

Mandate

Ministry of Foreign Affairs anti-corruption project

Background

Corruption is a major global problem:

- It constitutes a threat to the rule of law, democracy, human rights and social justice.
- It is linked to international crime, such as money laundering, terrorism and the drug trade.
- It can impede economic development, and increases risk and costs in the private sector.
- It is damaging to all states, particularly poor countries that have weak public institutions and a vulnerable population.

Fighting corruption is therefore in the common interest of governments, the private sector and civil society in all parts of the world. International anti-corruption efforts must be based on a community of interests, and measures must be developed through broad-based cooperation between all those affected.

Norwegian development assistance, and other grant schemes such as the EEA Financial Mechanisms, are vulnerable to corruption. A real threat exists in relation to the management of funds, on both the donor and recipient sides.

Other Foreign Service functions, such as administering immigration matters, can also be vulnerable to corruption. Moreover, there is a need in the Foreign Service for greater knowledge about the problem of private sector corruption.

Surveys and the general public debate show that corruption is one of the greatest concerns Norwegians have in relation to development assistance. This is understandable, as corruption is a significant obstacle to effective development cooperation in many countries. No progress can be achieved if funds are diverted by corrupt means.

At the same time, there appears to be a lack of understanding of and knowledge about the contribution development assistance makes in the fight against corruption. There is also a lack of understanding of how Norway and other international actors apply the zero tolerance principle to prevent and detect corruption in relation to development assistance.

Important steps have been taken to combat corruption in recent years. The UN Convention against Corruption of 31 October 2003 is a prime example. The Convention came into force on 14 December 2005, and Norway was one of the first developed countries to ratify it, on 29 June 2006.

The Convention, a joint project by developing and developed countries, is the first global anti-corruption agreement. It will be one of the mainstays of Norway's efforts in this field.

The Convention's principles and rules constitute a universal standard for this area, and Norway is participating actively in the Convention's wider implementation. This standard should form the basis for cooperation with countries and organisations for which Norway provides financial support. It is also important that Norway supports other countries' authorities in their efforts to implement the Convention.

The fight against corruption and for increased transparency is one of the mainstays of the UN initiative to promote social responsibility in international business (the Global Compact). It is also one of the themes of KOMpakt, the Consultative Body for Human Rights and Norwegian Economic Involvement Abroad, a cooperation project between the Ministry of Foreign Affairs and the Norwegian private sector. Norway's active involvement in the fight against corruption also encompasses the Extractive Industries Transparency Initiative (EITI), whose purpose is to promote greater transparency in extractive industries.

Combating corruption is an important part of Norwegian development cooperation efforts. Norway has cooperated with different state authorities, civil society actors, the private sector, the UN and international financial institutions for many years to combat corruption through international initiatives. The Foreign Service has introduced internal rules and routines to prevent corruption in connection with the use of Norwegian funds, and control routines for detecting irregularities. Furthermore, the Ministry makes significant allocations through various parts of its budget for international, bilateral and multilateral anti-corruption measures. Norad (the Norwegian Agency for Development Cooperation) plays a key role in efforts to combat corruption in development cooperation.

Main goal, sub-targets and processes

The main goal of the Ministry's anti-corruption project is to strengthen the Foreign Service's efforts in this area, both in Norway and abroad.

The project has four sub-targets:

- To prevent corruption in connection with the administration of funds from the Ministry's budget.
- To ensure that funds from the Ministry's budget are used effectively, so that they strengthen the international anti-corruption effort.
- To undertake foreign policy initiatives that strengthen the international anti-corruption framework.
- To give Norwegian and international anti-corruption efforts a higher profile.

The project will be based on and will supplement the work already being done by the Ministry, Norwegian foreign service missions, Norad, Norfund (the Norwegian Investment Fund for Developing Countries) and FK Norway (the Norwegian Volunteer Service). The project will not cover the day-to-day work of the ministry in this area, and will not involve any changes in the current division of tasks and responsibilities. The Ministry's departments will be able to consult members of the project on matters concerning the fight against corruption. One of the purposes of the project is to contribute to the implementation of the UN Convention against Corruption.

The project will survey all of the Ministry's areas of responsibility, but areas related to development cooperation will be given particular emphasis. As the project relates to more than just foreign policy, arrangements are being made to facilitate the exchange of information, experience and views with other ministries and public agencies with the aim of ensuring cohesion between the efforts of the Foreign Service and other Norwegian anti-corruption initiatives.

The project is to be conducted on an open and inclusive basis. Relevant information will be published on the internet and the Ministry's intranet on an ongoing basis.

There will be close cooperation between different parts of the Foreign Service in Norway and abroad, particularly with Eva Joly, Special Adviser in Norad, and the rest of Norad's resource base. Use will also be made of the expertise of e.g. the Ministry of Finance, the Ministry of Justice and the Police, the Ministry of Petroleum and Energy, the Ministry of Trade and Industry, Innovation Norway, the Norwegian Directorate of Immigration (UDI), the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (ØKOKRIM), the Norwegian Volunteer Service and Norfund, both through discussions and by seeking the advice of experts in those bodies. Contact with the Office of the Auditor General of Norway will also be important, and close contact will need to be maintained with private sector actors, NGOs and academic institutions.

It is important that the project is coordinated with the efforts of international actors, and information exchange and consultation with them will therefore form part of the project.

Implementation plan

The project will begin once this mandate has been approved by the Secretary General, and is to be concluded by 30 June 2007.

Work on the various elements of the project will be conducted in parallel. As some parts of the project will progress more quickly than others, not all the sub-targets will be reached at the same time. Project milestones will be defined in an implementation plan, which will be submitted to the steering group.

The initial timetable is as follows:

October 2006: launch

- launch of the project
- preparation of detailed implementation plan

November 2006 – January/February 2007: survey and brainstorming

- survey of the Foreign Service's system for preventing and detecting corruption connected to the use of Norwegian funds, and of the system for following up on suspected corruption; proposals for any necessary immediate measures
- survey of the need for competence-building and training in the Foreign Service
- survey of all major anti-corruption efforts funded through the Ministry's budget

- preparation of strategy memorandums on political initiatives to strengthen the international anti-corruption framework
- proposals for concrete measures to draw more attention to anti-corruption efforts in Norway, internationally, and in selected countries (e.g. through the media, the internet, seminars, speeches, etc.)

February – June 2007: detailed planning

- proposals for measures to strengthen the Foreign Service's system for preventing and detecting corruption connected to the use of Norwegian funds; proposals for measures to report and/or follow up suspected corruption, including a whistle-blowing system; and proposals for competence-building measures
- proposals for priorities for future anti-corruption initiatives and how these can be most strategically funded through the Ministry's budget
- proposals for how Norway's efforts can best be organised at national and international level
- further work on preparing detailed plans and implementing political initiatives for strengthening the international anti-corruption framework
- implementation of measures to focus greater attention on anti-corruption efforts

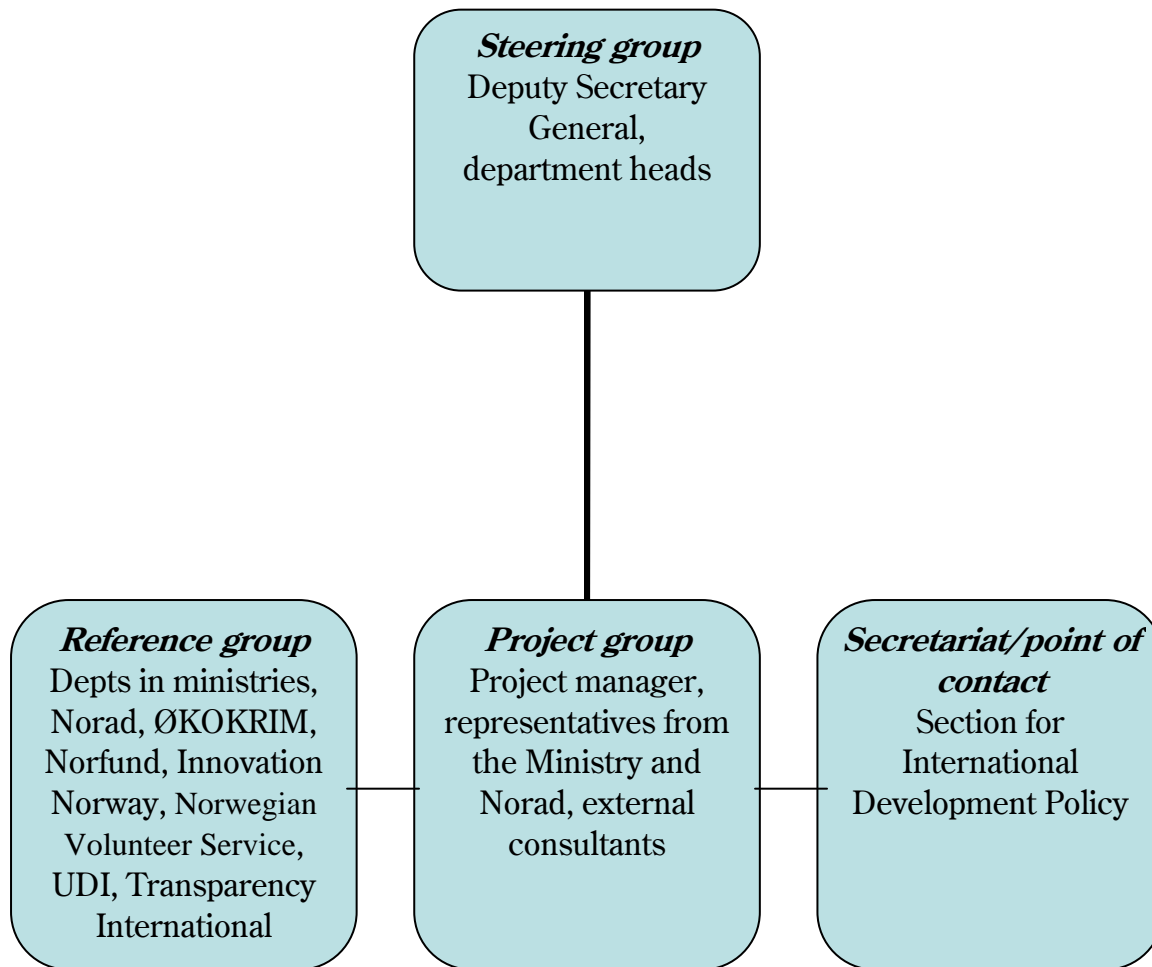
June 2007: conclusion

- final project report, which will include recommendations on the continuation of the project and/or its incorporation into the Ministry's organisational structure

Organisation

The Secretary General is the project owner.

Fig. 1 Organisation



Steering group

The steering group will be responsible for the overall management of the project. It will consist of the heads of each department in the Ministry, and will be chaired by the Deputy Secretary General.

The steering group's specific responsibilities will include finalising implementation plans, ensuring that milestones are met, allocating project resources and finances, ensuring the incorporation of the project into the existing organisational structure, deciding on any particular problems or issues that require clarification, and risk management.

Project manager

The project will be headed by Director General Nils Haugstveit. The project manager's role is to ensure that the project is planned, organised and managed in accordance with the mandate. He will have full responsibility for ensuring that the various tasks are carried out within the scope of

the mandate. His responsibilities include internal quality assurance, day-to-day risk management and final project delivery.

The project manager will report to the steering group, and serve as its secretary.

Project group

The project group will be responsible for producing the documentation that will form the basis of the project recommendations. The group will consist of seven or eight employees from relevant departments in the Foreign Ministry and Norad. The project manager will decide the composition of the group in consultation with the units involved. Issues requiring clarification will be submitted to the steering group.

The project group will consult with all parts of the Foreign Service and other relevant institutions, such as the Ministry of Justice and the Police, the Office of the Auditor General, ØKOKRIM, and development cooperation partners.

The project group may set up ad hoc working groups on specific issues that fall within the project mandate.

Reference group

Representatives from the Ministry of Foreign Affairs, Norad, the Ministry of Finance, the Ministry of Justice and the Police, the Ministry of Petroleum and Energy, the Ministry of Trade and Industry, ØKOKRIM, Norfund, Innovation Norway, the Directorate of Immigration, the Norwegian Volunteer Service and Transparency International will be invited to participate in a reference group for the project. The project manager will call meetings of the reference group as required.

Resources

Personnel resources

One employee will be assigned to the project full-time. It is expected that other members of the project group will spend approximately 50 per cent of their time on the project.

The resource burden on the departments and foreign service missions involved and Norad will vary during the project.

Departments that do not have a representative in the project group must appoint a contact person for the project to ensure that the best possible contact is maintained between the project and all the departments of the Ministry.

It is expected that the steering group and reference group will each need to meet three to five times, and that this will not be particularly time-consuming for any of the group members.

The secretariat

The Section for International Development Policy will act as a point of contact for the project group.

External consultants

A consultant will be engaged to assist the project manager with the daily project workload. Certain services will be purchased from other external experts.

Budget

The project has been allocated a dedicated budget for e.g. travel, representation and the purchase of consulting services, as follows (amounts in NOK):

	2006	2007	Total
Ch. 140 Ministry of Foreign Affairs – administration of development assistance, item 01 Operating expenses	150 000	350 000	500 000
Ch. 165 Research, competence- building and evaluation, item 01 Operating expenses	75 000	600 000	675 000
Total	225 000	950 000	1 175 000

Any proposed changes to the budget must be submitted to the steering group.

Reporting

The project manager will report to the steering group.

The final project report, which is to include a short analysis and summary of recommendations and a summary of the implementation of the project, must be submitted by 30 June 2007. The report is also to include proposals on how the further anti-corruption efforts should be monitored and evaluated.