

EVALUATION DEPARTMENT



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Annex 6: Case Study on Norway's Engagement in the Fight against Illicit Financial Flows and Tax Havens: Commercial Tax Evasion

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1. Introduction

1.1 BACKGROUND AND PURPOSE

This report aims to assess the rationale for and nature of Norway's engagement in global efforts to reduce illicit financial flows (IFF), the outputs and outcomes of this engagement and the main factors driving the achievement or non-achievement of desired change.

It is part of a broader evaluation of Norway's advocacy engagement from 2005 to 2014, conducted between July 2015 and March 2016. This evaluation has four main components:

1) a summary of Norway's main advocacy engagements based on an analysis of the Norwegian Agency for Development Cooperation's (Norad's) database; 2) thematic overviews of 11 issue areas (both presented in the inception report in October 2015); 3) more detailed case studies of four of these issue areas (IFF, maternal and child health, education and women, peace and security); and 4) an analysis of key trends and patterns across the four areas. The case studies contribute to the four evaluation questions (see synthesis report), including through insights into the

factors driving the effectiveness and sustainability of the advocacy outcomes.

The aim of the overall evaluation is to identify and understand the role of the main factors that determine the achievement of desired advocacy outcomes, with a particular focus on the role and contribution of the Ministry of Foreign Affairs (MFA), Norad and their external partners in management of the advocacy engagements and the contribution of the decision-making process.

The evaluation will be used as evidence to inform managerial decisions on policy advocacy programming, in particular:

- the timing – that is, at what point in the policy process makes most sense to engage
- the choice of institutional 'channel', or the way Norway could exert its influence
- the design and management of a portfolio of advocacy activities

1.2 METHODOLOGY

Each case study was allocated 14 days. Given the purpose of the evaluation and the time available, this case report is not an exhaustive account of this very broad issue area or Norway's engagement. Rather, it seeks to take advantage of existing information, supplemented by a select number of interviews with key actors who could provide insights into decisions and processes that have been less well documented.

This report is based on a document review of speeches, grey and academic literature and organisation and initiative websites, and semi-structured phone interviews with 16 key informants (Annex 2). Interviews, lasting up to one hour, were conducted by phone or Skype. A purposive sampling strategy was applied, identifying individuals who were knowledgeable about the issue and evaluation questions and who represented a range of viewpoints. Norad provided initial suggestions of potential interviewees, which was supplemented by recommendations from others in order to

gather different perspectives. Respondents were predominantly in senior positions – heads of department, senior advisers or serving on international boards. Of the key informants, seven, 50% were based in Norway, five were affiliated with the Norwegian government, two were from multilateral agencies, six were from civil society organisations (CSOs) and two were academics. Four interviewees were currently in different positions than when their engagement began, highlighting the sustained involvement of key individuals over time and the variety of types of institutions involved. Documents and interviews were hand-coded according to the evaluation questions and emergent themes.

The methodological approach draws on principles of Outcome Harvesting (Wilson-Grau and Britt, 2012). Rather than focusing on what an organisation does, Outcome Harvesting focuses on what was achieved and then identifies factors associated with these changes. This approach acknowledges that multiple pathways could lead to multiple outcomes, and helps identify unplanned or unexpected changes.

For more information on the evaluation questions, methodology and stages of the evaluation, see the synthesis report.

1.3 WHAT ARE ILLICIT FINANCIAL FLOWS?

‘Illicit financial flows are transboundary financial transactions involving money that has been earned, transferred or spent illegally’ (MFA, 2012–2013). IFF are caused by three types of flows: 1) corruption; 2) criminality; and 3) commercial tax evasion. Corruption is thought to be the smallest source and commercial tax evasion the largest. Tax evasion is illegal, whereas tax avoidance is the process of avoiding tax by taking advantage of loopholes to reduce or avoid tax obligations and is therefore not illegal. Some of the practices involving tax havens involve both tax evasion and tax avoidance, although this report aims to focus on the largest component of IFF: commercial tax evasion.

Countries lose significant amounts of tax revenues because multinational companies (MNCs) move profits from countries with high tax rates to those with more favourable rates

and conditions, and are unwilling to share tax information (Aarsnes et al., 2014). IFF are estimated to amount to approximately 10 times global official development assistance (ODA) (Kar and LeBlanc, 2013). The mechanisms used for commercial tax evasion include shell companies, secret trusts, anonymous accounts, tax breaks and tax havens. The benefits that accrue to MNCs, and the international elite network combined with the secrecy surrounding tax havens, have led to it being a pervasive and growing problem (Schjelderup, 2015).

Characteristics of tax havens are ‘1) very low or no tax on capital income, 2) a special tax regime for shell companies, 3) a lack of transparency concerning ownership and/or lack of effective supervision, and 4) no effective exchange of information on tax matters with other countries and jurisdictions’ (OECD, 1998). There is no agreed list of tax havens, although a number of countries/states are known to function in this way, such as Mauritius, Jersey, Guernsey, the Cayman Islands, the British Virgin Islands and the state

of Delaware in the US. Interviewees noted that the problem was a pervasive one as, if one tax haven were to be closed, another one would replace it, given the demand for the associated tax benefits. The persistent nature of the challenge makes the progress achieved particularly notable.

This sector is differentiated primarily by the secrecy surrounding it and the strength of the opposition to reducing IFF. This opposition is not an organised coalition but rather is based on the vast financial resources of each MNC used to employ professionals, including lawyers, accountants and auditors, to ensure the maintenance of commercial tax advantages. Government and civil society efforts to reduce IFF are directly challenged by these wealthy and powerful MNCs, which also campaign to influence governments and international legislation. This makes the agenda both highly contested and highly politicised. Alongside a growing public awareness of the scale and impact of tax evasion and avoidance, there is increasing opposition to legal tax avoidance by MNCs and

a growing opinion that it is morally unacceptable.¹ The sector is also distinct as it is crosscutting, dispersed with limited measurability. Therefore in addition to the data challenges associated with understanding the scale of IFF, understanding government funding and human resources directed towards the sector is problematic.

1.4 STRUCTURE OF THE REPORT

Section 2 considers the sector context for the advocacy engagement, including the international and developing country environment and the political context in Norway between 2005 and 2015.²

Section 3 presents an overview of the nature of the advocacy engagement, detailing the tactics the Norwegian government uses (the direct tactics) and those implementing partners use (indirect tactics).

Section 4 presents an analysis of the findings by each of the evaluation questions and Section 5 presents the conclusions.

1 The revelation by the media of legal tax avoidance by companies like Starbucks and Amazon was the backdrop to Prime Minister David Cameron's announcement in 2013 that the G8 under British leadership would focus on 'tax, trade and transparency' (email communication).

2 This case study has extended the time period of the analysis to 2015 to capture recent developments.

2. Sector context

2.1 THE SCALE OF ILLICIT FINANCIAL FLOWS AND THE CAUSES

An early World Bank paper noted that ‘capital flight is more widespread than commonly assumed... and... countries with a smaller GDP [gross domestic product] have more capital flight than one would expect if it were distributed proportionate to GDP’ (Claessens et al., 1993). ‘IFFs are not only an African problem but are indeed a matter of global governance that calls for a wide range of actions, including at the level of the global financial architecture’ (UNECA, 2015). The problem is acknowledged to be growing in importance, and Global Financial Integrity (GFI) estimated that in 2011 illicit financial outflows from the developing world totalled \$946.7 billion, with cumulative illicit financial outflows over the decade between 2002 and 2011 of \$5.9 trillion (Kar and LeBlanc, 2013). Africa is losing between \$50 billion and \$148 billion in IFF on average each year, 65% of which is driven by MNCs (UNECA, 2015). The 10 richest companies have 6,000 subsidiaries, of which a third are located in tax havens (Aarsnes et al.,

2014) and ‘approximately 60% of world trade takes place within groups of companies, between parent companies and subsidiaries’ (MFA, 2012–2013).

These estimates of the scale of IFF are useful to understand the scale of the problem. However, secrecy and, in turn, limited data are at the heart of the problem as tax havens or secrecy jurisdictions allow for the concealment of substantial amounts of money associated with tax avoidance. This makes estimation of the scale of such flows difficult and there is an active debate around the methodology used to arrive at the estimates.³ IFF are therefore the cause of substantial, and increasing, losses of tax revenue for developed and developing countries. In the Zambian copper mining industry alone, losses owing to tax avoidance have been estimated to amount to 15% of GDP, or \$2 billion a year (Arezki et al., 2013).

³ For more information on this debate and the challenges, see page 13 of http://www.taxjustice.net/wp-content/uploads/2013/04/TJF_5-1.pdf

2.2 CONSEQUENCES OF ILLICIT FINANCIAL FLOWS

The lack of transparency (or secrecy) surrounding asset ownership structures means the ownership structures of offshore companies, trusts and other assets are unknown. This lack of transparency, preventing information being gathered on the operations of MNCs via the legal system in turn ‘creates the infrastructure for corruption to grow out of hand’ (Kohonen, 2014).

Such illicit flows, by extension, perpetuate inequality. IFF accrue to the very wealthy; in contrast, the poorest countries are losing out on tax revenue to provide public services and private sectors are growing slower than they would otherwise be. IFF also contribute to lower productivity in the private sector, because investment in tax planning for avoidance becomes more profitable than reinvestment in productive activities (Aarsnes et al., 2014; Schjelderup, 2015). Tax havens and their role in fostering lax financial regulation have been cited as a contributory factor in the

2008 global financial crisis (Open Democracy UK, 2015). Furthermore, MNCs, and therefore the scale of the IFF, are growing at a rate faster than that of countries, so dilution of the tax base and loss of government revenue is growing year on year.

By extension, if IFF are reduced, tax revenue would increase, increasing funding for areas such as climate change, investment to prevent disasters, social sector work, etc. Where tax havens or preferential tax jurisdictions present tax advantages, a competitiveness challenge is created whereby other companies cannot effectively compete when faced with higher tax burdens. This creates an incentive for other companies to seek out more favourable tax mechanisms, further reducing government revenue. This is a challenge of both financing and governance that has direct implications for all sectors in both developing and developed countries.

3. Overview of the Norwegian government's advocacy role

The Norwegian government has been actively engaged in and supported efforts to reduce IFF out of developing countries. The IFF advocacy effort has been both direct with the government conducting activities and indirect through the funding of intermediaries such as civil society partners and research bodies; it has been formal and informal; and the approach has been broad, using a range of advocacy tactics at various levels and in cooperation with a broad set of different actors.

While advocacy efforts to generate evidence and increase public awareness and international uptake of the IFF agenda have resulted in some exposés and legal cases placing pressure on MNCs to adjust their taxation practices, the focus has been mainly on changing policy and implementing such changes to require companies to publish revenue, costs, profits, employees and taxes, to increase transparency around their funding and how they are governed.

The pattern of partnership can be seen from analysis of the agreements in the database, presented in Annex 3. This shows that partners

were most often Norwegian and international non-governmental organisations (NGOs), accounting for just under half (14) of all (30) partners. Local NGOs were also found to often be partners (5), and multilateral institutions (3) and developing country governments (3) were also supported. Half of the agreements were with Africa. Most were established in 2014 (17); 2011 also saw a number signed (8).

The dispersed management of IFF within the government of Norway, the large number of projects related to IFF and the crosscutting nature of the activities present challenges in measuring funding of the area. Identifying all budget lines for IFF has not been possible. Equally because of its crosscutting nature, there are no clear tags for tax or IFF in the Organisation for Economic Co-operation and Development (OECD) Creditor Reporting System database. Therefore, considering tax expenditures, for example, tax-related activities that form part of other projects will not be considered to be specifically related to taxation (OECD, 2014).

This lack of information on financing for the sector is challenging, particularly in light of the pledge at the Financing for Development Conference in Addis Ababa in July 2015 to ‘redouble efforts to substantially reduce IFF by 2030, with a view to eventually eliminate them, including by combating tax evasion and corruption through strengthened national regulation and increased international cooperation’ (UN, 2015). Work by the OECD and MFA is underway to establish a baseline figure for spending on taxation. Interviewees noted there was currently no person within MFA or Norad dedicated to work on IFF; rather, there are fewer than 10 people whose work includes some aspect of IFF, dispersed across up to five departments.

We now discuss the advocacy effort of the Norwegian government, involving efforts by the government and tactics implemented through intermediaries such as civil society partners and research bodies.

3.1 TACTICS OF THE NORWEGIAN GOVERNMENT

The tactics of the government pursued during the evaluation period have been broad, involving national work and active participation in international cooperation efforts related to issues of taxation and capital flight. For example, MFA pursues international-level advocacy and dialogue, partly by supporting OECD's work on tax and development. The government of Norway is also a founder and an active member of the government–civil society Task Force on Financial Integrity and Economic Development – a coalition working to address inequalities in the financial system and to promote greater transparency.

The Norwegian government has conducted diplomacy; convened conferences and seminars; built coalitions; disseminated findings; built capacity; generated evidence; disseminated information by participating in bilateral talks and discussing IFF; and created funding channels to support the indirect tactics via civil society, which have included lobbying for policy and regulatory changes, evidence

generation, information dissemination, capacity-building, coalition-building and raising public awareness.

The summary of government tactics is organised into the Commission on Capital Flight; key government reports; and capacity-building.

The Commission on Capital Flight from Developing Countries

In 2008 a public inquiry 'The Commission on Capital Flight from Developing Countries' was appointed by the Norwegian government to investigate how secrecy jurisdictions function in relation to capital flight from developing countries (Box 1).

The report of the inquiry in 2009 stimulated debate and brought prominence to Norway as a leader in this area. The Commission highlighted the need to continue work in the area to fill the knowledge gaps. Interviewees noted that it reinvigorated the methodological debate on the range of possible methods that could

be used to generate estimates, as the Commission's focus on available evidence in the context of the secrecy surrounding tax havens did not capture hidden data. This was the first time an official report had described how IFF were made and outlined the consequences and analysed the problem from a development angle. Although it was an independent commission, it was seen as being Norwegian, and it was also the first time unilateral recommendations for Norway had been proposed with a clear responsibility identified.

While it is widely accepted that the Commission put together a meaningful and well-researched contribution that helped others understand the IFF agenda, an interviewee noted that it did not directly reach out to public. This is regarded as civil society's role. Indeed, the Commission's report received a strong response by a number of NGOs, trade unions and around 30–40 aid organisations to the hearing of the report, illustrating a strong interest in the issues and their relevance.

BOX 1: THE COMMISSION ON CAPITAL FLIGHT FROM DEVELOPING COUNTRIES

In 2008, the Norwegian coalition Parliament initiated a public committee to ‘examine the role of secrecy jurisdictions in relation to capital flight from developing countries and... Norway’s relationship to the investment of funds via such jurisdictions’ (Commission on Capital Flight from Developing Countries, 2009).

The Commission was given a mandate to examine the role of secrecy jurisdictions in relation to capital flight from developing countries to help increase knowledge and understanding of the magnitude and consequences of flows originating in developing countries. It was also tasked with exploring Norway’s relationship to secrecy jurisdictions. It was requested to present proposals, inviting other development partners to a joint approach to help limit illegal capital flight and money laundering from developing countries via tax havens. Norad carried out the secretariat function.

The Commission was asked not to talk about tax havens or secrecy jurisdictions in relation to Norwegian petroleum funds but was allowed full independence in the conduct of the work, under the leadership of the Minister of Environment and International Development. The advantage of the Commission was that it was independent and had a clear mandate to focus on development. Despite efforts to carefully manage the relationship with the Ministry of Finance, there were some tensions around work on tax havens and subsequently the ministry moved to being an observer of the work.

Recommendations included the details contained in statements of Norwegian MNCs; requiring Norwegian companies to publically report their transactions via tax havens; improving the rules for transfer pricing such that the government of Norway improves domestic legislation; ensuring the OECD, the UN and the World Trade Organization (WTO) consider broader indicators; establishing a Norwegian centre of expertise on tax evasion; developing networks with a view to increasing international pressure; negotiating an international convention on tax havens; supporting OECD work on developing new international tax standards; strengthening the anticorruption network financed by Norway; and revising guidelines for Norfund.

Key Government Reports

The *Climate, conflict and capital* White Paper 2009 (Box 2) outlines how MFA intended to strengthen the government of Norway’s strategic approach to aid by focusing efforts ‘on areas where Norway has recognised expertise’, citing good governance and the fight against corruption as one of those areas (MFA, 2008–2009). It outlines how the Norwegian government will ‘play a leading role in international efforts to prevent money laundering, tax evasion and other economic crime’. The management of financial flows and addressing capital flight are noted as being of importance for the future of developing countries, and ‘Norway has the opportunity to take responsibility at the international level’. The paper highlights the volume and importance of IFF and the role of tax havens, listing jurisdictions that do not satisfy OECD standards of transparency and effective exchange of information in tax matters.

BOX 2: THE CLIMATE, CONFLICT AND CAPITAL 2009 WHITE PAPER

'The Government considers it important to ensure that developing countries are given greater access to global capital and better opportunities for value creation. We believe it is important to pursue an active policy that steers financial flows in a more development-friendly direction and stops illegal capital flight out of poor countries. This is particularly important now that the financial crisis is undermining the economic forces for development: trade and investment are falling and less priority is being given to aid.'

The Government will:

- Offer selected developing countries technical and financial support to strengthen their tax legislation, tax collection systems and anti-corruption efforts.
- Maintain its focus on the need for new international rules to ensure disclosure and transparency in the international financial system and thus prevent illegal activities in tax havens.
- Support research and analysis that can improve understanding of the scale of illicit financial flows and the methods and actors involved.
- Cooperate with other countries and multilateral organisations to prevent illicit financial flows, and take steps for the return of assets removed from developing countries through corruption.

- Promote universal adherence to and effective implementation of the UN Convention against Corruption.
- Promote universal adherence to and implementation of the UN Convention against Transnational Organized Crime and its protocols on human trafficking, smuggling of migrants and illicit trade in firearms.

Source: MFA (2008–2009)

Just before the September 2013 parliamentary elections in Norway, MFA issued another White Paper, *Sharing for prosperity: Promoting democracy, fair distribution and growth in development policy* (MFA, 2012–2013). This highlighted and followed up many of the proposals from the 2008 Commission and noted the leading role Norway was playing in international efforts to improve the control of IFF. The change in government meant the White Paper was not implemented, although an interviewee observed that the discussion in Parliament appeared to generally support its direction.

Capacity Development

Here, we apply a broad definition of capacity development to refer to skills and capability development, which may involve technical and specialised skills, incentives, opportunities, relationships, resources advocacy skills or awareness of an issue. It may also include money for staff placed in organisation to support the development of their colleagues, for example in a mentoring or coaching capacity. Capacity development work therefore includes the Corruption Hunter Network and

capacity work within the Tax for Development programme. Further capacity-building is carried out indirectly by intermediaries, discussed below.

The Corruption Hunter Network

While this report focus on only one aspect of IFF, commercial tax evasion, this overlaps with Norway's work on the other areas, in particular work on reducing corruption through support to the Corruption Hunter Network.⁴ This is discussed here as it routinely considers tax evasion. The Network is a unique initiative of Norway that has been running for 10 years. Its main purpose is to strengthen the work of investigators and prosecutors by sharing knowledge and experience and to create the contacts needed to carry out the work. It provides an important support and mentoring function through the relationships built and also provides opportunities to share experiences and discuss solutions to problems. The 'hunters' come from up to 20 different

countries and consist mainly of senior investigators and prosecutors⁵. Some have been members since the beginning, most of them heavily involved in investigating grand corruption cases, which almost always involve cross-border operations. Eva Joly was vital in the group's establishment and Erik Solheim in ensuring the Network continued with the necessary support.

This is a relatively low-cost initiative that is, however, important in offering continuing support to professionals facing the challenge of fighting corruption.

⁵ The Network has members from Brazil, Costa Rica, Germany, Greece, Italy, Liberia, Nigeria, Norway, São Tomé e Príncipe, Senegal, South Africa, Switzerland, the UK, the US and Zambia. People from many other countries have been part of the Network, but have left as they have changed jobs or retired.

Tax for Development

Norway developed the Tax for Development (TfD) programme 'to coordinate and ensure quality of Norway's work in areas related to taxation, capital flight and development'.⁶ The programme started in 2011, and was essentially a branding of Norwegian support in this area. The overall purpose of the support channelled was to contribute to improved tax systems and increased tax revenues in developing countries through 1) capacity-building support to tax authorities in partner countries (Mozambique, Tanzania and Zambia); 2) knowledge generation and dissemination; 3) international cooperation; and 4) support to civil society. The second, third and fourth aims are all discussed below. The programme was placed under the overall responsibility of the Section for International Development Policy in MFA. Between 2011 and 2013, the secretariat was located in Norad and responsibility for implementation and reporting was devolved to the embassies and MFA units, in line with

⁶ <https://www.norad.no/en/front/thematic-areas/macroeconomics-and-public-administration/tax-for-development/>

⁴ <https://www.norad.no/en/front/thematic-areas/democracy-and-good-governance/corruption-hunters>

Norway's decentralised approach to aid management. In 2013, the secretariat was closed and the petroleum sector work in Mozambique and Tanzania was redirected to the Oil for Development programme.⁷

Support to tax authorities in Mozambique, Tanzania and Zambia was implemented mainly through institutional cooperation with the Norwegian Tax Administration (NTA), drawing on its decades of experience in the oil sector. The design of the support to tax authorities grew out of Norad's work in Zambia in the mid-2000s and the work of the Commission on Capital Flight.⁸

7 The Oil for Development programme was established in 2005 with the primary aim of supporting capacity development through institutional collaboration, recognising Norway's experience in managing natural resources and associated revenues. The programme benefits from a well-resourced secretariat in Oslo.
<https://www.norad.no/en/front/thematic-areas/oil-for-development/oil-for-development-programme/>

8 From 2003 there was an increasing domestic focus on fiscal imbalances as an increase in global copper prices raised awareness of the unfavourable terms set in the Zambian mining sector. 'As little as 2–5% of the total export value accrued to the government in the form of tax and direct ownership (minority), whereas best performers like Botswana, Chile and Norway ensured a government take of between 50 and 75%' (personal communication).

In early 2007, the Zambian government established a renegotiation committee on mining with presidential interest. The Norad Lusaka Embassy successfully raised this on the agenda in Oslo. Norway, together with the UK Department for International Development (DFID), the European Commission (EC) and the World Bank signed a multi-donor memorandum of understanding (MoU) and a separate bilateral agreement identifying five areas of financial and technical support to strengthen revenue management and benefit-sharing from mining in Zambia:

1. Renegotiation of agreements/tax regime reform.
2. Specialised tax administration.
3. State ownership (minority after privatisation)
4. Transparency and accountability on income, tax and resource use (Extractive Industries Transparency Initiative, EITI).
5. National framework for sustainable use of mining revenue.

The support from early 2007 to June 2008 focused on the first component – renegotiation of agreements (personal communication). The

concept note for TfD was originally drafted in May 2008 after being requested by the deputy minister of environment and international development, and the programme took several years to become operational, with the MoU signed in 2011.

The support to Tanzania had roots in the 1990s, with Norwegian support to the Tanzanian Ministry of Finance on macroeconomic modelling. In 2003, the institutional cooperation project between NTA and the Tanzania Revenue Authority (TRA) focused on the mining sector. A delegation from the Norad Dar es Salaam Embassy visited Lusaka to learn about the work of the renegotiation committee in 2009, and a TRA visit took place in 2010. In 2010, the Norad economist from Zambia moved to Tanzania and continued work on establishing the programme.

Capacity-building has also been integrated into the activities below carried out by intermediaries. For example, in developing a coalition with partners, training has been conducted; and the outreach work has involved

regular seminars and workshops that bring people together and increase knowledge on IFF.

3.2 TACTICS VIA INTERMEDIARIES

Support provided by the government of Norway to implementing partners has facilitated knowledge generation and dissemination and coalition-building, and capacity-building. Work via intermediaries includes support to multinationals.

The summary of intermediary tactics is organised into international engagement, civil society initiatives and research on IFF.

Engagement with Bilateral and Multilateral Agencies

Support to multinationals has been an important part of Norway's engagement on IFF. Internationally, assertiveness against cross-border tax evasion had gradually been growing, with interest from France, Germany and other OECD countries that are not financial centres. The Leading Group of Countries, in which Norway has a very active role, had been part

of this (Spencer, 2010).⁹ The formation of the Leading Group on Innovative Financing for Development in 2006 and the Leading Group on Solidarity Levies to Fund Development, under Norway's presidency in 2006/07, allowed for the introduction of IFF on the agenda.¹⁰ The Financial Transparency Coalition (FTC, previously the Task Force on Financial Integrity and Economic Development) evolved from the Leading Groups. This is a coalition of CSOs and governments working on IFF; given its strong CSO participation, it is discussed below. The Task Force called on the G20 to recognise publically that IFF from developing countries perpetuate poverty (Blankenburg and Khan, 2012).

⁹ <http://www.leadinggroup.org/rubrique69.html>

¹⁰ Established at the Paris Conference on Innovative Development Financing Mechanisms in 2006 under the leadership of Brazil, Chile, France and Spain, the Leading Group is an informal network that brings together 66 states and international organisations, NGOs, local entities and private foundations dedicated to the eradication of poverty and the preservation of global public goods (health, education, food security, agricultural development, environment, climate, biodiversity, etc.). It aims to mobilise global capital flows to respond to social, economic and environmental issues (Spencer, 2010; Lesage and Kaçar, 2013).

As the global financial crisis in 2008 pushed taxation onto the global political agenda in Europe and the US, discussion was directed to the G20 in 2009, when the OECD was tasked with developing new tax exchange rules. It was later picked up by the UN Economic Commission for Africa (UNECA) and the African Union (AU), when the High Level Panel, in which Norway was invited to participate, was formed in 2012, with a specific focus on illicit financial outflows from Africa.

From 2009–2014, Eva Joly was Chair of the Committee on Development in the European Parliament and central in driving the uptake of the agenda within the European Union (EU). The 2011 report that presents the motion for an European Parliament resolution (European Parliament, 2010) drew directly on the Norwegian Commission on Capital Flight report 'Tax havens and development' (2009b), and stated that ODA alone would not eradicate poverty: the OECD, G20 and EU needed to undertake ambitious work on tax havens and harmful taxation structures (European

Parliament, 2013). Following this report of the European Parliament's Committee on Development, more than 350 MEPs voted for the EC to make its own list of tax havens.

Norway has been one of the 'largest financial contributors to the World Bank and UNODC's [UN Office on Drugs and Crime's] Stolen Asset Recovery Initiative', and the TfD and Oil for Development programmes involved partnership with the World Bank, the International Monetary Fund (IMF) and the OECD, internationally and also in partner countries, including Zambia, as discussed below (MFA, 2012–2013). These activities contributed to increasing awareness within the Bank of the importance of the IFF agenda.

The World Bank and IMF are, however, not in the policy arena to the same extent as the OECD, although arguably they should be more prominent and the World Bank's involvement has been increasing in recent years. Both multilaterals face restrictions imposed by their members, some of which are tax havens. Interviewees noted how the World Bank's desire for

a stable investment climate for Africa resulted in it being reluctant to deter investors. This was reflected in initial discussions around the work of the 2008 Commission held with the World Bank: 'in July 2007, the government of Norway commissioned the World Bank to do a study of IFF, but the Bank has not shown any commitment to the task' (Ylonen, 2009). In March 2016, the World Bank presented a report stocktaking the World Bank Group's work on IFF and outlining future directions (World Bank, 2016).

Civil Society and Other Initiatives

Support to civil society, coordinated by the TfD programme from 2011 to 2013, aims to strengthen popular engagement in and public debate on taxation and capital flight issues; and involves direct support to CSOs advocating for increased transparency and accountability in the spending of tax revenues. It is directed to Norwegian, international and local NGOs and media, as well as civil society coalitions (e.g. the Tax Justice Network (TJN) Norway focuses on tax justice for all industries, and Publish What You Pay (PWYP) Norway, a coalition of 19 CSOs,

focuses on extractive industries). Norway has also led by example in the EITI. MFA supports the FTC (previously the Task Force on Financial Integrity and Economic Development) and funds and works with GFI – the chair of the FTC.

Norway supports coalition-building though support to CSOs to ensure the authorities are held accountable to the taxpayer population and tax revenues are spent in a manner that benefits the whole population. In turn, the advocacy tactics of these organisations include writing reports, opinion pieces, briefs and newsletters and capacity-building support to partner organisations. This support has enabled the development of global coalitions. Examples include the Global Financial Transparency Coalition and coalitions developed by PWYP and TJN.

The Task Force on Financial Integrity and Economic Development resulted from a working group within the Leading Group on IFF led by Norway. In late 2008, GFI was chosen to host the Task Force, which provided a platform for the global lobbying campaign. 'Norway... is

one of the most active members of the Task Force' (Janský, 2013). In 2009, a Norad- and MFA-funded conference in Oslo, with 400 attendees, was followed the next day by the first conference of the Task Force, in Washington, DC, bringing together the leading voices on IFF, including TJN, GFI, Global Witness, tax experts and lawyers (Blankenburg and Khan, 2012). The Task Force later became known as the Global Financial Transparency Coalition and continued the momentum of the Commission on Capital Flight with high engagement from Norad and MFA.

EITI is an international organisation registered as a non-profit association under Norwegian law. Norway's role in advocating for extractive industry transparency via EITI has three strands. First, during the third EITI conference in 2006 held in Oslo, it was agreed that the EITI Secretariat would be located in Oslo.

Second, Norway became a candidate EITI country in 2009; in the same year, EITI was passed into law. In 2011, Norway became EITI-compliant. Norway's candidature and

implementation of EITI, as the first OECD country to apply the standard, has been important in setting a good practice example as a major oil-producing country. This, in turn, has had a positive impact on the uptake of EITI internationally. Norway has now decided to mainstream EITI.¹¹

Third, Norway's support to PWYP allowed it to continue its work supporting the implementation of EITI, although funding has not been directly provided for this purpose.¹²

MFA has supported PWYP's Transparency and Accountability in Extractive Industries (TRACE). TRACE rounds have covered Ghana, Mauritania, Mozambique, Nigeria, Sudan, Uganda and Zambia (2007/08); Bolivia, Ecuador and Nicaragua (2010/11); Ghana, Liberia, Mozambique, South Sudan, Tanzania and Uganda (2013/14); and Bolivia, Ecuador, Guatemala

¹¹ <http://www.publishwhatyoupay.no/en/node/16874>

¹² PWYP has been focused on EITI since it became established in 2006, and MFA funding supported its expansion and continued work (interview December 2015). For more background on PWYP's early involvement in EITI see <http://www.publishwhatyoupay.no/en/about-pwyp-norway/history/history>

and Colombia (2014/15). The TNJ launched the Global Alliance for Tax Justice in 2013 to coordinate regional and global advocacy and campaigns, working with partners in Africa, Asia, Latin America, North America and Europe.

Norwegian funding has also enabled civil society to play an important role in the research agenda. Reports from Caritas, Christian Aid, Copperbelt and Oxford University along with advocacy work (including the launch and operation of a minewatchzambia website) have been effective influencing tools and ensured political commitment, company compliance and national interest (personal communication). This research has focused attention on the IFF agenda. Interviewees noted how a number of scandals (Amazon, Google and Starbucks in Europe; and SAB Miller, Glencore and Allied British Foods in different African countries) had increased the pressure on the authorities to do something.

Research on Illicit Financial Flows

The knowledge generation and dissemination component of the TfD programme aims to increase research and dissemination of findings on taxation and capital flight to contribute to the knowledge base on the relationship between tax and development, to communicate this knowledge and to strengthen the research capacity of the cooperating partners in developing countries. Support has been provided to both Norwegian and international research programmes, focusing on taxation, development, capital flight and tax havens.

The Commission on Capital Flight pushed forward the formation of the TfD programme and inspired a Norad IFF study in Tanzania.¹³ The Commission recommended that a research facility be established to develop expertise on tax evasion and international taxation. Subsequently, a research committee was formed to develop a programme document collaboratively for the TaxCapDev programme:

¹³ At the time of writing, the study was in its final stages and it was not possible to get any further information.

Taxation, Institutions and Participation: The Dynamics of Capital Flows from Africa.¹⁴ The programme investigates the effects of tax havens on the domestic revenue system, institutions and citizen participation in Africa, with a focus on Angola, Tanzania and Zambia. It aims to generate new, contextualised evidence on the political economy of domestic revenue mobilisation, institutional development and state legitimacy in countries exposed to large-scale capital flows.¹⁵ Established under the Norglobal programme with MFA and funded via the Research Council, it started in mid-2014 with five projects that will run until 2018.¹⁶

¹⁴ The group included academics, lawyers, CSOs and civil servants and the programme document was authored by Halvor Mehlum, University of Oslo. Norad has a research department staff member on the project board, although changes in staffing have limited continuity.

¹⁵ CMI Taxation, Institutions and Participation project: <http://www.cmi.no/research/project/?1797=taxation-institutions-and-participation-tip#home>

¹⁶ Three projects received NOK 5 million each and two received NOK 15 million. The remaining funds were allocated to building an international research network on IFF around the five projects of TaxCapDev. Future funding is unclear.

The Research Council allows programmes to progress independently, monitoring delivery against targets. It focuses on peer-reviewed articles for dissemination, which can overlook communication of the research to the public, who are ultimately funding it through taxation. To address this, the TaxCapDev programme has included TJN as a partner and has reached out to MFA and Norad to initiate seminars and to increase awareness of the research. Two international conferences are planned.¹⁷

¹⁷ One in October 2016 in Bergen led by CMI and another in 2017/18.

4. Findings

The analysis that follows summarises the findings from interviews and the review of the secondary literature to respond to the evaluation questions, summarised under broad headings. For more information on the evaluation questions, see the synthesis report. The nature and scope of the engagement was presented in the overview of the advocacy engagement, Section 3.

4.1 THE DECISION-MAKING PROCESS AND INFORMATION BASE

The political decision to pursue IFF as a central development strategy was motivated by the need to defend aid in the public sphere and by the recognition that achieving even a small reduction in IFF would amount to redirecting substantial financing to public sector spending (MFA, 2008–2009). Interviewees noted that this high leverage motivated the Norwegian government to pursue this agenda, despite it being an area where decisions are made by states and through global agreements that are often outside the development arena. This rationale is underpinned ideologically by Norway's foreign policy commitment to the rule

of law and support of open societies, as well as the strength of Norway's international partnerships, discussed further below (OECD, 2013).

Once the decision to have IFF as a cornerstone of development policy had been made, the way decisions were made to design and embark on advocacy engagements in the field of IFF appears to have been based on a range of influences at different times. Personal interest, based on the experiences of key individuals, appears to have motivated the development of an interested coalition of actors within the government of Norway who, with support from the political leadership, drove the agenda forward. This can be seen in the formation of the 2008 Commission on Capital Flight, where the role of key individuals was recognised by interviewees. Eva Joly provided the inspiration for the Commission, and her close working relationship with Minister for International Development Erik Solheim generated strong political leadership.

An openness to civil society also influenced decision-making. Most interviewees considered

CSO voices important in shaping the agenda, reflecting the role they play in development policy in Norway. An example of this influence can be found in how Norwegian CSOs lobbied Parliament in relation to country-by-country reporting (CBCR) legislation. In 2012/13, a proposal on CBCR was put to the Norwegian Parliament, triggering an intensive process of consultation and revision. In December 2013, Parliament passed the revised law, which stated that Norway would implement CBCR for the extractives and forestry industries.¹⁸ The law and its regulations contained exceptions, notably a clause to exclude reporting where the company had supportive functions – that is, in tax havens.¹⁹ These weaknesses received a strong reaction from civil society and the media.²⁰ Although the law became effective

18 <http://www.financialsecrecyindex.com/PDF/Norway.pdf>
See regulations: <https://www.regjeringen.no/no/aktuelt/forskrift-om-land-for-land-rapportering/id748537/>

19 For more information see <http://taxjustice.no/ressurser/land-for-land-har-landet>

20 For some of the dialogue with civil society on the legislative revisions, see <http://www.publishwhatyoupay.no/en/node/16407>

in January 2014,²¹ civil society continued to report on the legislation, and in June 2015 the Norwegian Parliament voted to require companies to report on their activities in tax havens, with some controls on the submitted reports.²²

The information base has been gradually built over time, and this has informed decisions and also generated more interest in IFF. Since the 1990s, Norad has been generating and funding research on tax and development issues, providing a growing evidence base on policies at country levels. Other sources of evidence include media reports on the operations of MNCs, civil society publications on the operations of tax havens and estimations of the scale of IFF (e.g. Christian Aid, 2008; Shaxson, 2012; Aarsnes, 2013; Clough et al., 2014; Kar et al., 2015). The 2008 Commission

on Capital Flight both generated interest in the agenda and recommended further government support for research, leading to the TaxCapDev programme and developing networks to increase international pressure on IFF.

4.2 THE TIMING OF THE ENGAGEMENT

By the start of the evaluation period in 2005, the foundations for the IFF agenda had already been laid. Studies had discussed the problem of capital flight (e.g. World Bank, 1993), and the G7 had established the Financial Action Task Force (FATF) in 1989 as a forum for combating money laundering (MFA, 2012–2013).²³ Since the early 1990s, research on taxation in developing countries had been ongoing; interviewees noted the interest and support from Norad and MFA staff through the organisation of seminars in embassies and in Oslo.

In the early 2000s, a small group of people from civil society, Norad, MFA and other donors and the academic community were interested in the area, and IFF gained prominence in Norway

from the mid-2000s onwards. From 2005/06, MFA started diplomacy efforts to push the agenda, although at the time this was on only a relatively small scale, with small amounts of spending. Gradually, people joined in the work and the group of interested and influential people grew both within government and in civil society.²⁴ The period 2006/07 to 2010/11 was the height of the work. Several interrelated turning points can be identified around this time within the government, in civil society and in the global economy.

In 2006, the term IFF was coined and became internationally recognised as an umbrella term for three types of flows.²⁵ Norway took the chair of two working groups in 2006/07: the Leading Group on Innovative Financing for Development and the Leading Group on Solidarity Levies to Fund Development, facilitating the introduction of IFF onto the agenda (Spencer, 2010; Lesage and Kaçar, 2013). As the Leading Group on Solidarity Levies to Fund Development lost

21 <http://www.financialsecrecyindex.com/PDF/Norway.pdf>

22 Proposal 40: <https://www.stortinget.no/no/Saker-og-publikasjoner/Saker/Sak/Voteringsoversikt/?p=61783&dnid=1>
<http://www.financialsecrecyindex.com/PDF/Norway.pdf>
For more background on the parliamentary positions see:
<http://www.publishwhatyoupay.no/en/node/16775>
<http://www.publishwhatyoupay.no/en/node/16781>
<http://www.publishwhatyoupay.no/en/node/16643>

23 Norway held the presidency of FATF from July 2012 to July 2013.

24 These included Eva Joly, Harold Tollan, Lise Stensrud and Morten Erikson.

25 Coined by Raymond Baker and Tom Cardamone.

influence, Norway initiated the Task Force on Financial Integrity and Economic Development to increase momentum, discussed above.

Therefore, a coalition with civil society and the formation of an arena for the engagement was established when the international context provided opportunities for increased uptake. The global financial crisis in 2008 pushed taxation onto the global political agenda in Europe and the US, increasing the momentum and international interest in the agenda among governments and civil society. Governments involved were those of Chile, Finland, France, Germany, the Netherlands and Norway. The crisis directed discussion to the G20 in 2009, when the OECD was tasked with developing new tax exchange rules, presenting an opportunity within Europe and the OECD for discussions. Significant international events such as the passing of the Dodd Frank Act in the US and the UN's Financing for Development conferences were also pivotal in further increasing IFF momentum. The High Level Panel chaired by Thabo Mbeki called for a shift in focus from criticising governments for not

addressing the issue of IFF to working with governments to curtail the problem.

Interview respondents unanimously felt the government of Norway had played a central and leading role in getting IFF onto the international agenda being led by the EU and the OECD in Europe and by the AU, the World Bank and IMF globally. Initially, the government's work focused on developing countries, but the global financial crisis raised the issue on the agenda in Europe and the US as the scale of tax losses and associated risks became apparent. The influence of Norway's advocacy work thus increased as a result of the opportunities presented by the global climate.

By 2011/12, IFF was well established on the international agenda, with the World Bank, the OECD and the IMF. Erik Solheim, Minister for International Development, took the OECD Development Assistance Committee (DAC) chair in 2013, providing continuity of the agenda through his leadership of DAC and highlighting the importance of the coalition of influential individuals working on IFF.

In 2013 in Norway, the centre-right coalition government won the elections. Although the country recognised the continued importance of the agenda, it stepped back from its leadership position.²⁶ Also, restructuring and funding cuts took place: the post of minister for international development was discontinued and responsibility for development was transferred to MFA; funding for development was reduced by 21%, affecting, along with other areas, IFF civil society and research (Anders, 2015).

4.3 RELEVANCE OF ENGAGEMENT AND NORWAY'S COMPARATIVE ADVANTAGES

The Norwegian government led the agenda on IFF along with civil society. An important feature of Norway's adaptiveness was the 'open and frank' dialogue with civil society (OECD, 2008). Interviewees highlighted how Norad was responsive and listened to messages from civil society. This was the only aspect that could be considered responsive to the context; otherwise, the government was

²⁶ The centre-right coalition government comprises the Conservative Party and the Progress Party, with parliamentary support from the Liberal Party and the Christian Democratic Party via an agreement.

key in raising the profile of the agenda ahead of and then alongside increasing international interest in IFF as the financial crisis took hold. Certain characteristics of the government meant it was well placed to lead the agenda.

Relevance

Norway has extensive experience and an established reputation in developing a fair and effective tax system, in terms of both the taxation of natural resources and an efficient tax administration. International networks and partnerships that allow Norway to ‘punch above its weight’ have meant it was influential in taking the agenda forwards (OECD, 2013b).

With growing global attention to IFF, the 2008 Commission on Capital Flight clearly placed Norway at the forefront of the agenda. This was reinforced by the funding of follow-up initiatives: this prompted an effective advocacy campaign and provided a platform for experts with an understanding of the operations of natural resource industries to engage with the government.

Comparative Advantages

The OECD DAC 2013 peer review recognises areas linked to IFF as ‘innovative initiatives... [that] draw on Norway’s specific comparative advantages, such as the Oil for Development, the Tax for Development and the Energy+ initiatives’ in response to a growing market demand (OECD, 2013b: 17). Specifically, the comparative advantages that meant the government was well placed to take a leading position in the advocacy effort on IFF included 1) its long-term experience managing the taxation of natural resources; 2) the innovative ethos of Norad and its willingness to take risks with new initiatives; and 3) Norway’s established networks that were built on to form a strong and effective coalition.

First, the government’s work on the taxation of natural resources meant there was a strong understanding of the wider policy environment and the institutional capabilities necessary to manage resource flows. The government’s reputation for managing revenue flows from the oil and gas sectors is explicitly recognised in the Oil for Development programme as strate-

gic ownership by the state; strong and competent institutions; continual accumulation of technical knowledge; and an advanced regulatory system.²⁷ At a technical level, NTA was well placed to offer support to developing country revenue authorities. Norway’s reputation as one of the least corrupt countries and its history of dealing with oil and gas revenues meant it was respected in the international sphere and had strong convening power, drawing on experiences networking on peace processes and land mines.

Second, Norway’s reputation as a progressive government that takes up niche issues, both with CSOs and on the international stage, was evidenced by the responsiveness of the leadership to CSO requests for support. Norway’s reputation has earned the ear of other countries in the international sphere. Interviewees noted how Norad and MFA had been willing to take risks and to push boundaries in areas that others shied away from. Norway’s foreign policy

27 <https://www.norad.no/en/front/thematic-areas/oil-for-development/oil-for-development-programme/>

commitment to democracy and the rule of law and its support of open societies have underpinned its pursuit of progressive issues (OECD, 2013b). IFF is one of these, and the OECD DAC 2013 peer review highlights TfD as an example of a 'willingness to try out new ideas and approaches' to development (OECD, 2013b: 19). Part of this willingness to be innovative and flexible may owe to an avoidance of the strong audit culture and results management restrictions (Gulrajani 2015).

The high degree of managerial autonomy of embassy staff permits them the flexibility to respond to country needs and changing contexts (OECD, 2013b). Interviewees noted how the circulation of staff from country offices from Norad to MFA provided a wealth of experience and understanding of developing country issues and challenges. The benefits of this rotation are now less apparent as the transfer of staff between Norad and MFA has reduced, eroding the technical knowledge that previously underpinned policy formulation.

Third, the establishment of an effective coalition based on Norway's established networks allowed the government to benefit from civil society building knowledge on how industries work, how the global fiscal system operates and how IFF function around the world. This was enabled by the progressive ethos of MFA and Norad, which was responsive to the work of civil society, as noted by interviewees.

4.4 THE ACHIEVEMENTS OF THE ENGAGEMENT

Norway spearheaded the international policy dialogue on IFF and the fight against tax havens. 'The government of Norway has been a major contributor to the development and significant advance to the research of illicit financial flows' (Queiroz, 2015). The desired outcomes of its advocacy work on IFF can be summarised as:

1. A strengthened evidence base on tax and development issues.
2. Increased transparency and improved public debate, especially in developing countries to help in holding tax authorities to account
3. Improved international tax laws and regulations in relation to MNCs' reporting

obligations, transparency with regard to transaction and ownership structure as well as exchange of tax information between tax administrations.

4. Contributing to improving tax systems and strengthening the capacity of the tax authorities, which in turn will increase tax revenues and funding for development and poverty reduction programmes.

Considering each in turn, first, since before the start of the evaluation period, Norad has been funding research and evidence on tax and development issues, providing a growing evidence base on policies at country levels. Following the Commission on Capital Flight's recommendation that a research centre be established, this evolved into the TaxCapDev programme, funding three substantial research programmes, which are now starting to produce research. Norwegian government-funded CSOs have contributed to the evidence base on policy discussions and also to the methodology debate on how to measure IFF. Their work has been part of a concerted effort to increase media coverage and raise public opinion and

has contributed to achievements in the third outcome area of ‘enhanced public debate’. Key to the continuation and development of the agenda has been the establishment of this body of evidence and an active debate on the technical issues. This has had an indirect impact on legislative developments, as discussed below.

Second, the Norwegian government’s advocacy work has been important in improving the quality of public debate, particularly in Europe as the European CSO network has strengthened. Interviewees cited how media attention surrounding lobbying of the US Congress had changed public opinion, which in turn was key to changing government policy. This injected momentum and interest into the agenda elsewhere. International attention has also strengthened through Norwegian-funded CSO efforts to build an international coalition, such as through TRACE. In Africa, public debate has been stimulated, as evidenced by the SAB Miller, Glencore and Allied British Foods scandals.

Third, interview respondents unanimously felt the government had played a central and leading role in getting IFF onto the international agenda. Global work supported by Norway, including through the Global Forum on Transparency and Exchange of Information for Tax Purposes, has reportedly influenced the decisions of many countries, including tax havens, to enter into new agreements and join the multilateral Convention for Mutual Administrative Assistance in Tax Matters, requiring countries to exchange information for tax purposes. Relatedly, several countries have changed their domestic legislation to comply with new international standards.

The generation of a body of evidence and the technical debate have had an indirect impact on legislative developments. However, it has taken time for the advocacy work to change legislation, and the path has often been difficult, with many revisions and challenges between legislative bodies and expert voices. Interviewees commented in detail on the process of changing the CBCR legislation. Among interviewees were differing opinions about the

scope of the work of the OECD in particular: while progress on CBCR has been made, the absence of a public registry enables the continuation of secrecy. However, it is clear that this international uptake has resulted in some changes to international tax laws and regulations, notable in terms of CBCR under the Base Erosion and Profit Shifting (BEPS) project and beneficial ownership.²⁸ This has been achieved through active responses to CSOs’ requests for financing to carry out advocacy work and research and to build international coalitions.

Finally, improving tax systems and strengthening the capacity of tax authorities has been a challenging aspect of the Norwegian government’s advocacy work, as it depends on local ownership. Norad’s work in Zambia on mining was timely as it supported a dynamic domestic drive and strong local ownership to reform legislation. Institutional cooperation helped bring about a new regime for mining taxation, leading to increased tax revenues. In contrast,

²⁸ It is beyond the scope of this study to include details on progress achieved in terms of beneficial ownership and CBCR.

support to the Tanzanian TRA while it contributed to capacity-building was challenging at times, and the partnership ended in 2013, as discussed below. Lack of baseline project documents makes assessments of outcomes challenging (Fjeldstad and Heggstad, 2012).

4.5 DRIVERS

The most notable drivers were found to be 1) capacity and human resources; 2) the influence of civil society; and 3) the external influence of the timing alongside a growing international interest in IFF. These contributed towards the development of an international network based on efforts to build a coalition and a body of evidence.

First, all interviewees noted that the drive and capacity of key people working in the Norwegian government on the area had been important to the progress achieved. These people were considered hard working and politically astute. Senior advisers had the vision of creating synergies to drive a global movement, recognising that addressing IFF was important to defend aid spending. Even though the team of

people in Oslo was small, their drive, focus and interest were high.²⁹ An example of the central role of individuals was in the formation and conduct of the 2008 Commission on Capital Flight. Various interviewees cited individuals who were influential in the establishment, conduct and impact of the work of the Commission: Minister for International Development Erik Solheim, to whom it reported and who spoke about the conclusions in different settings; Eva Joly, who provided inspiration for the Commission; and Guttorm Schjelderup, who chaired and steered it.

Also central were technical staff in embassies. Desk officers in Norad who appraised proposals were enthusiastic and wanted to be involved with the work, although a challenge that concerned the technical staff was high turnover and the associated loss of institutional memory. This high advisory and technical capacity came under strong leadership at the ministerial level, with a clear vision. The

²⁹ Interviewees repeatedly mentioned a number of names as being important in the narrow coalition within the Norwegian government. These included Eva Joly, Harold Tollan, Lise Stensrud and Morten Erikson.

minister was also responsive to the opinions of staff and civil society, as discussed below.

Second, the interviews reflected a mutual respect among the key actors in government and civil society for the role each was playing and their respective influences on the agenda.³⁰ This reflects the important role civil society plays in development policy in Norway (OECD, 2008). Interviewees commented that individuals within CSOs and senior academics with a long history in the area were able to apply their understanding and analytical skills to push the agenda forward and were also important in raising the agenda within government. Their work gained traction as the leadership, notably the minister and deputy minister for development, were responsive to the input and advice received.

Finally, as noted above, the engagement took place against the backdrop of the financial

³⁰ Government interviewees recognised civil society for its catalytic role and a number of civil society interviewees pointed to the government as being aware of the agenda before CSOs had effectively organised themselves.

crisis, when the international context provided opportunities for a substantial influence and to build an international network. The international context raised the issue on the agenda and presented an opportunity within Europe and the OECD for discussions that drew on experience the government had gained from the networking effort on peace processes and land mines.

As discussed above, the extensive body of evidence that was built on IFF was both an output of the advocacy effort but also an advocacy input, as it also drove forward further advocacy. It has both increased understanding of the importance of the issue and stimulated a debate on the methodology.

4.6 CHALLENGES AND CONSTRAINING FACTORS

Challenges and constraints can be grouped into factors internal to the Norwegian government, such as 1) resource availability, which includes staffing and the capacity to make longer-term commitments, and 2) the relationship between government agencies; and external factors,

including 3) local ownership and 4) the governance structures of multilateral organisations.

First, despite the successes noted above, it might have been possible to achieve even more if more resources had been available for IFF. This can be considered a mismatch between capacity and scope – such that there is limited capacity in the government for a highly technical issue of broad scope. Interviewees noted that resources were limited and more could have been achieved with greater funding and consequently higher capacity. If capacity in the government were greater, particularly in the early years of the engagement, the agenda could have been taken forward further, perhaps increasing the lobbying and capacity-building in multilateral agencies. The impact of high turnover is particularly acute in such a highly technical area, and interviewees recognised the high turnover of embassy staff and the associated loss of institutional memory as a challenge. This is of increasing relevance in recent years, as the agenda and associated financing have declined as a priority in Norway.

If increased resources were combined with extended life of initiatives, partnerships could be strengthened and sustainability increased (OECD, 2013b). The Tfd secretariat ran for only two years, and limited capacity meant other partners were engaged in this support to tax authorities, including the IMF, DFID and the EU. In terms of institutional strengthening support, long-term engagement is necessary to build trust and increase the capacity of tax authorities and subsequently raise tax revenues. Programme duration is often too short, and, if committing NTA staff is accorded a lower priority, programmes face a lack of staff continuity (Moore et al., 2015).

Second, Norad and MFA are innovative actors on the international stage, and the establishment and work of the Commission on Capital Flight is an example of boundaries being pushed and radical and progressive agenda-setting work. Tensions between agencies can therefore be considered an inevitable part of the process of change, particularly when it concerns a politically sensitive agenda. This agenda was

no exception, and there were some tensions with the Ministry of Finance. If there had been a united government throughout the process, it is possible that even more could have been achieved in a shorter time period and the advocacy initiative might have been more effective.³¹

Third, turning to the external factor of local ownership, we discussed above its importance in the success of the Zambian mining legislation reform. In contrast, where local ownership of reform is not so strong, as in Tanzania, this presents a constraint to the development of capacity and continued programme implementation.

Fourth, governance issues also affected the capacity of the OECD, the G20, the Global Forum and EU to address tax evasion via tax havens. While the organisations had a desire to more actively pursue the agenda, a combination of the politically sensitive nature of

31 Although beyond the scope of the current study, further investigation of the relationship between different Norwegian agencies would increase understanding of the potential results of increased interagency cooperation

taxing rights, the organisations' governance structure and strong corporate lobbies and the scale and complexity of the challenge has limited the progress they have been able to make.³²

4.7 SUSTAINABILITY OF THE ENGAGEMENT

Important aspects of sustaining the engagement are 1) international partnerships; 2) the coalition with civil society and their global outreach; 3) the body of evidence generated that has stimulated debate and increased public awareness through dissemination in the media; and 4) branding of Norway's work.

As well as considering these aspects, this section discusses how momentum has changed over time and the risks to sustainability. These include 1) a narrow coalition within government and the central role of individuals; and 2) high dependency on political support. To consider how engagements may end, we discuss the adjustment in the Tfd programme.

32 An interviewee observed how this results in the lowest common denominator being adopted and all proposals being watered down.

Positive Influences on Sustainability

First, the Norwegian government used its international partnerships to call attention to IFF. Part of this involved building on existing partnerships; another strand of this strategy was the roles key individuals played in multi-lateral bodies, such as those of Eva Joly in the European Parliament and Erik Solheim in the OECD. As noted above, partnerships and sustainability could be enhanced if greater resources were dedicated to the area.

Second, the Norwegian government's long-term support to CSOs has helped build an international coalition that has over time increased in strength and capacity. The partnership between the government and CSOs was important for the advocacy effort. The government provided the financing, dissemination and moral support and also brought other governments together. These networks, coalitions and partnerships were important for the sustainability of the advocacy outcomes. Through support to civil society, Norway has contributed to building awareness on the international financial system and its development

and has built the capacity of CSOs. These implementing agencies have, in turn, built their own networks within Europe and internationally, increasing the sustainability of their advocacy outcomes. Examples include PWYP's TRACE rounds and TNJ's Global Alliance for Tax Justice. The FTC, with GFI at the chair, is a global network of more than 150 CSOs, 14 governments and numerous IFF experts. Third, in addition to networking, CSOs have continued building a body of evidence, holding conferences and publishing newsletters and opinion pieces in the media, increasing public awareness.³³ Research programmes have been conducting dissemination work involving work with civil society, presenting findings to embassies and Norad/MFA and publishing papers.

Finally, the branding of activities under the TfD banner was an effective advocacy strategy as it made Norway's support to IFF visible, accessible and understandable to external audiences.

³³ <http://www.publishwhatyoupay.no/en/archive/newsletters/our-newsletters-can-be-found-here>

Negative Influences on Sustainability and the End of Engagements

First, while it is notable that a strong international network was developed, the network within the government working on IFF was narrow, centring around MFA and Norad and involving NTA and the Ministry of Finance to a lesser extent. Other government agencies were invited to participate but their constrained capacity forced prioritisation of other agendas. This narrow coalition has consequences for sustainability, particularly in an environment of increasingly limited funding. The drive from a small number of committed individuals within the government has been important for the establishment and success of the advocacy agenda, but this also presents a risk for sustainability.

Second, Norway's advocacy on IFF benefited from strong political leadership at the height of the agenda, but, given its highly politicised nature, momentum reduced during the evaluation period as a result of changing political priorities. As discussed above, the engagement gradually increased in momentum until the late

2000s. Alongside increasing uptake of IFF issues on the international agenda, and with the new Norwegian government, Norway's leadership reduced, a pattern the majority of interviewees noted. As discussed above, resource availability directly influences sustainability; staff turnover is a particular risk, given the technical nature of the area. Recent financial pressures are expected to further reduce resources directed to international development, therefore also affecting the sustainability of the IFF advocacy engagement. The post of minister for international development has been discontinued and responsibility for development has been transferred to MFA, placing further strains on available capacity; funding for development has been reduced by 21%, as a result of the financing demands of the refugee crisis (Anders, 2015; Ministry of Finance, 2016). Despite this reduced momentum, Norway remains ahead of most governments in understanding the issue and the global agenda and in taking steps to move forward.

In terms of the end of an engagement in the area of IFF, the TfD Secretariat in Norad was

closed in 2013, although no decision was made about closing the programme or the branding. Norway continues to support many related projects and organisations, and the knowledge generation and dissemination work, the international cooperation and the support to civil society continues. The symbolic nature of the programme means that the branding that brought different areas of support together within a coordinated framework continues. As the programme coordination was more symbolic than effective, the decentralised working methods continued. There were several influences on the decision to close the secretariat. These included implementation problems in Tanzania and a reduction in the momentum on work on taxation with the new government.

As the different experiences of Zambia and Tanzania illustrate, strong local ownership is necessary to achieve notable results and is important for the sustainability of initiatives.

NTA's implementation challenges in Tanzania were associated with the location of the programme outside TRA's corporate plan and outside the modernisation programme, which reduced the priority of the programme. Although now it has become a part of the modernisation programme, its earlier outside location may have contributed to the challenges NTA experienced as it attempted to engage with TRA. During one mission, TRA was not available and NTA concluded that it was not receptive to support. A project report noted that 'The Commissioner General of TRA has been very supportive to the project. But whether there is full support for the collaboration from all mid-level managers is unclear. NTA's general impression is that sceptical staff has become [sic] more positive through seminars and discussions' (NTA, 2012). Several interviewees commented how these difficulties had cumulated in NTA being unsure whether or not it was adding value.

5. Conclusions

Norway is a small country that has had limited funds to work on an agenda where decisions are made by states and through global agreements that are often outside the development arena. Despite this, its financing, convening and dissemination efforts have played an important and leading role in elevating IFF onto the international agenda. Norway has not been afraid of standing out and pursuing a highly contested agenda: ‘Norway is the only Nordic country to stress the importance of combating illicit capital outflows... and curtailing international tax havens’ (Odén, 2011).

The advocacy effort has been structured and broad, using experts and funding external organisations. If normal diplomacy is considered to be bilateral, involving government-to-government lobbying, or to be with multilateral agencies, here it went beyond this and brought together experts from civil society and academia, creating an effective external coalition. This arguably resulted in a mismatch between capacity and scope, such that a small number of people in government (a narrow public sector

coalition) is working on a broad and highly technical agenda, engaging a range of external experts (a broader external coalition). While this has enabled achievements with relatively little funding, it does present a risk for the sustainability of the engagement.

Increased and sustained funding of the advocacy strategy, technical work and human resource capacity in MFA and Norad would have allowed even more to be achieved. A precise analysis of financing is not possible, however, as, along with other governments, Norway faces the challenge of monitoring spending on IFF. There is a notable lack of data on financing of Norway’s work on IFF, given the dispersed management of IFF, the large number of projects and the crosscutting nature of the activities. This presents a challenge for monitoring progress towards meeting targets, such as the pledge to double efforts on IFF made in Addis Ababa in July 2015. It is hoped that the continuation of work to map engagements in the area will improve monitoring of spending.

The Norwegian government’s comparative advantages that meant it was well placed to take a leading position in the advocacy effort on IFF included 1) its long-term experience managing the taxation of natural resources; 2) the innovative ethos of Norad and its willingness to take risks with new initiatives; and 3) MFA/Norad’s established networks with international organisations and Norwegian and international CSOs to support work on IFF.

The coalition of people working on the IFF agenda in the government was critical but also narrow, depending on the dedication of a few people. Key individuals ranged from senior staff to more junior and technical staff in government. Senior advisers had the vision of creating synergies to drive a global movement. The circulation of staff from country offices from Norad to MFA provided experience and understanding of developing country issues and challenges to inform new agendas. This also presented challenges related to institutional memory, however. The benefits of this rotation are now being lost as the transfer of staff between Norad and MFA has reduced.

Norad and MFA played an important role in taking forward work on an innovative and challenging area. They are willing to take risks and to push boundaries in areas that others shy away from. This case study found that this flexibility was central to the early work that pushed IFF onto the international agenda.

Individuals within CSOs and senior academics with a long history working in the area were able, with financing and support from government, to apply their understanding and analytical skills to push the agenda forward. The extensive body of evidence built on IFF has both increased understanding of the importance of the issue and stimulated a debate on the methodology. This was dependent on funding to research. Meanwhile, mutual respect among all parties created a strong and supportive coalition. The combined effort of the Norwegian government and civil society resulted in a major contribution and, when civil society produced estimates of the scale of IFF, there was no resistance from government, as might have been expected and as was seen from other governments.

Civil society actors felt the moral and intellectual support of government, in addition to the funding, was important.

However, Norway's leadership of the IFF agenda might have been maintained had the coalition been broader and included experts from different backgrounds, such as industry, who might have presented important different perspectives and understanding of the secrecy jurisdictions. Also, if the dedicated Oslo coordinator for TfD had remained in place the programme might have continued more strategically.

This case study presents an argument for focusing on and continuing work in areas where Norway has experience and an established reputation. In recent years, Norway's leadership of the IFF agenda has reduced. If it had continued to lead the agenda, it could have maintained an influential position, based on its strong reputation and precedence. Recent revelations indicating the scale of the problem highlight the need for continued efforts by multi – national agencies and national governments in this area.

POSTSCRIPT

Beyond the evaluation period ending in 2015, a number of global developments have increased the international focus on IFF. These include the World Bank presenting its report on IFF, conducting stocktaking work on the sector and outlining future engagements for the Bank (World Bank, 2016); and the Panama Papers, which have raised international awareness of the scale of tax avoidance and stimulated efforts by the US to close loopholes.³⁴

³⁴ <https://panamapapers.icij.org/> and <http://www.theguardian.com/news/2016/may/06/panama-papers-us-launches-crackdown-on-international-tax-evasion>

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Annex 2: List of interviewees

Name	Position	Organisation
Frian Årsnes	Chair	PWYP Norway
Raymond Baker	President	GFI
John Christensen	Director	TJN
Morten Eriksen	Senior Public Prosecutor	Økokrim
Odd-Helge Fjeldstad	Research Director	International Centre for Tax and Development
Alessandra Fontana	Governance Adviser	Development Cooperation Directorate, OECD
Sigrid Klæboe Jacobsen	Executive Director	TJN
Matti Kohonen	Principal Adviser	Christian Aid
Lise Stensrud	Policy Director	Norad
Eva Joly	Minister	European Parliament
Olav Lundstøl	Counsellor	Economy and Energy, Norwegian Embassy Brazil
Guttorm Schjelderup	Director	Centre for Advanced Studies in Economics, Norwegian School of Economics and Business Administration
Erik Solheim	DAC Chair	OECD, Norwegian Minister of International Development 2005–2012
Mona Thowsen	Secretary General	PWYP Norway
Harald Tollan	Senior Adviser	MFA, Norway
Tanja Ustvedt	Senior Adviser	Norad

Annex 3: Summary of agreements in database

The database was searched using the keywords “tax” or “illicit financial” together with any of the following: Advoca, campaign, Influenc, legislat, lobby, Activis, policy maker, policymaker, Litigat, policy, politic, media, policies. There were 30 results from the search, with the following attributes.

Partners were most often Norwegian and international NGOs, accounting for just under half (14) of all (30) partners. Local NGOs were also found to often be partners (5) and multi-lateral institutions (3) and developing country governments (3) were also supported. Half of the agreements were with Africa. Most were established in 2014 (17) and 2011 also saw a number signed (8).

Group of Agreement Partner	Count
NGO Norwegian	7
NGO International	7
NGO Local	5
Multilateral institutions	3
Governments/Ministries in developing countries	3
Other countries private sector	2
Public sector other donor countries	1
Consultants	1
Public sector in developing countries	1

Main Sector	Count
151 - Government and civil society general	25
998 - Unallocated/unspecified	2
230 - Energy generation and supply	1
322 - Mineral resources/ mining	1
160 - Other social infrastructure and services	1

Sub Sector	Count
50 - Democratic participation and civil society	7
12 - Decentralisation and support to subnational government	5
53 - Media and free flow of information	5

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11 - Public finance management	5
10 - Public sector policy and administrative management	2
20 - Promotion of development awareness	2
10 - Energy policy and administrative management	1
10 - Mineral/mining policy and administrative management	1
10 - Social/welfare services	1
13 - Anti-corruption organisations and institutions	1

Recipient Region	Count
Africa	15
Not geographically allocated	8
Asia	4
America	1
Europe	1
The Middle East	1

Year	Count
2014	17
2013	1
2012	1
2011	8
2010	2
2009	0
2008	1
2007	0
2006	0
2005	0

Annex 4: Timeline detailing bilateral and multilateral events and civil society events and developments, with a particular focus on CBCR

Time	Bilateral and multilateral events	Civil society events and developments
2003	January: UNDESA established Financing for Development Office	CBCR formulated by TNJ
2005	2005 Raymond Baker's Capitalism's Achilles heel published	CBCR translated standard into Norwegian and launched in public debate
	Norwegian parliamentary elections	
2006	Leading Group created	GFI formed and term illicit financial flows (IFF) coined
2007	Plenary meeting of Leading Group of Countries, Seoul (September), assigned Norway as head of Task Force	November: The Guardian, following consultation with TJN, published exposé of how banana trading companies use offshore subsidiaries to shift profits to tax havens , attracting global interest
	World Bank released paper on odious and illegitimate debt	IFF term introduced to Leading Group on Solidarity for International Development
2008	Global financial crisis	Christian Aid report Death and taxes
	Norwegian Commission on Capital Flight from Developing Countries set up	
	April: World Bank Roundtable Discussion on Odious and Illegitimate Debt	
	October: World Bank Conference on Debt	
	MFA White Paper on <i>Climate, conflict and capital: Norwegian development policy adapting to change</i>	
	Norwegian Task Force issued a final report	
2009	January: Norway-supported Task Force on Financial Integrity and Economic Development launched, GFI leading; this later became the FTC	Tax justice rises up the political agenda: https://www.opendemocracy.net/uk/john-christensen/ten-years-in-campaign-for-tax-justice-we-have-long-way-to-go
	G20 summit in London, requested OECD to prepare new tax information exchange rules (Kohonen, 2014)	Norad and MFA's global FTC established
	Norwegian parliamentary elections	
	Conference in Oslo (CMI and Norad) with 400 people and World Bank follow-up conference the next day	

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Time	Bilateral and multilateral events	Civil society events and developments
	September: First conference of Task Force on Financial Integrity and Economic Development), in Washington, DC	
2010	Commission's Tax havens and development released, with recommendations that mainstreamed the issue; around 30–40 organisations responded to the hearing and the first government-commissioned and public document to refer to CBCR emerged	GFI meeting in Washington, DC for civil society
	July: US Dodd Frank Act came into effect requiring country-by-country and project-by-project transparency of payments by companies to governments in all extractive sector enterprises (Kohonen, 2014)	
	First World Bank Conference of the FTC, September 2009, Washington, DC	TJN Norway launched
	UN Conference on World Financial and Economic Crisis and its Impact on Development	
	October: EU public consultation on CBCR	
2011	Motion to European Parliament citing Tax havens and development report	February: Journalist and author Nick Shaxson's ' Treasure islands ' exposé explained why tax havens are a core issue
	March: Norad's TfD programme launched	
	October: EU proposal on CBCR put to consultation in Norway	March: EITI Global Conference held in Paris; Norway approved as full member as the first OECD country
	October: EC delivers its proposal on CBCR for extraction and forestry industry	September: PWYP Norway launches Piping profits report and database: 10 of the largest mining companies control more than 6,000 companies, 1/3 of them registered in tax havens; report receives over 50 postings in the (mostly foreign) media
	November: G20 in Cannes signed a multilateral tax treaty that developing countries can join as signatories instead of cumbersome bilateral treaties (Kohonen, 2014)	
2012	MFA White Paper on Sharing for prosperity: Promoting democracy, fair distribution and growth in development policy	PWYP Norway ' Lost billions ' study reveals that over \$110 billion 'disappeared' in under and over pricing in the US and the EU between 2000 and 2010
	February: High Level Panel , established by UNECA and the AU inaugurated to address IFF from Africa	November: PWYP conference Financial Secrecy, Society and Vested Interests in Bergen
	September: European Parliament votes for CBCR	
	December: MFA and World Bank sign first agreement on cooperation, giving the Bank more extensive obligations to notify Norway of corruption and the misuse of funds	

Time	Bilateral and multilateral events	Civil society events and developments
2013	OECD's Action Plan on BEPS published	
	Government of Norway's TfD programme closes	
	January: Conference on Tackling Tax Havens and Illicit Financial Flows: How the EU and Nordic Countries Can Take the Lead	
	February: Hans Olav Syversen from the Christian Democratic Party poses several written questions to the government calling for extended CBCR	
	April: Consensus achieved in EU between EC, the European Parliament and the Council about a compromise proposal for a new consolidated accounting directive	PWYP CBCR standard: Policy proposal to EU TNJ launched Global Alliance for Tax Justice to take on all tasks related to coordinating regional and global advocacy and campaigns
	April: Treasury Working Group produces report with suggestions on the kind of CBCR Norway should introduce; presents PWYP Norway's requirements on the extended requirements for CBCR, generating rules that go further than the EU proposed	November: The case for wind drop taxes report released, providing an overview of the various tax mechanisms and looking at how states can push for more efficient and fair taxation of natural resources
	Task Force renamed the FTC	November: PWYP proposal on extended CBCR reporting standard to EU
	June: Loch Erne G8 summit placed automatic information exchange as preferred mode of information exchange along with open company and trust registries (Kohonen, 2014)	Ministry of Finance developing proposal on CBCR; PWYP letters to ministry requesting companies enter eight accounting figures and detailed terminology in proposal; civil society comments on proposal and ministry revises
	June: EU directive adopted including reports on payments to government	
	September: Norwegian parliamentary elections	
	Norwegian Treasury Working Group presents report with suggestions for CBCR details for Norway that go beyond EU proposals and include PWYP Norway's requirements on extended requirements for CBCR (PWYP timeline)	
2014	December: Norwegian Parliament adopts new CBCR rules that go further than EU rules but still have deficiencies, such as excluding tax havens and no requirement for real accounts	
	Global Alliance for Tax Justice, Tax and Transparency fact-finding mission	January: Norway adopts law on CBCR; regulations copy the EU regulations
	February: High Level Panel visit to US receives support	June: European Parliament public consultation on the equivalence of third-country regimes regarding CBCR by extractive and forestry industries
	March: US implements EITI	August: PWYP Norway launches ' Three red flags ', a policy briefing on extended CBCR, which shows only three elements are missing for the law to function as intended

Time	Bilateral and multilateral events	Civil society events and developments
	August: US forms High Level Working Group on IFF	November: Luxembourg Leaks financial scandal reveals names of more than 300 companies benefiting from tax rulings and tax avoidance schemes in Luxembourg
	October: Minister of finance presents CBCR bill to Parliament along with the budget	December: Transparency Agreement published in English and Spanish
		December: Annual Meeting of ICTD programme in Tanzania
2015	February: High Level Panel on Illicit Financial Flows from Africa, chaired by Thabo Mbeki, launches final report in Addis Ababa; Norway invited to attend	Shareholder registry launched after combined efforts of Association of Norwegian Editors and two IT programmers
	May: European Parliament votes for CBCR; Anti-Corruption Conference, Oslo	March: Statoil delivers world's first CBCR; PWYP Norway analyses report and publishes briefing 'Downstream numbers pollute upstream figures'
	June Parliamentary debate was held in Norway on extended CBCR and strengthening of regulation agreed.	
	July: EU parliament votes for CBCR for all sectors (PWYP timeline)	
	Parliament votes against proposal that includes tax havens, prompting debate and reconsideration	
	13–16 July: World leaders meet in Addis Ababa to agree on how to finance development; do not agree on a new tax body but there will be greater focus on the tax area and financial transparency	August: PWYP Norway briefing ' Transparency agreement: A tool for multinational transactions. How to expand and fix the toolbox of tax administration ' published
	October: Government of Norway budget proposes to cut NOK 50 million of development funding and around 20% of foreign aid, justified by the cost of the refugee crisis (estimated at NOK 9.5 billion, less than the tax loss from one company)	
	October: OECD presents measures for reform of the international tax rules , G20 Finance Ministers in Lima	
	Norwegian parliamentary order to Ministry of Finance to include tax havens; in the interim OECD standards were applied that are not public	
	December: US Securities and Exchange Commission votes for disclosure of payments per country and per project without any categorical exceptions, under Section 1504 of Dodd Frank Act	

Acronyms and abbreviations

AU	African Union	ODA	Official Development Assistance
BEPS	Base Erosion and Profit Shifting	OECD	Organisation for Economic Co-operation and Development
CBCR	Country-by-Country Reporting	PWYP	Publish What You Pay
CSO	Civil Society Organisation	TfD	Tax for Development
DAC	Development Assistance Committee	TJN	Tax Justice Network
DFID	Department for International Development	TRA	Tanzania Revenue Authority
EC	European Commission	TRACE	Transparency and Accountability in Extractive Industries
EITI	Extractive Industries Transparency Initiative	UK	United Kingdom
EU	European Union	UN	United Nations
FATF	Financial Action Task Force	UNECA	UN Economic Commission for Africa
FTC	Financial Transparency Coalition	UNODC	UN Office on Drugs and Crime
GDP	Gross Domestic Product	US	United States
GFI	Global Financial Integrity	WTO	World Trade Organization
IFF	Illicit Financial Flows		
IMF	International Monetary Fund		
MEP	Member of the European Parliament		
MFA	Ministry of Foreign Affairs		
MNC	Multinational Corporation		
MoU	Memorandum of Understanding		
NGO	Non-Governmental Organisation		
Norad	Norwegian Agency for Development Cooperation		
NTA	Norwegian Tax Administration		