



# **STRATEGY**

**2012-2016**

**U4 Anti-Corruption Resource Centre**

November 2011

# **U4 Anti-Corruption Resource Centre**

## **STRATEGY 2012-2016**

Final, including revisions requested as part of approval by

U4 Steering Committee, 11 October 2011

CMI Board, 20 October 2011





# Contents

<b>Executive summary .....</b>	<b>v</b>
<b>1 Context .....</b>	<b>1</b>
<b>2 The challenge of corruption and development.....</b>	<b>3</b>
<b>3 Vision, mission, and values.....</b>	<b>5</b>
<b>4 Our approach .....</b>	<b>6</b>
<b>5 Key objectives .....</b>	<b>8</b>
5.1 Expand our expertise and portfolio of knowledge resources.....	8
5.2 Disseminate more widely and actively .....	9
5.3 Diversify opportunities for learning.....	10
5.4 Widen opportunities for user interaction .....	10
5.5 Expand donor community participation in U4 .....	11
<b>6 Funding.....</b>	<b>12</b>
<b>7 Governance.....</b>	<b>13</b>
<b>8 Strategic risks.....</b>	<b>14</b>
<b>9 Performance monitoring and quality assurance .....</b>	<b>15</b>
<b>10 Implementation .....</b>	<b>16</b>
<b>Appendix 1: Financial projections .....</b>	<b>17</b>
<b>Appendix 2: Key success indicators and quality assurance processes .....</b>	<b>18</b>
<b>Appendix 3: Further information on Associate Partnership .....</b>	<b>20</b>

## Executive summary

**Context:** Over the last five years, interest in corruption's impact on international development outcomes has expanded significantly, engaging an increasingly wide range of development practitioners and stakeholders in development agencies, foreign affairs departments, developing country governments, and NGOs. Corruption, both within international development programmes and in the economies and politics of developing countries—and indeed within the global environment in which development must take place—threatens development objectives on multiple levels. Concern has spread beyond those concerned with governance issues to include practitioners engaged in service delivery, economic development, and humanitarian relief efforts, as well as those who advocate for increased development budgets in donor countries, and those who work to protect those budgets from the negative impacts of corruption.

Strengthening development practitioners' ability to identify vulnerabilities and address corruption is essential not only to respond to demands in donor countries to "protect" development funds from abuse, but—equally if not more important—to more effectively reduce poverty, improve quality of life, and diminish the incentives and conditions that lead to conflict in the countries where development funds are spent.

The U4 Anti-Corruption Resource Centre, with its specific emphasis on research and learning opportunities tailored to the issues and challenges facing development practitioners, has grown in response to this widening demand. The number of U4 Partner Agencies has doubled from four to eight since its founding in 2002, and our range of publications and courses has expanded significantly. We have also seen a take-off in demand for our publications and resources from a wider range of development practitioners beyond donor agencies. The number of downloads of our publications has grown from under 20,000 in 2006 to over 200,000 in 2010.

Over the next five years, there is a real opportunity and need to build on this widening interest, to make it the norm for all relevant development and humanitarian assistance to be designed and delivered in ways that minimise the negative impacts of corruption. U4 can play a distinctive role in supporting this change, bringing together the best research and practical experience to equip development practitioners and policymakers with the resources and tools to minimise the impact of corruption on the success of their development programmes.

**Strategy:** This document sets out how we plan to respond to this challenge over the next five years. Practitioners and policymakers in donor agencies will remain the primary focus of our work, but we will also continue our efforts to address evident demand from the wider community of development practitioners around the world. We have five strategic objectives:

- Deepening our thematic expertise in selected priority areas, and drawing in research and practical experience from a wider range of sources, particularly from developing regions
- Expanding the range of issues covered in our portfolio of published resources, and disseminating them more proactively
- Diversifying opportunities for learning by expanding the range of online courses and enquiry services we offer, in response to growing demand for specialist as well as general courses
- Widening opportunities for interaction among users by convening workshops and online forums that enable field and headquarters-based practitioners and policymakers to share learning, experience, and ideas on issues of current common interest
- Expanding donor participation by welcoming new partner agencies and providing opportunities for smaller donor agencies to participate in U4

By pursuing these objectives, we aim to solidify and expand U4's position as a source of informed dialogue on anti-corruption policy and practice in the development community, and to expand the range of stakeholders participating in that dialogue. By the end of this strategy period, we aim to be:

- recognised by a broader range of development practitioners and policymakers in donor agencies as the leading source of ideas and expertise on corruption issues affecting their work, particularly making efforts to expand our relevance to non-governance/anti-corruption specialists.
- seen as a key convener for inter-agency discussions on current corruption in development issues of shared interest.
- increasingly widely known and used across the broader development community.

As a result of these efforts, we aim to have doubled the number of staff of donor agencies who are using U4 services, and to be reaching a wider audience of at least 45,000 regular users of U4 resources by the end of the five years covered by this plan (other progress indicators can be found in Appendix 2.). At the same time as we seek to extend our reach and impact, we will continue our pursuit of quality and expand our internal monitoring and evaluation. Existing quality assurance processes will be maintained, and refined as needed, and in the first year of the strategy, a performance monitoring plan will be developed that addresses both expansion goals and quality assurance.

**Funding:** To maintain the nature of U4 as a shared resource for development practitioners with an interlinked programme of research and training, multi-year core funding from our partner agencies will remain the predominant source of funding for the next five years. To generate the funds to achieve these objectives, we will seek a small increase in core funding from existing partners, as well as bringing in new partners, while seeking to be more flexible in the timing, scale, and duration of funding agreements to meet the needs of different partners.

# U4 Strategic Plan 2012 – 2016

## 1 Context

The U4 Anti-Corruption Resource Centre (U4) was established at the Christian Michelsen Institute (CMI) in 2002 as a shared project of the original “Utstein 4” donor agencies,<sup>1</sup> with the aim of promoting better understanding of anti-corruption issues and approaches in international development. Since that time, U4 has developed and evolved in response to the deepening and widening of interest in the anti-corruption agenda among development and humanitarian practitioners. Four more donors<sup>2</sup> have joined the partnership, and the range of publications and courses has progressively expanded.

U4 is now the primary resource centre for staff of its partner agencies on anti-corruption issues, and a leading player in making relevant research and practice on corruption issues accessible to development practitioners around the world. In 2010, over 200,000 people downloaded our publications from more than 100 different countries, and around 500 people from donor agencies, partner governments, and NGOs participated in U4 courses and workshops.

In 2008, it was agreed by CMI and the U4 Steering Committee that U4 should be established as an ongoing resource centre. This document aims to give practical effect to that decision, setting out a clear and distinctive mission for U4 and our strategy for progressing towards it over the next five years (2012 to 2016 inclusive). It is the result of extensive consultations with CMI management and the U4 Steering Committee, and it is informed by a strategic review of U4 activities and the anti-corruption field conducted in the first half of 2011.

Our strategy aims to respond to the changing challenges of corruption in development issues, as outlined in Box 1. At the same time, it aligns with and supports CMI’s new 2011 -2015 strategy, which emphasises, among other things, research communications, policy relevance, engagement with policy makers and practitioners, and partnership with relevant institutions, particularly in the South. Our shared goal is that U4 will be at the forefront of developing the Institute’s work in some of these areas. We also share the goal of expanding CMI capacity, outside of the U4 project, to contribute to knowledge creation in the area of anti-corruption and development.

The strategy was approved by the U4 Steering Committee at its meeting on 11 October 2011, and presented at a meeting of the CMI Board of Directors on 20 October 2011. The Board gave its support to the implementation of the strategy. The final version of the document was approved by the CMI Director on 4 November 2011.

---

<sup>1</sup> Germany, Netherlands, Norway, and UK

<sup>2</sup> Australia, Belgium, Canada, and Sweden

**Box 1: Changing external environment**

Our mission and strategy aims to respond to the changing context of corruption in development. We have identified the following key trends as relevant to our future role and priorities. All of these factors have been considered in developing this strategy. Many have contributed to shaping the objectives, while others will influence the specific direction of the research, training, and communications activities through which U4 will implement the strategy.

- Widening recognition around the world of the negative impact of corruption on development, and growing interest among host governments, donors, NGOs, and the private sector in identifying and implementing effective practical approaches to combat it.
- Greater specialisation of anti-corruption issues, with growing demand for developing policy and practice to combat corruption in specific development sectors (e.g., health, education, climate change) and in specific industries relevant to development (e.g., extractive industries, land, water, construction, food, and pharmaceuticals).
- Focusing of aid on deeper involvement with a smaller range of poor countries, as some developing countries graduate from low-income status, and donors seek to focus their aid on fewer priority countries.
- Widening range of institutions and organisations involved in providing resources on corruption issues, including INGOs and multilateral bodies.
- Growing profile of emerging powers (e.g., China, India) as investors and donors, and their impact on corruption issues in recipient countries.
- Greater focus on implementation and enforcement of anti-corruption conventions, laws, policies, and standards, and the role of civil society and of politics and patronage in promoting or blocking progress.
- Increasing interest in cross-border corruption issues such as money laundering, illicit financial flows, asset recovery, and international corporate corruption.
- Growing interest in better approaches to assessing the impact of good governance and anti-corruption programmes.

## 2 The challenge of corruption and development

When the U4 Partnership was established, there was a distinct understanding that corruption undermined development outcomes, and that the long period of silence about the problem—the days of corruption being a “taboo” topic in development dialogue—was over. Important progress has since been made toward establishing global norms around this issue, particularly with the entry into force of the UN Convention Against Corruption in 2005. Yet the need for greater knowledge and understanding about the nature, dynamics, and possible solutions to corruption remains. While there has been more openness about the problem of corruption in development and a broader range of development practitioners recognize the risks it presents, this attention has only revealed the complexity of the issues and vast range of development efforts that are affected.

A range of challenges have come to light in the last decade or more of anti-corruption efforts in development. Incomplete recognition of the real power dynamics of corruption, along with discomfort in some development agencies to address such issues, resulted in inappropriately “technical” reform initiatives that often failed due to political resistance. Agencies have established internal control and risk management policies to limit corruption within development projects, but these policies are not always communicated effectively, and enforcement is sometimes seen to be arbitrary or overshadowed by other considerations. The field has made important strides toward recognizing the impact of international drivers of corruption, but bi-lateral and country-based assistance models cannot necessarily address these drivers effectively. And little can be said about the impact of anti-corruption efforts because monitoring was either ignored or ineffective. All of these lessons follow naturally from the fact that the development community had little experience in addressing corruption issues, and thus little was known about how to do it well. With some years of practice and experimentation now in place, the possibility for more learning, and greater effectiveness, emerges.

Meanwhile, corruption continues to undermine the key objectives of development assistance. Numerous studies have established the association between corruption, poor governance, and lower levels of economic growth.<sup>3</sup> Higher reported levels of bribe paying are correlated with lower literacy rates among 15-24 year olds, higher mortality rates for women giving birth, and lower levels of access to safe drinking water. Conversely, greater access to information has been correlated with higher literacy rates, good performance in anti-corruption and the rule of law associated with lower maternal mortality, and improved performance on government accountability with improved access to water.<sup>4</sup> Corruption is a key challenge in the effective management of essential resources for development: The FAO stated in 2011 that “lack of basic transparency could be seen as an underlying facilitator of all the negative aspects of the global fisheries sector” which are now threatening livelihoods and food supplies through overfishing and poor fishery management.<sup>5</sup> A 2010 expert review highlighted “a relatively poor response in combating corruption and promoting transparency [...as] the most important impediment to an effective government response to illegal logging in all countries [surveyed].”<sup>6</sup>

Against this context, the U4 Anti-Corruption Resource Centre, along with its Partner Agencies, have developed a shared commitment to finding, fostering, and communicating research and learning about

---

<sup>3</sup> See, for example, Mauro, P. 1995. “Corruption and Growth”, *The Quarterly Journal of Economics*, Vol.110, No.3; Méon, P. & Sekkat, K. 2005; “Does corruption grease or sand the wheels of growth?” ULB Institutional Repository 2013/7364, ULB -- Université Libre de Bruxelles.

<sup>4</sup> Transparency International, 2010. “The Anti-Corruption Catalyst: Realising the MDGs by 2015,” Transparency International Secretariat (Berlin).

<sup>5</sup> FAO. 2010. *State of World Fisheries and Aquaculture*, FAO, Rome.

<sup>6</sup> Lawson, S. & MacFaul, L. 2010. *Illegal Logging and Related Trade: Indicators of the Global Response*, The Royal Institute of International Affairs (Chatham House), London.

corruption, anti-corruption, and the challenges that development practitioners have to address in order to achieve the goals of poverty reduction. This strategy seeks to build on the achievements of the U4 Partnership, keeping a clear focus on the core issues of development aid and poverty reduction, while expanding our reach and impact.

### 3 Vision, mission, and values

#### Vision

U4's vision is a world in which development efforts of aid donors and developing countries are more effective because the negative impacts of corruption are reduced.

#### Mission

We do not expect to achieve this vision alone. Our contribution to this goal lies in our **mission** to be a leading provider of high-quality research, information, and learning opportunities to help development practitioners more effectively support anti-corruption efforts in the developing world.

#### Strategic Focus

U4's distinctive role in the anti-corruption field is our *close working relationship with aid donors, whose practical challenges and policy issues shape our agenda and inform our priorities*. Over the next five years, *the issues facing development practitioners and policymakers in donor agencies will remain the primary focus for our work*. We will encourage a wider range of bilateral and multilateral donors to engage with U4 and draw on relevant U4 services, in order to promote learning and sharing of experience across the wider donor community.

We also recognise the rapidly growing demand for our resources from the *wider community of development practitioners in local and national government, in civil society, and among other development agencies around the world*. Reaching this important *secondary audience* not only enhances U4's global impact; the insights from these practitioners also improve the quality and utility of our materials and training. Over the next five years, a major focus of U4's work will be to continue to develop this audience, disseminating relevant resources in more proactive and targeted ways, and reaching out to a wider range of stakeholders to inform our work. The initiatives described under Strategic Objective B are particularly relevant in this regard.

Our *primary geographical focus will remain on the countries that are the main recipients of international aid*. However, we will draw on relevant experience from other countries, including middle-income and rich countries, to inform this work where it's relevant. And we will make our resources available to development practitioners in all countries.

#### Values

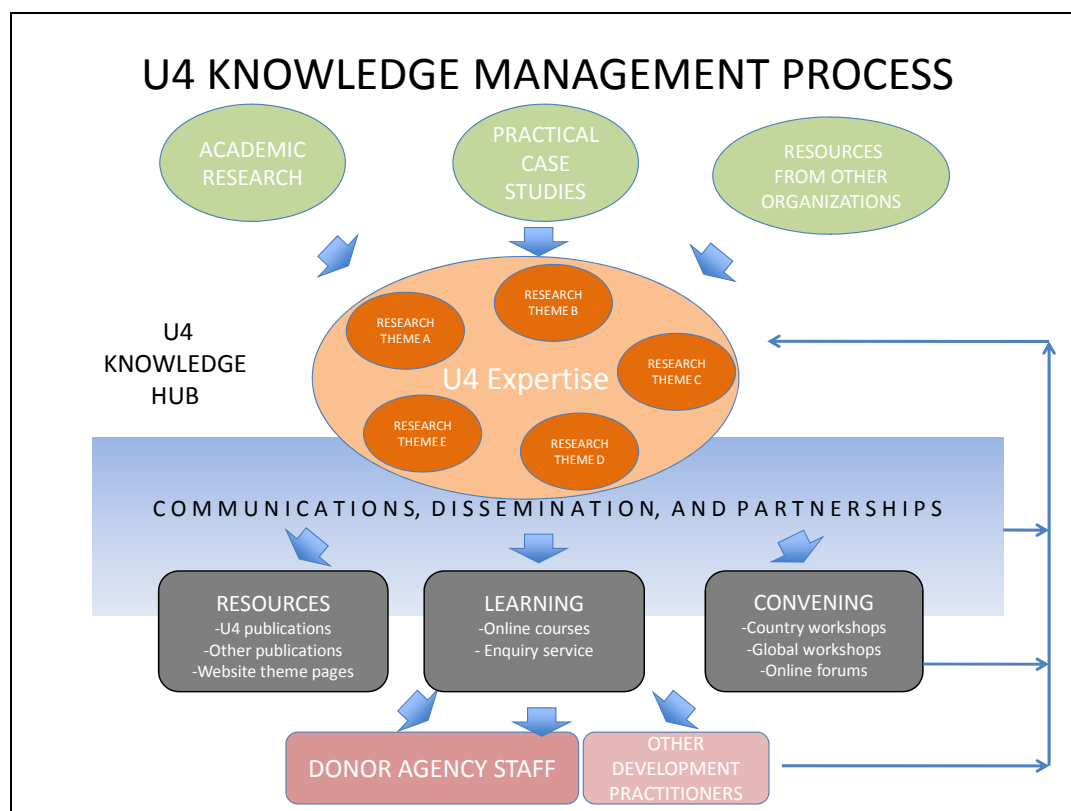
Our values are:

- Engagement with Practitioners: We aim to provide resources and services that are grounded in engagement with the practical and policy issues facing development practitioners.
- Evidence-based: We aspire for all of our resources and services to be built on robust evidence and research.
- Independent: We aspire to enable practitioners to make informed decisions based on critical analysis, independent perspectives, and policy options.
- Responsive: We aspire to provide a timely and professional response to the changing needs and priorities of development practitioners and policymakers.

## 4 Our approach

The core of U4's role is as a "Knowledge Hub" (see diagram below), drawing together relevant anti-corruption research, case studies, and other resources in a portfolio of information products focused on key themes of priority interest to development practitioners, and disseminating this knowledge to development practitioners and policymakers through a range of services and channels. The services we offer can be divided broadly into three groups:

- **Resources:** Written materials on specific issues that users can access at any time online, including publications (currently, U4 Briefs, Issues, Practice Insights, and Expert Answers) and thematic website pages.
- **Learning:** Opportunities for users to learn more about corruption in development issues, including online courses and other training, and enquiry services.
- **Convening:** Opportunities for different groups of users to share perspectives, ideas, and experiences with each other on issues of current common interest, informed by relevant knowledge from U4. This includes workshops and online forums.



*Partnerships:* In providing these services, we will continue to work in partnership and coordination with other organisations that strengthen the relevance, reach, and impact of our work. While U4's specific focus on anti-corruption research and training primarily for bilateral donor practitioners gives us a different focus from most other organisations in this field, our model will remain one that draws significantly on outside expertise and personnel to assure high quality, avoid duplication, and limit costs. This strategy in particular emphasises the pursuit of new partnerships in the developing world. At the same time, U4 expects to maintain its important working relationship with Transparency International, not only in operating the U4 Helpdesk, but also continuing the practice of collaborating on selected research agendas. U4 will also continue to cooperate with the OECD DAC Anti-

Corruption Task Team, UNDP, and the World Bank and World Bank Institute, with whom we have coordinated research agendas and produced joint publications. We will continue to communicate with the International Anti-Corruption Academy to explore possibilities for enhancing our mutual training objectives. As an information hub, we will continue to draw on specialised organisations such as the Basel Institute on Governance, Tiri, and the Transparency and Accountability Initiative for training expertise and research products. With this strategy's greater emphasis on outreach and increasing the resources available to U4 users (see Section 5), this coordination and partnership will become even more important.

*Quality assurance:* We will maintain our commitment to quality assurance through the continued practice of internal and peer review of publications and ongoing internal evaluation of training and Helpdesk feedback. We will also seek out expert guidance and evaluation to enhance training, communications, and other initiatives.

## 5 Key objectives

In pursuit of the mission and strategic focus outlined above, and in light of the changing context and priorities of corruption and development (as outlined in Box 1), we will focus on five key strategic objectives for the next five years:

- Expand our Expertise and Portfolio of Knowledge Resources
- Disseminate More Widely and Actively
- Diversify Opportunities for Learning
- Widen Opportunities for User Interaction
- Expand Donor Community Participation in U4

The first of these objectives focuses on strengthening the knowledge hub that is at the heart of our work. The following three objectives describe how we plan to strengthen our services under each of the three broad approaches to knowledge dissemination described in Section 3 above. The final objective describes how we aim to engage the wider donor community to participate in these services.

The proposed changes will be phased in over the five years of the plan, with priorities agreed on an annual basis in line with expected resources available.

### 5.1 Expand our expertise and portfolio of knowledge resources

In response to the growing specialisation of corruption issues, as well as the growing interest in corruption and anti-corruption challenges among practitioners outside of the governance sector, we plan to deepen our research capacity and knowledge around key thematic issues of relevance to corruption and development. Guided by the key issues challenging the donor community, we aim to further invest in building expertise on specific thematic issues, bringing together the best insights from research and practical experience, and commissioning additional applied learning when gaps are identified.

Alongside these specialist areas, we will continue to develop our knowledge base on general corruption issues affecting development, to enable us to continue to respond to the generic interests and concerns of anti-corruption and good governance advisers in donor agencies, and those seeking a broad introduction to anti-corruption issues in development.

We aim to expand our expertise in several key directions:

- Increase interaction with experts from the developing world by establishing a small number of strategic partnerships with regional institutes in priority regions, to strengthen our understanding of corruption issues specific to these regions, and our ability to draw on southern perspectives, insights, and case studies in our work. We also will explore the creation of visiting fellowships for researchers from the global south.
- Expand our expertise and resources in areas of interest to specialists in other (non-governance) development fields.
- With other CMI researchers, and building on the CMI Governance and Anti-Corruption research cluster, expand research around practical corruption and anti-corruption challenges faced by development practitioners.

With this deepened expertise, we will continue to produce a range of knowledge products (U4 Briefs, Issues, Practice Insights, and Expert Answers). Additionally, we will develop the portfolio in the following ways:

- Invest further in the theme pages on our website, with special attention to providing new resources of relevance to specialists in non-governance sectors.
- Refresh and update key publications every 2-3 years as needed, and/or publish a planned portfolio of succinct topic and country overviews, regularly updated, to build on the growing portfolio of published Helpdesk answers.

Thematic priorities are expected to be multi-year efforts, agreed in consultation with our partners, and evolving over the next five years in response to changing priorities. In the immediate term, we expect to maintain our current emphasis on Corruption in Natural Resource Management, International Drivers of Corruption, and key policy issues in Corruption and Aid, including a new emphasis on Measurement and Evaluation. At the same time, we also aim to establish the flexibility and capacity to respond to some current emerging issues arising out of rapid changes in international political and economic contexts, commissioning rapid-response research to inform emerging shared policy interests in the donor community.

By 2016, we aim to be a recognised source of expertise in at least five thematic areas that are priorities for the donor community, with at least two strategic partnerships established with institutes in priority regions.

## **5.2 Disseminate more widely and actively**

As the range of development practitioners interested in corruption issues broadens, both in terms of specialisations and the range of stakeholders involved, there is greater need to build understanding of corruption and anti-corruption issues across a wider audience. Broader outreach and more proactive engagement of a greater range of development practitioners in the developing and developed world, is critical to achieving U4's mission.

We aim to improve dissemination of our resources in the following key ways:

- Start by developing a communications strategy, through which to evaluate communications tools and approaches and prioritise the ones most likely to help us achieve our goals
- Increase our communications capacity and competence
- Invest in proactive dissemination to interested donor agency staff through regular newsletters, email groups for specific interests, webinars, etc.
- Offer key resources in French as well as English
- Invite website users to register their interests with us, so that we learn more about who is using our web site and can target communications more effectively
- Promote the U4 website and relevant publications through the major search engines
- Build stronger links with other key intermediary organisations working on anti-corruption issues affecting developing countries, to exchange resources, and make it easier for prospective users to access U4 resources via their website and other distribution channels
- Continue to seek and respond to opportunities to present our work in (non-U4) forums where our core and secondary audiences can be reached in cost-effective ways

By 2016, we aim to have nearly doubled the number of staff of donor agencies using our services, at least 45,000 development practitioners regularly using our website, and 475,000 downloads of U4 publications per year.

### 5.3 Diversify opportunities for learning

To strengthen the range of development practitioners in donor agencies with an understanding and/or expertise in corruption issues, we plan to build on the success of our current online courses and Helpdesk services, diversifying the range of services offered to meet different and emerging needs:

- Expand our portfolio of online courses for donor staff to cover a wider range of relevant specialisms, while continuing to offer basic courses. We will also explore the potential for shorter courses to introduce specialists and programme/country heads to relevant corruption issues.
- Maintain our existing enquiry (Helpdesk) service (generating new documents that respond to specific inquiries), while also testing the demand for other forms of enquiry responses for staff of partner agencies (e.g., quick reference requests).
- Continue a programme of in-country workshops that combine learning with more opportunities to exchange ideas and plan further joint action. We will explore new funding and delivery models to meet the high level of demand for in-country workshops and to promote shared commitment to achieving substantive outcomes. We expect that new regional strategic partner institutes (see 4A above) will play a key role in convening workshops, as well as bringing relevant regional perspectives and examples to our courses and publications.

These services will normally only be available to the staff of donor agencies who have made a commitment to be U4 partner agencies, but may be made available to others by invitation. Where practicable, we will offer these services in French as well as English.

By 2016, we aim to have at least 400 people successfully completing U4 online courses per year, and to be responding to at least 100 enquiries per year.

### 5.4 Widen opportunities for user interaction

Participants in U4 courses and workshops identify the opportunities for sharing learning and ideas across agencies as one of the primary benefits. However, until now, these opportunities for sharing knowledge have been confined to course and workshop participants.

Over the next five years, we plan to develop U4 as a leading focal point for donor agencies to share ideas and experiences and to develop common approaches on corruption issues linked to U4's research agenda. We will target not only field-based development practitioners, but also those involved in making policies at global level. We aim to:

- Introduce a programme of workshops that convene key researchers, practitioners and policy makers to exchange learning and develop approaches for dealing with priority issues in anti-corruption and development.
- Develop online interactive forums/discussion groups on key thematic issues, using our own website and/or social networks, through which practitioners in different donor agencies and locations can share resources, insights, and ideas, and interact with relevant experts.

These workshops and forums will be organised around the thematic priorities established in consultation with U4 partner agencies, but may involve participants from other donor agencies and other development actors where partners agree. International workshops and forums will normally be in English.

By 2016, we aim to be coordinating face-to-face or online workshops and discussion forums in which at least 400 people a year are participating, at both global and country/regional levels. We aim to be

seen by thought leaders and policy makers in development circles as a leading venue for exploring current and topical issues related to corruption, aid, and development.

## **5.5 Expand donor community participation in U4**

While the number of donor agencies who are U4 partners has grown to eight, this still leaves many agencies not involved with U4 and not able to access U4 services.<sup>7</sup> There is significant interest in the anti-corruption units of some of these agencies for their staff to participate in online courses and other U4 services, but some find it difficult to make the commitments expected of current U4 partner agencies. Many staff of non-partner agencies are unfamiliar with what U4 can offer. This limits the range of sources of knowledge that U4 can draw on and our potential impact in building commitment and capacity to address corruption across the wider donor community.

In line with our new focus on more effectively reaching the wider donor community, we propose to proactively seek to engage and involve other bilateral and multilateral donor agencies with our work, as users and funding partners, while working to maintain the “collegial” spirit amongst our core partner agencies. Over the next five years, we aim to:

- Open our courses and selected workshops to limited numbers of participants from other donor agencies who are not yet U4 partners, but who are willing to pay for courses, to encourage them to get involved
- Encourage a limited number of other major bilateral and/or relevant multilaterals agencies to become U4 partners
- Develop an “associate partner” role for smaller donors, for whom the commitments of becoming a full partner are too great, offering a more limited level of engagement at a lower contribution rate (See Appendix 3 for further information)
- Build links with emerging new major donors, to encourage them to become involved, and to share knowledge and perspectives on corruption and development issues

By 2016, we aim to have at least 10 donor agencies as full U4 partners, at least 2 as lower-level partners, and at least 4 others participating in our courses and workshops.

---

<sup>7</sup> Other than the U4 web site and publications.

## 6 Funding

Over the last five years, as the portfolio of services provided by U4 has grown and diversified in response to widening interest in corruption issues and growing awareness of U4, our annual expenditure has grown from around €0.6m in 2006 to a budgeted €1.8m in 2011, representing average annual growth of around 25% per year.

U4 continues to be funded predominantly by core contributions from the donor agencies who are our partners. The rate of individual core contributions has remained broadly stable over this period: the growth in income has been provided mainly by additional donor agencies becoming U4 partners, complemented by smaller amounts of additional funding from individual U4 partners for specific purposes.

The objectives outlined in this strategy will require continued significant growth in U4 income. Our initial projections suggest that the annual income will need to continue to grow at an average of about 15% per year to meet the objectives of this strategy, to reach €3.5-4m by 2016.

It remains important for U4 funding to be primarily from core contributions from partners who value our unique role as a focal point for anti-corruption knowledge and practitioners from across donor agencies and around the world. This provides the stability to build up expertise on specific issues as well as to establish capacity for flexibility—to respond to new issues and to avoid significant gaps in productivity due to staff turnover. Most importantly, core funding allows U4 to provide an *integrated* programme of research, events, training, and communications that would not be possible if funding were mainly for individual projects and events. At the same time, as capacity allows, we will also seek flexibility through continued efforts to generate a modest amount of income from specific projects that contribute to U4's overall objectives.

Our approach to generating the additional income required to deliver this strategy has six main components:

- In recognition that individual core contribution rates for partners have not increased significantly in the past five years, we will seek modest but significant increases in the annual contribution rates of our existing partners. We propose that core membership will require a minimum contribution, but that individual donors may choose to contribute greater amounts to core funding if they so choose.
- We will explore the potential for some existing partners to provide additional funding for specific packages of additional ongoing work in line with this strategy, either individually or jointly.
- We will seek to attract a small number of additional donors to become full U4 partners.
- We will develop an “associate partner” status for smaller donor agencies who wish to participate in U4 activities and services at a lower level.
- We will explore alternative models for funding in-country workshops, aimed at generating a contribution from country funds of participating agencies towards the core costs of developing the workshop.
- We will continue to agree on a limited number of short-term projects with specific partners that are in line with the U4 strategy.

A broad forecast of U4 income and expenditure over the next five years is attached as Appendix 1. This forecast will be kept under review, and revised into an annual budget in line with priorities agreed and resources available.

## 7 Governance

The strategy and priorities of U4 are established and reviewed by a Steering Committee of donor agencies who are U4 partners, together with our parent organisation, CMI. U4 is an autonomous management unit of CMI, and has no separate legal identity.

We have reviewed the governance of U4 as part of this strategy, and no changes to legal status or the Steering Committee role are proposed at this stage. The Steering Committee will continue to be made up of full U4 partner agencies and CMI. It is not expected that Associate Partners would have a role on the U4 Steering Committee, including requesting locations for in-country workshops and approving work plans. Associate partners would be solicited regarding focus topics for U4's work in advance of developing the annual work plan, but would not have final approval of the work plan.

As U4 grows and develops, and new partners join, over the lifetime of this strategy, the role and functioning of the Steering Committee, and the relationship between U4 and CMI, will be kept under review.

## 8 Strategic risks

This strategy represents a measured approach to addressing the changing environment in which U4 is operating, nearly a decade after its inception. This environment represents a number of opportunities, but risks remain, as with any strategy. We have identified the following key risks that require continued attention, along with steps to mitigate them:

- Loss of role as preferred portal: Another organisation establishes a better online portal for development practitioners interested in corruption issues, which becomes the preferred hub for development practitioners to access resources and to share ideas and experiences with others on corruption issues.
  - Mitigation: Invest in developing U4 portal/website and in making it better known. Develop partnerships with other potential hubs to clarify comparative advantages and encourage them to work with U4 rather than compete. Monitor other relevant portals. Regular user surveys of what portals they prefer.
- Emergence of competitors for training: Other international organisations (UN, NGO, institutes, or commercial companies) set up training units offering courses on corruption issues to development practitioners in donor agencies, at lower cost, or using a different approach that donor staff prefer, or accessible without having to become a U4 partner.
  - Mitigation: Welcome other major donors as U4 partners. Monitor user assessments of course quality and impact on their work. Refresh course approach regularly in response to feedback received. Control course costs tightly.
- Emergence of globally leading research centre of excellence on corruption: Another research institute develops a reputation as the global leader on corruption and development research, and takes an interest in communicating with practitioners directly.
  - Mitigation: Strengthen anti-corruption research at CMI. Partner with leading research centres in all regions to offer a channel for getting their research to practitioners.
- Loss of partner agencies: 2-3 key U4 partner agencies decide to stop funding anti-corruption resources centres (or U4 specifically), due to other priorities, funding cutbacks, or technical contracting difficulties.
  - Mitigation: Keep focus on shared priority issues for donors. Focus on services that are not cost effective for individual donor agencies. Track and report on take up and use of U4 resources and services. Maintain tight control on costs. Strengthen engagement with senior managers of partner agencies. Flexible contracting arrangements to respond to different ways of working of different partners. Develop links with appropriate new partners.

## **9 Performance monitoring and quality assurance**

Proposed high-level key success indicators and targets proposed for tracking this strategy are outlined in Appendix 2. These draw on the specific outcomes identified at the end of the objectives covered in Section 3. As part of an expanded monitoring and evaluation effort, U4 will develop a performance monitoring plan in the first year of the strategy. Drawing on good practice in performance monitoring for similar activities, we will develop a plan that includes both quantitative tracking of progress on the strategic objectives and evaluation of outcomes or impact where they can be assessed.

At the same time, U4 will continue to implement and refine quality assurance processes for publications and training. In addition, we will seek expert advice on training approaches as needed, and we will commission a mid-term evaluation of performance against the strategy. An explanation of current practice in quality assurance is included in Appendix 2.

## 10 Implementation

On the basis of this strategy, U4 will in consultation with its partners develop annual plans, setting out proposed priorities for the year ahead, investment and income projections, and key targets for the year (including the key success indicators). These will be agreed by CMI and the U4 Steering Committee.

*Staffing:* With regard to staffing to meet this strategy, U4 will continue to balance the need for in-house expertise and coordinating capacity with opportunities to build partnerships and take advantage of expertise that is based elsewhere. An immediate priority for implementation of this strategy will be additional communications expertise. As funding and reporting become increasingly complex, management capacity may need strengthening. At the same time, we will continue to do a large portion of our work through partnerships and outsourcing, along lines similar to current practice: U4 has already developed arrangements for external affiliates to manage a significant portion of on-line training delivery; all of the experts for on-line courses are external consultants; we draw on a range of consultants for in-country workshops; Transparency International operates our Helpdesk; and a majority of our publications are written by external authors. We have staff-sharing arrangements with CMI for some IT and web-publishing functions and will continue to pursue such arrangements. This strategy also proposes visiting fellowships as a way of bringing in research collaborators, particularly from the South.

U4 will report on progress against them on a twice-yearly basis, and performance against annual targets will be reviewed by CMI and the Steering Committee at the end of each year.

## Appendix 1: Financial projections

This appendix sets out projections of the income and expenditure of U4 over the five years of this plan. These projections will be refined in the light of experience and success of funding requests and other resource generating activities.

### INCOME (€m)

	2010 ACT'L	2011 F'CAST	2012 F'CAST	2013 F'CAST	2014 F'CAST	2015 F'CAST	2016 F'CAST
Core Partner Funding	1.4	1.4	1.5	1.7	2.0	2.2	2.4
Assoc Partner Funding	-	-	0.1	0.2	0.2	0.3	0.2
Incountry Workshop Co-Funding <sup>8</sup>	-	-	-	0.3	0.4	0.5	0.5
Course/W'shop Fees <sup>9</sup>	-	-	-	0.05	0.1	0.05	0.1
Add'l Ongoing Funding	-	-	0.2	0.2	0.2	0.3	0.3
Add'l Project Funding	0.1	0.1	0.3	0.2	0.2	0.2	0.2
Funds Carried over		0.3					
<b>TOTAL</b>	1.5	1.8	2.1	2.65	3.1	3.55	3.7

### EXPENDITURE (€m)

	2010 ACT'L	2011 F'CAST	2012 F'CAST	2013 F'CAST	2014 F'CAST	2015 F'CAST	2016 F'CAST
Publications/ Knowledge Dev't	0.4	0.5	0.6	0.8	0.9	1.0	1.1
Enquiry Services (Helpdesk)	0.1	0.1	0.1	0.1	0.1	0.15	0.15
Online Courses	0.2	0.2	0.2	0.3	0.3	0.4	0.4
In-Country Workshops	0.2	0.3	0.3	0.5	0.6	0.7	0.7
HQ Workshops	-	-	0.1	0.1	0.2	0.2	0.2
Communication/Dis- semination	0.2	0.2	0.4	0.3	0.4	0.45	0.45
Indirect Costs	0.3	0.4	0.4	0.5	0.6	0.6	0.7
Total	1.5	1.8	2.1	2.6	3.1	3.5	3.7

---

<sup>8</sup> Income from co-funding of in-country workshops from country funds

<sup>9</sup> Charged to non-partner agencies where permitted to access courses and workshops

## Appendix 2: Key success indicators and quality assurance processes

### Performance monitoring

The following table sets out key success indicators for monitoring progress toward reaching the objectives of this strategy, and broad forecasts or goals for performance over the five years. In the light of experience and resources available, these forecasts will be refined into annual targets, and combined with appropriate qualitative goals, as part of the annual plan proposed to CMI and the U4 Steering Committee.

The proposed key success indicators have been selected from indicators already available to us, and where we have a clear baseline from which to build. At this stage, they are focused on usage of U4 services and U4 income. Over the first year of the strategy, we will develop a broader monitoring plan, including indicators designed to assess the outcomes of our work. If found to be robust and effective, one or more new indicators may be proposed to replace or extend the specific indicators below.

	2010 ACTUAL	2011 F'CAST	2012 F'CAST	2013 F'CAST	2014 F'CAST	2015 F'CAST	2016 F'CAST
<b>No of donor agency staff using U4 services<sup>10</sup></b>	450 <sup>11</sup>	600	700	800	900	1000	1100
<b>No of regular users of U4 website<sup>12</sup> ('000)</b>	12	16	20	25	32	39	45
<b>No of downloads of U4 publications<sup>13</sup> ('000)</b>	210	260	300	350	410	440	465
<b>Annual U4 Income (€m)</b>	1.4	1.8	2.1	2.6	3.1	3.6	3.7

In addition to these progress indicators, a new monitoring plan will seek to develop indicators that assess the perceived **quality, relevance and utility of U4 information products** (publications and web site). We will also continue our initiative to **evaluate training** offerings and will develop an indicator using the initial data collected in 2011. Possible indicators targeting the outcomes of our work may include:

- % of course/workshop participants who evaluate quality of U4 training positively (post-training survey)

---

<sup>10</sup> Initially focusing on participation in online courses, workshops, and Helpdesk enquiries. Will be expanded to cover regular use of website, downloading publications, and participation in online forums, when tracking mechanisms are established and baseline data available

<sup>11</sup> Estimated

<sup>12</sup> At least four times during the year

<sup>13</sup> Including published Helpdesk answers

- % of course/workshop participants who report they used information from the training in their work (6-month post-survey)
- % of web users who evaluate the publications positively with regard to quality of information and relevance to their work

### **Quality assurance**

U4 will continue to engage in qualitative evaluation, include a mid-term review of performance against the strategy, and we will seek expert advice on training methods and communications strategies.

**Publications:** U4 will continue its existing 3-step review process, starting with an internal review of the concept, then an internal review of drafts, and an external peer review of final draft. External peer review is usually done by one person with specific expertise in the field of inquiry (either academic or other research background) and one person with a practical background with development assistance, often also in the field of inquiry, but not always. The purpose is to evaluate both the quality of the information and the clarity and relevance of the presentation for the U4 audience. Peer reviewers are typically asked to respond to questions such as the following:

- To the best of your knowledge, does the paper present an accurate picture of the topic under discussion?
- Does the paper provide sufficiently robust evidence to support its argumentation?
- Is there any further information you are aware of relating to the topic under discussion that should be included?
- Is the language and overall structure and presentation of the paper appropriate for a target audience of bilateral donor agency policy-makers and practitioners?

## Appendix 3: Further information on Associate Partnership

Associate partner status is intended as a tool for increasing U4's reach and impact by providing a partnership option for small agencies for which the full U4 Partner level of participation and funding is not possible. It may also be used as an option to allow prospective Partners to try U4 services for a limited period of time. The U4 Steering Committee approved the availability of this option, but requested clarification of the terms on which it might be offered. These include:

- Full membership in the U4 Partnership is the preferred status for all agencies, to make the best use of U4 resources and also to fully contribute to the shared and global goods provided by U4.
- Associate partnership is expressly for small donor agencies or as a time-limited option.
- Requested funding for Associate Partnership would be about half of the full Partnership level.
- Associate Partner Agencies would have access to the U4 Helpdesk and U4 workshops and other fora, and would participate in the U4 Steering Committee.
- Associate Partner Agencies would have a reduced quota of places in on-line trainings (e.g., about 15/year as compared to 30+/year for full Partners).

## Annex 2: Terms of Reference for Audit

# Terms of Reference for Audit

Project title: U4 Anti Corruption Resource Centre (U4)

Implementing institution: Chr. Michelsen Institute (CMI)

## *The employing entity:*

The U4 Anti-Corruption Resource Centre (U4) is a programme of the Chr. Michelsen Institute (CMI). CMI is an independent, non-profit research institution, established in 1930. It has the legal status of a Foundation under Norwegian law (see attached certificate of registration). The U4 programme is funded by eight bi-lateral international development agencies (Australia, Belgium, Canada, Germany, Netherlands, Norway, Sweden, UK).

In 2009, U4 was established as Permanent Centre at CMI. This decision signals CMI's intention to maintain an ongoing focus on the objectives and methods of the U4 programme. Operationally, this means that U4 has its own director and staffing structure, and it establishes and implements a separate strategy and work plan, within the overall *framework* of CMI's management structure and mission as an operationally-oriented research institute, U4. The decision does not, however, endow U4 with any legal identity separate from CMI. The U4-centre has its own project accounting that is audited separately, but is also a part of CMI's overall financial statement.

## *Goal of U4:*

U4's goal is to make development aid more efficient in combating corruption by promoting an informed approach to anti-corruption.

## *Purpose of U4:*

To facilitate cooperation and coordination between the partner agencies on anti-corruption efforts and to assist the partner agencies to build capacity to design and implement anti-corruption.

## *Audit:*

The purpose of the audit of the project U4 is to form an opinion as to whether the project's financial statement in all material respects presents the total salary and other expenses for the project for the relevant period. The auditor will obtain sufficient and appropriate audit evidence to provide a basis for the audit opinion. The audit will be carried out in accordance with International Standards on Auditing, ISA 805. Furthermore the audit is conducted in accordance with laws, regulations and auditing standards and practices in Norway.

The reporting based on ISA 805 states the auditor's opinion/ findings on:

- Whether the financial statements and the cash/bank/financial position present fairly, in all material respects, the income and expenditures of the total contribution to U4 by the partners in accordance with all acceptable financial reporting framework.
- Whether the audit has uncovered any material weakness in relevant internal controls.
- Whether the audit has uncovered any illegal or corrupt practices.
- Whether receipts/income is properly accounted for.

## *Audit report:*

CMI and U4 Audit reports and the CMI's report from the board of directors are sent out to partner agencies. If the auditor reveals material weaknesses or misstatements in the financial statement or material weaknesses in the association's internal control, the auditor will issue a management letter or a numbered letter. If such letter is issued it will be forwarded to our partner agencies.

## Annex 3: Code of Conduct

<b>Chr. Michelsen Institute</b>		
Document:	<b>Code of conduct and business integrity policy</b>	
Established (month):	June 2007	
Revised (month):	May 2010	
Note:	The document constitutes an integral part of the agreement between CMI and the Researchers' Union, CMI.	

## **Title: Code of conduct and business integrity policy**

CMI has in close collaboration with the Researchers' Union, CMI established a Code of Ethics and Integrity which sets the standards by which research and consultancy projects must apply to prevent involvements in corrupt and fraudulent practices:

### **1. Code of Ethics and Integrity**

The goals of the Chr. Michelsen Institute (CMI) require that all who work for the institution observe the highest standards of professional ethics. This Code of Ethics and Integrity sets the standards that CMI research and consultancy projects shall apply to prevent involvements in corrupt and fraudulent practices.

- a. The provisions for governance, management, financial control and reporting mentioned herein apply to all CMI staff and activities.
- b. CMI's Code of Ethics and Integrity shall also apply to CMIs participation in joint operations and CMI will seek to ensure that its joint venture partners adopt similar commitments in connection with joint ventures.
- c. CMI will respect the rules and laws concerning its business.
- d. CMI will respect the human rights of those affected by its activities according to the host government's international obligations and commitments.
- e. CMI will abstain from any improper involvement in local political activities.
- f. CMI staff and contracted partners is not permitted to request, accept, offer or give, directly or indirectly, bribe money or gifts or advantages.

The acceptance of gifts or other personal advantages is prohibited, unless these are small or token gifts of a low value or the CMI Management has given its written permission. Permission can be given if its acceptance is considered an act of politeness. In these cases, the gift is to be used jointly with other staff members. Private use can only be permitted in exceptional cases.

- g. Conflict of interest arises from a situation in which the staff member has a private interest which is such as to influence, or appear to influence, the impartial and objective performance of his or her official duties.

CMI staff has a personal responsibility to:

- I. be alert to any actual or potential conflict of interest;
- II. take steps to avoid such conflict;
- III. disclose to his or her supervisor any such conflict as soon as he or she becomes aware of it;

- IV. comply with any final decision to withdraw from the situation or to divest him or her of the advantage causing the conflict.
- h. CMI will promote employees' awareness and understanding of its policies against bribery and extortion through appropriate communication of these policies and through training programmes and administrative routines.
- i. CMI will ensure that remuneration of agents is appropriate and for legitimate services only. Where relevant, a list of agents employed in connection with transactions with public bodies and state-owned enterprises will be kept and made available to competent authorities.
- j. CMI will adopt management control systems that discourage bribery and corrupt practices, and adopt financial and auditing practices that prevent the establishment of secret accounts or the creation of documents which do not properly and fairly record the transactions to which they relate.

All employees of CMI are accountable and under obligation to raise any issues of doubts or suspicion of wrongdoing to the CMI management.

Our business and project partners as well as our target groups and any interested member of the public can contact CMI's management if they have justifiable reason for believing that the Code of Conduct has been breached.

CMI will carefully examine all information given, maintaining confidentiality, if so desired.

Bergen, May 2010

## **Appendix:**

### **I. Definitions of roles, responsibilities and authority in relation to consultancy work**

#### **a. Team leader**

The Team Leader will be responsible for authorizing all expenditures and use of resources connected to the project and the project budget. No expenditure or engagement can be made without prior approval by the Team leader.

#### **b. Internal controller**

Decisions concerning project related expenditures made by the Team Leader will be checked against the Agreement and budgets by the CMI accounting department. The CMI Financial and Administrative Director will act as internal controller and shall certify all expenditures before the expenditures are posted in the accounts.

#### **c. External audit**

Annual audits and final audit inspection of the accounts will be made by the external auditor.

### **II. Procedures**

#### **a. Accounting structures**

The CMI accounts is organised around groups of expenditure and revenue items. This provides an effective recording in the accounts and to produce well arranged reports and statements. The ERP system also includes time recording and electronically availability of all contract, vouchers and relevant document necessary to monitor the project.

Registration of vouchers is done within this structure and imported in pdf-format. The documents are electronically available for all CMI staff through effective drill-down structures. The registration of financial data also includes tagging the vouchers with unique project identifications.

The time recording system is fully integrated in the overall accounting system. All project-related personnel will on a monthly basis produce time records to feed the system. Time records shall be approved by the Team leader and the CMI administration will check if the records are in accordance with the project agreement, budgets and internal CMI regulations.

#### **b. Enforcement measures**

Enforcement measures will be established between the project leader (CMI) and its partners through formal institutional agreements. For sub-consultants such measures will be part of contracts of employment.