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New Anti-Corruption Governments:
The Challenge of Delivery
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SPEECH
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Your Excellencies,

Ladies and Gentlemen

“You can fool all the people some of the time and some of the people all the time, but you can’t fool all the people all the time.”

These words of Abraham Lincoln can serve as a message to those who think they can get away with corruption. After a while, people simply stop being fooled.

In recent years we have seen how new political leaders all over the world have courageously committed themselves to fighting corruption. They have promised to eradicate the legacies of the past regimes. Unfortunately this has often proved to be more difficult than expected. Corruption has proved hard to kill. It hits back. And with the accumulated resources of decades, it hits hard. Reform-minded governments have taken many knocks. Strong forces are eager to sidetrack reform processes.

This is a decisive time. Millions of people are depending on politicians to take anti-corruption reforms to the next level. It is time to ensure a continued commitment to fighting corruption. And it is time to make sure that this commitment is carried all the way through.

That is the background for this conference. That is why you are all here. You are here to reinforce the progress already made, and to carry on the momentum. It is an important conference. At a critical time.

Measures against corruption are often controversial. In order to succeed, we need courageous political leaders who will stand by their principles. Leaders who will safeguard the interests of their people, meet their needs and expectations. And we need strong forces - like yourselves - to mobilise support, drive the process forward and push for concrete action.

Corruption is everywhere. In all societies. In Kenya and in Norway. I wish I could tell you otherwise, but my part of the world is not a stranger to corruption either. Although it takes different forms and shapes in different societies, corruption is a challenge that we all have to face. And it is one that we must fight together.

A corrupt person is, in the original Latin meaning of the word, someone who lacks moral integrity. But it is not only a question of morals. My commitment to fighting corruption is founded on my commitment to fighting poverty. The aim of Norwegian development co-operation is to alleviate poverty and promote development. And it is a daunting challenge. It requires global action.

At the turn of the millennium, world leaders decided to do exactly that, to act on a global scale. Every world leader from every country made a commitment to fighting poverty. They agreed on the Millennium Development Goals. The first goal is the most important: to halve the proportion of people living in extreme poverty.

Corruption is stealing from the poor. At the end of the day, the poor are the ones who pay the price of corruption. Corruption hampers their very survival. It deprives them of their fundamental human rights. It is the poor who suffer when schools are not built because someone is stealing the money. It is the poor who suffer when they cannot get medical treatment because medicines are being sold on the private market.

When trusted leaders are driven, not by the interests of people, but by their own economic interests, it undermines democracy and hampers sound economical social development.

There is no fast or easy way to root out corruption. The war must be waged on a broad front. Through many channels and along several dimensions simultaneously. In both a short-term and long-term perspective.

The fight against corruption must be part of the process of building good governance. Reducing the scope for corrupt actors is all about improving governance practices. Key words here are accountability, transparency and controlling mechanisms. An effective judiciary, sound financial structures and high standards in the public administration are all essential. If the components of good governance are in place, the chances are that corruption will be filtered out.

There is a need for structural reform in many countries. But we have seen promising progress made by a number of new governments. We have seen commitment to good governance and democratic values, and a will to restore integrity and accountability. It is vital that this political will is sustained.

In Norway we are committed to strengthening our assistance to partner countries in their efforts to prevent and curb corruption in the context of good governance.

Corruption is often the result of an overstuffed and poorly functioning public sector. Weak institutions encourage corruption, and they are able to deter and eliminate corrupt practices once they occur. Therefore, reforming and strengthening institutions is vital.

Legal institutions must be efficient and they must be independent. Public officials must be accountable and depoliticised. The judiciary is a key institution in the fight against corruption. It must be independent and transparent. A corrupt

judiciary loses its legitimacy and undermines the security and quality of life of the citizens of the country. Public financial management is another area where reform is often needed, and transparency in public expenditure is essential.

A good governance framework is necessary to fight corruption. But in most countries it is not sufficient. Additional measures and specialised institutions are needed. Institutions that have the fight against corruption as their mandate. Institutions that are responsible for preventing, investigating and punishing corruption.

Global resource flows show a vast gap between the rich and the poor regions of the world. The most significant part of these flows are foreign direct investment. Private sector development is needed to stimulate economic development and growth - in order to defeat poverty.

Corruption hampers investment and can create capital flight. Both national and foreign investors will be reluctant to invest in a system that is run by corrupt actors. They will shy away from countries that cannot offer predictability, stability and an enabling environment for the private sector. According to the "World Investment Report", in 1999 Bangladesh attracted only 50% of the foreign investment it would otherwise have attracted as a direct result of corruption.

Corruption threatens economic development. It squanders public resources, and throws away taxpayers' money. It leads to unemployment. As the poor become poorer, confidence and accountability wither away, and corruption gains ground. The vicious circle of corruption gradually spreads to the whole of society.

The financial sector is often a vehicle for corrupt transactions. It is vital for a country that its financial sector is transparent and effective, and that the budget management system is sound. There is a close link between corruption and money laundering. Preventing money laundering is an essential step in curbing corruption.

It is equally important to ensure the development of a free and dynamic civil society. Grass roots movements and general public are often the most important agents for change. The role of the media is equally crucial. They can make the voice of the public heard.

Thus free and independent media are vital for a democratic society. It is more difficult for corruption to survive if information is readily available. In Kenya, the media have demonstrated a strong commitment to combating corruption. They have exposed scandals and published allegations of corruption. This courage and openness give great grounds for optimism.

Because corruption is such a major obstacle to social and economic development, the fight to eradicate it is one of the top priorities of Norwegian development policy. There is growing international consensus on the importance of promoting good governance. And there is an increasing willingness to put corruption high on the political agenda.

Norway has promoted this focus on corruption in international fora. We have worked actively both bilaterally and through multilateral channels to intensify anti-corruption measures, and to promote co-operation and co-ordination between donors.

An importance milestone in the fight against corruption is the UN Convention against Corruption. It was adopted by the General Assembly last year, and has been signed by 111 countries. This comprehensive convention is the first global convention against corruption, and covers areas that have not previously been regulated internationally. Enforcement at national level is the next challenge. Donors must be prepared to assist the developing countries in building the necessary framework to implement the convention.

Kenya was the first country to ratify the convention. I believe the convention will be helpful in strengthening policies and institutions, not only in Kenya, but in countries all over the world, and that it creates an important framework for international co-operation.

International donors are co-ordinating their development efforts to an increasing extent. They pool their support, and integrate it with the budgets of the countries concerned.

Donors have a limited role, but I believe it is an important one, if our efforts are the result of a broad dialogue in international for a and if our approaches are based on the countries' own priorities and interests. The main responsibility for combating corruption, however, lies with the countries' own authorities. They must be the driving forces. Political leaders must have the will and the ability to take the necessary steps, no matter how controversial they may be.

If governments fail to follow up their part of the co-operation agreement, if they fail to demonstrate the will and the ability to address the problem of corruption, donors will reconsider the level of development co-operation. This is the view of most donors and funding institutions. We are ready to hold back support if concrete measures are not taken to root out corruption.

Donors also have to ensure that their tax-payers' money is not wasted because of financial irregularities, and that it does not end up in the pockets of greedy actors. Corruption could undermine the whole rationale for development aid.

We shall continue to press for concrete measures against corruption. We shall continue to support the reformers. And we shall keep the fight against corruption on the international agenda.

The vicious circle of corruption must be broken. Corruption must be made unprofitable and dangerous. Those who contribute to corruption must be made responsible for their actions. Irrespective of rank or position.

Ladies and Gentlemen, I wholeheartedly support your efforts to combat corruption. You are forming an important alliance. One that transcends dimensions such as North-South or public-private. One that will threaten those who still hope to cover up past or present crimes.

Thank you.