITI implementation. We will continue the Oil for Development programme (OfD), providing support and advice to more than 20 developing countries for management of petroleum resources, e.g. with regard to greater transparency concerning revenue flows. We will maintain a consistent transparency policy for the Norwegian pension fund – Global and participate actively in the IMF-coordinated International Forum on Sovereign Wealth Funds (IFSWF), which promotes transparency and good governance in such funds all over the world. We will work to strengthen financial sector transparency.

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The Norwegian public administration and Norwegian society in general are characterised by transparency. All citizens are encouraged to participate actively in society and political debate. This is the basis for our democratic form of government.

Our experience is that an open government is more effective and better able to govern. Openness with regard to budgets, government revenues and expenditures and the national economy increases predictability and confidence in the economy and the markets, strengthens the economy and lays the groundwork for stronger economic and political development. When more people participate in civic life, we can make use of their talents, resources and contributions. It has been particularly important to facilitate women's full participation in society, but this also applies to minorities, young people and the elderly.

Our approach to openness and participation has been developed step by step over the years, and enjoys broad-based political support. It has been based on extensive cooperation between the authorities and civil society. The active engagement of civil society organisations and this long-term cooperation have built confidence and strengthened this approach.

Norway's active participation in the Open Government Partnership is based on our experience and relevant policy measures, which we will continue to develop, and on our interest in sharing our experience with other countries.

Transparency and public participation in Norway – five examples

1. Transparency in state finances, the national budget and government accounts

Norway has a long-standing tradition of publishing transparent and comprehensive budget documents. All relevant budget documents are made publicly available in print and online. The national budget sets out the Government's economic policy, including key fiscal policy considerations, as well as the outlook for the Norwegian economy. The national budget is debated in the Parliament.

The budget document is approved by the Parliament after receiving the Government's draft budget. There are no restrictions on the Parliament's authority to determine and change allocations. The budget document encompasses all government revenue and expenditure so that necessary trade-offs between policy options can be addressed. Allocations are made on a one-year basis and revenue and expenditure are presented in gross terms. Monthly accounting reports are published on the government website and

show the progress made in implementing the budget. The year-end account and report shows compliance with the budget allocations authorised by the Parliament. The audit and monitoring of government accounts and activities are carried out by the Office of the Auditor General, which is accountable to the Parliament and independent of the executive branch of government.

2. Transparency in the petroleum sector and revenues from oil and gas extraction

Transparency and integrity are leading principles in the management of the Norwegian petroleum sector ever. Norwegian citizens are entitled to know which companies are operating on the Norwegian continental shelf and how much tax and other income is paid into the state treasury. It was thus natural for Norway to support the Extractive Industries Transparency Initiative (EITI) when it was launched in 2002. Norway assumed responsibility for the EITI secretariat in 2007. So far Norway is the only OECD country that has implemented the requisite processes and measures and been formally approved as an EITI country. This was done in early 2011. The Norwegian Ministry of Petroleum and Energy is responsible for Norwegian EITI implementation.

The Ministry of Finance emphasises a high degree of transparency about all aspects of the management of the Government Pension Fund. This is important for ensuring the confidence of the general public and in order to ensure that the Fund capital is managed properly. Transparency contributes to well-functioning markets and is also important for the Fund's legitimacy with other market participants to secure good, stable framework conditions over time. The mandate given by the Ministry imposes strict requirements on Norges Bank's reporting on its management of the Government Pension Fund Global.

3. Income and asset disclosure

According to Article 75 of the Norwegian Constitution, the Norwegian Parliament annually imposes taxes and duties (indirect taxes) only for the calendar year ahead. The reason is assumed to be twofold, partly to safeguard the population from unnecessary taxes, and partly to give a new Parliament free hands in relation to the previous Parliament. Taxes and other central government revenues are accounted for in full in the annual budgets and accounts.

Norway has developed an efficient system of tax and duty assessment and collection. These systems are regulated by law, as are all important aspects of collection and administration. Tax returns must be submitted by the taxpayer to the tax authorities in the beginning of the year following the tax year. All persons paying wages or similar remuneration must report to the tax authorities any amount paid and the name and address of the recipient. Similarly, all banks, financial institutions and insurance companies have an obligation to report to the tax authorities details of their clients' financial standing.

The assessment procedures are normally finalised in the autumn of the year after the income year. A Notice of Assessment is then submitted to each taxpayer, and the tax lists are made public. Thus taxable net income and taxes levied on all individuals are publicly available information. The taxpayer has a right to appeal to the assessment board within six weeks after receiving the Notice of Assessment. The taxpayer may also bring the tax claim before the courts.

4. Public review, public consultation

All important decisions are subject to public review and consultation.

The purpose of the Norwegian public consultation system is twofold:

- To provide the best possible basis for making public policy decisions
- To ensure that affected parties and other stakeholders have an opportunity to express their opinions.

New policy proposals are often made by government-appointed committees made up of experts and stakeholder representatives.

The financial and administrative consequences must be clarified before decisions are taken in important matters. Official committees are often appointed for this purpose, made up of experts and/or stakeholder representatives. The committees submit proposals for measures, new legislation, etc. Such proposals are submitted for general review and public consultation. During the consultation process, affected parties and all other parties with an interest in the matter at hand may express their opinion on the proposal. Therefore, it is important that the proposals are written in good, user-friendly language. All public consultation documents, including the comments received, are made public as provided by law.

Cf. Utredningsinstruksen – “Instructions for official studies and reports”:

<http://www.regjeringen.no/en/dep/fad/Documents/Handbooks-and-brochures/2000/Instructions-for-official-studies-and-re.html?id=419236>

5. Freedom of information legislation, electronic correspondence record

Freedom of information and transparency are fundamental principles of Norwegian administrative law. The right to access documents in the public administration is set out in the Freedom of Information Act (Act of 19 May 2006 No. 16). The purpose of this Act is to facilitate an open and transparent public administration, and thereby strengthen freedom of information and expression, democratic participation, legal safeguards for the individual, confidence in the public authorities and control by the public. The main

rule is that case documents, journals and similar registers of an administrative agency are public except as otherwise provided by statute or by regulations pursuant thereto, and any person may apply to an administrative agency for access to case documents, journals and similar registers of that agency. As a general rule, such person has a right to copies of such documents free of charge. Where there is occasion to exempt information from access, an administrative agency shall nonetheless consider allowing full or partial access. Information that is subject to a statutory duty of confidentiality is exempted from access. Any person whose request for access has been refused may lodge an appeal. Many exemption provisions specify that exemptions must be necessary or required. In many cases only the information may be exempted.

Documents in the public administration are registered and the record is made publicly accessible. The records of most of the central government agencies and entities in Norway are published on the website “Electronic Public Records” at www.oep.no. The records are open to the public and any person may order copies of documents registered there free of charge without stating any grounds or his or her name.

Norwegian Open Government Partnership follow-up – three priority areas

1. An Open Public Sector and Inclusive Government

We are in the process of implementing several measures aimed at promoting an open and inclusive public sector, and will further develop others:

- (i) The Government aims to provide digital public services. This would both enable us to provide better services and ensure more effective administration. This will require amending legislation, putting in place common IT systems and ensuring that the public sector delivers good, effective and predictable digital services to the general public.
- (ii) The Central Government Communication Policy came into force on 16 October 2009, and applies to all ministries and government agencies.

The aim of the policy is to ensure that citizens:

- Receive correct and clear information about their rights, responsibilities and opportunities
- Have access to information about the Government's activities
- Are invited to participate in the formulation of policies, arrangements and services.

This policy is based on six principles: Openness, participation, access to relevant information for all citizens, activeness, coherence and line management.

Surveys have shown that one in three Norwegians have difficulty understanding official documents, letters and forms, and many contributions are returned because they are poorly written. This is not very effective. Moreover, it is a democratic right to understand documents written by the public authorities. Our response to this problem is the Plain Language Project (www.klarsprak.no), whose aim is that public administration documents should be written in concise, clear language. We have focused particularly on the language used in legislation, because there is a tendency to use unclear legal provisions in regulations, circulars, information material and letters.

We are also concerned to make use of the public information resources that are financed through public funds. In addition to the democratic aspect, free access to public data resources can stimulate the development of new business opportunities and innovation. In this connection, all state enterprises are required to make public data available so that it can be used by others, i.e. it is published electronically in a user-friendly format.

(iii) We are developing a better system for the compilation and dissemination of official statistics on state resource use and results, known as StatRes.

The main objectives of StatRes are:

- More openness on the level of resources the state uses and the outcomes of this input
- A better basis for analyses, management and decisions, not least across sectors
- Motivate state enterprises to improve their performance through greater visibility

In our view, public disclosure is a democratic right. StatRes is a democratic tool because it demonstrates the connection between the level of resources used and what this provides in the way of public services and results. StatRes is publicly accessible on the Internet. We are seeking to make it easier for users to use these data, and new information is published on an ongoing basis.

<http://www.ssb.no/statres/omstatres.cgi>

(iv) Users' opinions and experience of public services are important. Therefore we have initiated a major national survey to obtain open, accessible and comparable information about the population's perception of public services over a period of time.

The survey is administered to a selected sample of the population and includes both general questions and questions about specific public services such as education, culture and the environment. Even though 94% respond that they are satisfied with Norway as a place to live and work, there are challenges. For example, 58% are of the

opinion that the public sector wastes resources. The results of the survey are made public, and the data are freely available for further use. The survey will be carried out for the second time in autumn 2012, which will enable us to see trends over time for specific services and agencies/entities.

<http://www.difi.no/artikkel/2010/11/hovedfunn-fra-innbyggerundersokelsen-del-1>

At the same time, we have required all state enterprises to conduct user surveys at regular intervals. The results of these surveys are to be made public. One of the challenges we are facing is to get the agencies to follow up the surveys, not least in dialogue with users.

(v) In order to avoid conflicts of interest in the public administration, we have introduced guidelines on quarantine and a prohibition against dealing with specific matters for senior officials and civil servants who transfer to a new post. These guidelines apply both to civil servants and politicians, and entail that, in some cases, a person must wait for six months before taking up a new post and/or refrain from dealing with certain types of matters for up to one year in a new job. These guidelines were introduced in 2005, and we believe that they have helped to enhance confidence in the public administration.

Having a good user orientation does not necessarily mean that users' applications are always granted. The most important thing is that their inquiries are dealt with seriously, that the person concerned has an opportunity to express his or her opinion, that they are listened to, that applications are dealt with fairly and quickly, that replies are given in a user-friendly language, that grounds are given when applications are refused, and that it is easy for those who feel they were treated unfairly to lodge an appeal.

The challenge will be to stimulate in a systematic way a user-friendly culture in the public administration, i.e. ensure that the employees do what they can to ensure that citizens experience their meeting with the public sector as a positive one. We must also introduce electronic systems where this is most suitable. We must further develop our systems for getting feedback from and involving citizens. We must also take their feedback seriously and make it public. This will put extra pressure on the public administration to develop more user-friendly systems and procedures.

2. Measures to promote gender equality and women's full participation in civic life, the private sector, the public administration and political processes

Women have historically had far fewer opportunities to participate in civic life. This is still the case in many connections and many countries, even though much progress has

been made. Norway will continue to pursue a broad-based, systematic policy to promote women's rights and opportunities and gender equality. Measures to promote gender equality and facilitate women's full participation are an important Norwegian Open Government Partnership priority.

Since the 1950s, we have included family policy and gender equality in our efforts to develop a democratic state, based on confidence between the authorities and the population, the participation of civil society actors and user groups, transparency and access to political processes and decision-making systems. Equal treatment of individuals regardless of gender, ethnicity, sexual orientation, disability or age is a fundamental, statutory principle, based on UN human rights conventions and the European Human Rights Convention.

Women's participation in the labour market began to increase in the 1970s, after the National Insurance Scheme was introduced in Norway. A society where both men and women are engaged in paid employment generates greater value added and more tax revenues and involves individuals and groups of both sexes in negotiations, decision-making, value creation and public participation. Women earn pensions on a footing with men. When women are well integrated into the labour market, this improves their opportunities to participate and exert an influence in other sectors of society. The basic agreement between the government, employers and employees is based on modern principles of gender equality and premised on the conviction that women's rights can only be strengthened if men participate in family life and child care.

In order to further strengthen women's participation, rights and true equal status, the Gender Equality Act was amended in 1988 to include a provision that requires that at least 40% of the under-represented sex must be represented in all publicly appointed committees, boards, working groups, councils and delegations. Today 43% of the members of such committees are women on average, and no committees are submitted to the Government for approval unless there is a gender ratio of at least 40–60%. In 1993, the Local Government Act was amended correspondingly.

The Gender Equality Act also includes provisions requiring all private and public enterprises to seek actively to promote gender equality and to report on the status of these efforts in their annual reports. This principle of a "positive duty" is reflected in the Accounting Act. This duty is an important tool for promoting democracy in working life while at the same time reporting to the public authorities and boards of private companies on the status of the gender balance and gender equality.

At the same time, social welfare arrangements for families with children have been further developed with a view to true gender equality and the equal rights of both men and women to have both a career and a family. They must not be compelled to choose between the two. A statutory right to kindergarten places, a generous parental leave benefits scheme and the right to paid absence from work when children are ill are among the measures that are known to have a considerable effect on women's participation and opportunity to exert an influence.

In 2003 the Storting voted by a solid majority in favour of incorporating a provision into the Public Limited Companies Act (listed companies) requiring that the gender balance on the boards of state-owned companies must be at least 40–60%. This was done to promote women's participation in decision-making in the private sector, an area where very little progress had been made. It means that the private sector makes use of the talents and expertise of the entire population. The percentage of women on the boards of limited companies increased from 7% in 2002, to 39% in 2010. The measures have attracted international attention as a means of strengthening women's participation at top level in the private sector. Several other countries in Europe are following suit, and research is being done on the effects and consequences. There is general agreement in the Norwegian public debate that this improves the companies' profitability, that it is good economy, and that it is a matter of justice and democracy.

In the time ahead, we will:

- (i) Follow up the recommendations of the white paper on equal pay (debated in the Parliament on 12 April 2011), e.g. to ensure that the social partners responsible for value creation follow up. Equal pay for work of equal value is a fundamental principle of an open democracy.

Ensure that more women apply for top posts in the private sector (the quota system cannot be used when employing new personnel); we must make use of everyone's talents, and this must be part of corporate social responsibility (CSR).

Ensure the further development of local democracy where there are still very few women mayors or principal municipal executives.

Develop a gender equality programme together with all Norwegian municipalities as a measure in the forthcoming national, cross-sectoral gender equality action plan that is to be launched in autumn 2011.

Include immigrant women in the labour market by giving them information about their rights and pre-qualification programmes such as "Ny sjanse" (a new chance).

Address unfortunate gender stereotypes that have a tendency to spread. Use kindergartens, schools, the voluntary sector, the labour market and, not least, modern media.

Ensure that young people of both sexes have a genuine opportunity to influence decisions that affect their lives. This issue is now being examined by a government commission appointed for that purpose. Their report will be published in autumn 2011.

Follow up national and international action plans to combat domestic violence, with a focus on the absence of violence as a prerequisite for women's rights and full participation in civic life and the labour market.

3. Transparency in the management of oil and gas revenues / financial transparency

Transparency and public participation have been leading principles in the management of the Norwegian petroleum sector ever since the first major discoveries were made on the Norwegian continental shelf in the early 1970s. This is particularly important given the importance of the sector for the Norwegian economy. The petroleum sector accounts for close to 25% of GNI and state revenues, and almost half of Norway's export revenues.

Norway has supported the Extractive Industries Transparency Initiative (EITI) politically and financially since it was founded 10 years ago. In 2006 it was decided that the secretariat for the EITI should be moved from London to Oslo. Norway has also, as the first OECD country to do so thus far, implemented full EITI reporting, and Norway's implementation was validated and approved by the EITI's international board in March 2011. The Ministry of Energy and Petroleum is responsible for Norwegian EITI implementation.

EITI reporting means that all companies operating on the Norwegian continental shelf report what they pay in taxes and duties to the Norwegian authorities every year (taxes, CO2 tax, NOx tax and area fees to the state). For Norway's part, these figures were already available in other connections, but they are now being compiled in an internationally harmonised format. In keeping with the EITI requirements, a broad-based multi-stakeholder group has been established which participates in the process of EITI reporting and disseminating the results. EITI reports and related information are electronically available and are used as resources/models in many international contexts. <http://www.regjeringen.no/en/sub/eiti---extractive-industries-tranparency/eiti-rapporter/eiti-report-for-2009-confirms-norwegian-.html?id=634665>.

The Government will follow up EITI implementation in the years to come, in close cooperation with the multi-stakeholder consultative group. We will continue to support the Oslo-based international EITI Secretariat, and use development funds to support developing countries' work in various phases of their EITI implementation. Norway supports developing countries' efforts to increase transparency in the oil and gas sector directly through the EITI and via the World Bank, by supporting international NGOs such as Revenue Watch Institute (RWI) and through various measures under the Norwegian Oil for Development programme (OfD). The OfD is the largest development programme of its kind in the world and provides support and advice to more than 20 developing countries in their efforts to improve their management of their petroleum resources, e.g. with regard to greater transparency concerning revenue flows.

Transparency is also a central principle in the management of the Government Pension Fund Global. The Ministry of Finance submits a white paper on the management of the

fund every year. Norges Bank also reports on the management of the Fund on an annual basis. The investments made by the Fund are published on the website <http://www.nbim.no/no/>, where the current value of the Fund is also posted. There are more than 7000 companies in the Fund's portfolio, and the information about specific investments in the various companies is also made public. Norges Bank informs about its vote in the various companies, right down to how it votes in individual matters. It also reports on dialogues with individual companies on corporate governance issues. Information on the work of the independent Council on Ethics for the Government Pension Fund – Global is also made public, as are Council's recommendations to the Ministry of Finance. The Ministry of Finance publishes decisions to exclude companies on the basis of the Council's recommendations. As of August 2011, more than 50 companies are excluded from the Government Pension Fund Global's investment portfolio for failing to comply with the Fund's ethical guidelines.

The Ministry of Finance is also participating actively in the IMF-coordinated International Forum on Sovereign Wealth Funds (IFSWF), which promotes transparency and good governance in such funds all over the world.

Norwegian engagement in transparency goes beyond the extractive industry sector. Financial sector transparency is an important end in itself and a means of ensuring transparency and accountability in other economic sectors. Norway has an ambitious agenda in this area, as documented in recent policy documents such as the white paper on the fight against organised crime (Report No. 7 (2010–2011) to the Storting), and the white paper on development policies (Report No. 13 (2008–2009) to the Storting), with a major focus on financial transparency and accountability.

The Norwegian Government's commitment to these policy areas is illustrated by actions such as i) the provision of public access to the tax records of citizens, ii) an explicit willingness to share information with other countries, iii) anti-corruption and transparency guidelines for state-owned businesses, and iv) active participation in international efforts such as a range of OECD initiatives, including the Financial Action Task Force against money laundering and terrorist financing (FATF). Norway will hold the FATF presidency from July 2012 to July 2013. Norway also participates actively in OECD efforts to fight tax evasion, with a particular focus on the role played by tax havens. We are also working in many arenas to promote greater transparency with regard to financial transactions as a means of combating illicit financial flows/money laundering.

Transparency is also a key dimension of the Norwegian Government's recently adopted Action Plan Against Economic Crime (March 2011). The action plan discusses country for country reporting. This is a measure designed to increase transparency and involves requiring that multinational companies and enterprises include tax information when they publish their annual accounts. This could

supplement other, more specific measures designed to ensure that correct revenues are made subject to taxation in different countries. The Commission of the European Union is currently considering whether such a requirements should be introduced in the EU. As set out in the action plan, the Government is will to consider introducing such requirements in Norway, either in connection with new EU legislation in this area, or on an independent basis.