

U4 FINANCIAL STATEMENT

January–December 2021

Including overview of strategic period 2017–2021

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This financial statement presents:

- I. Strategic period 2017–2021 overview
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The report period is 1 January–31 December 2021

We thank all our Partners, their Governments, and their country tax payers for their funding, support, and collaboration with U4.

German Federal Ministry for Economic Cooperation and Development – BMZ / German Corporation for International Cooperation – GIZ

Global Affairs Canada

Ministry for Foreign Affairs of Finland

Ministry of Foreign Affairs of Denmark / Danish International Development Assistance – Danida

Swedish International Development Cooperation Agency – Sida

Swiss Agency for Development and Cooperation – SDC

The Norwegian Agency for Development Cooperation – Norad

UK Aid – Foreign, Commonwealth and Development Office



INTRODUCTION

2021 was another intense and unpredictable year for U4. The U4 workplan, outputs and events continued to take into consideration the restrictions – and the demands – of the Covid-19 crisis. This meant both pivoting to deliver urgent new work on Covid-19 and corruption, and adapting our workplan to use online tools when physical plans were not possible.

We put renewed emphasis on learning and communicating better (ie through revamping our online courses), and we strengthened our staff capacity in thematic and operational areas.

We also put significant time and effort into developing our new five-year strategy (2022–2026). As U4 completes 20 years (2002–2022), this will ensure that we are thought leaders, we support real world impact, and we adapt and remain relevant – always evolving to keep pace with the ever changing reality of corruption in the real world.

In mid-December 2021, CMI–U4 welcomed Dr. Peter Evans as the new U4 Director – Replacing Dr. Arne Strand.

2021 in numbers

Within our allowed budget flexibility, we were able to be responsive and relevant to our partners’ evolving priorities, as well as to unexpected events. To do this, we increased our annual budget by using unspent funds carried over from previous years in the 2017–2021 strategy period.

At the December 2021 Steering Committee (SC) meeting, our preliminary figures showed the possibility to carry an amount of unspent funds over to 2022, amounting to **NOK 2 385 177**. However, increased activity in the last two quarters of 2021, and a negative effect of the end-year revaluation of our EUR account, resulted in U4 spending the totality of the income received from existing partners. U4 landed a positive balance in 2021 of **NOK 2 184 080**.

Due to a number of outputs and activities still in progress at the end of the year, there remains payments to be made in 2022 for items on the 2021 work plan. These committed funds amount to NOK 924 629. This sum will be subtracted from the balance of NOK 2 184 080 , which then will be reduced in 2022 to NOK 1 259 451 (EUR 123 903).

We are currently developing a 2022 fundraising plan as we remain committed to continue prioritising the themes agreed on at the SC meeting in December.

2021 Priorities and key points

In addition to developing research outputs and training materials on a variety of themes and sectors, the U4 team was engaged in several key processes in 2021:

- 1) Finalising the 2022–2026 U4 strategy.
- 2) Launch of the new, much improved, U4 website.
- 3) Launch of an Arabic version of the self-paced course *Essentials I*.
- 4) Initial design of the Anti-corruption Partnership Pilot (APP) – a U4 initiative co-led with Sida; and implementation of the CATCH project (Coalition for Accountability, Transparency, and Anti-corruption in the Health Sector).

Additionally, this year our main priorities within the U4 budget were:

1. **Communications:** additional resources were directed to complete the website revamp, and provide general, ongoing external support for comms-related production activities such as blogs, social media campaigns, and graphic design.
2. **Online courses:** Priorities included the development of new online courses such as the forthcoming facilitated course on *Fragile states*, improvements to the *Corruption Risk Management* (CRM) course, and our flagship course: *Essentials II*. Additionally, U4 invested in developing a self-paced course on *Corruption in health emergencies* – including the Covid-19 pandemic. These took more resources than originally estimated, not least to ensure maximise relevance to the urgent needs of policy makers and practitioners.
3. **In-country workshops:** The workshops took place online requiring careful planning and – for most workshops – a commissioned background study. Planned workshops in Afghanistan and Somaliland were first delayed and then cancelled due to conflict. The unspent budgets for these were reallocated to other in country workshops, and particularly for commissioned studies for those workshops. As a result we spent moderately more funds than originally allocated to this budget line.
4. **CATCH (Health):** Norad provided extra funds to deepen U4's work on health sector corruption. The funds are a supplement to the regular core U4 funding and was not earmarked for specified outputs. Therefore, all expenses for outputs and activities on health – covered by these funds from Norad – have been recorded on the corresponding U4 budget lines, e.g. *online courses*, *in-country workshops*, *public service delivery theme*, *communications*, etc.
5. **Additional thematic support:** We extended the contract of the U4 expert on *emerging technologies* and required additional support from CMI researchers on the *public financial management* (PFM) and *private sector* themes.

I. Overview Strategic period 2017–2021

A) Income overview per partner (in original currency) and total strategy period overview

U4 Partner	Currency	2017	2018	2019	2020	2021	2017–2021	
							Orig. currency	NOK
DFAT Aus	AUD	223 865	350 000	350 000	350 000	–	1 273 865	8 349 454
BMZ/GIZ Germany	EUR	210 000	220 000	200 007	250 000	350 000	1 230 007	12 097 802
GAC Canada	CAD	–	–	222 000	222 000	222 000	666 000	6 440 220
MFA Finland	EUR	220 000	220 000	220 000	220 000	220 000	1 100 000	10 867 584
Danida Denmark	EUR	222 000	222 000	222 000	222 000	222 000	1 110 000	10 906 279
Sida Sweden	SEK	2 197 949	2 500 000	3 500 000	3 500 000	3 500 000	15 197 949	13 926 168
SDC Switzerland	CHF	300 000	244 200	255 300	255 300	255 300	1 310 100	11 884 000
Norad Norway	NOK	2 500 000	2 500 000	2 500 000	4 350 000	8 650 000	20 500 000	20 500 000
DFID / FCDO UK	GBP	300 000	400 000	300 000	200 000	200 000	1 400 000	16 000 272
Total income							110 971 779	

B) 2017–2021 total strategy period

Financial statement	Total strategy period 2017–2021 (NOK)
Funds claimed and received	110 971 779
Balance transferred from 2016	2 267 046
Funding from Belgium (2016)*	1 906 951
The gain/loss resulting from selling EUR to NOK End of year revaluation from previous years	786 137
End-of-year revaluation of U4 Euro account, 2021-loss	(201 694)
Total income received (incl. balance)	115 730 218
U4 expenditure	113 546 138
Balance to be carried over to 2022	2 184 080

All tables:
Figures in
brackets are
negative values.

*Note: The Belgian funds were received in 2016 and have been allowed to be carried over as a contingency fund for U4

C) Overview on income and expenditure per year (2017–2021) in NOK

Financial statement	2017	2018	2019	2020	2021
Funds claimed and received	18 584 753	19 480 036	21 704 308	24 518 663	26 684 019
Balance transferred from previous year	2 267 046	1 992 827	1 216 651	2 558 970	1 135 570
Funding from Belgium (2016) ¹	1 906 951	1 906 951	1 906 951	1 906 951	1 906 951
The gain resulting from selling EUR to NOK				807 466	708 250
End-of-year revaluation of U4 Euro account	Not applied	Not applied	77 717	(98 946)	(201 694)
Total income received (incl. balance)	22 758 750	23 379 813	24 905 526	29 693 104	30 233 096
U4 expenditure for the year	18 858 972	20 256 212	20 439 605	25 942 333	28 049 016
Year-end balance transferred to next year	3 899 778	3 123 601	4 465 921	3 750 771	*2 184 080

Table C (above) shows an overview over income and expenditures from 2017- 2021. U4 is transferring the amount of **NOK 2 184 080** (EUR 214 867) to 2022, where **NOK 924 629** (EUR 90 963) are outstanding payments from 2021 to be settled in 2022.

The Belgian funds amounted to NOK 1 906 951(EUR 187 603) is included in the amount of NOK 2 184 080. U4 will use these funds to settle part of the outstanding payments related to activities and outputs started in 2021 on the previous work plan. These outstanding payments are mainly related to the fact that U4 had an unusually high level of activities in the last quarters of 2021 with related delays in outgoing payments. Reasons for these delays include external factors such as planned activities postponed due to Covid-19. Also, for some workstreams, quality assurance has taken longer than usual because of a backlog of final research drafts to review, approve and copyedit before publishing.

During the strategic period 2017–2021, U4 grew and increased its expenditure, finalising 2021 with a 48.7% increase in expenditure compared to the 2017 annual expenditure. The chart below shows the increase per year, in percentage, compared to the 2017 baseline.

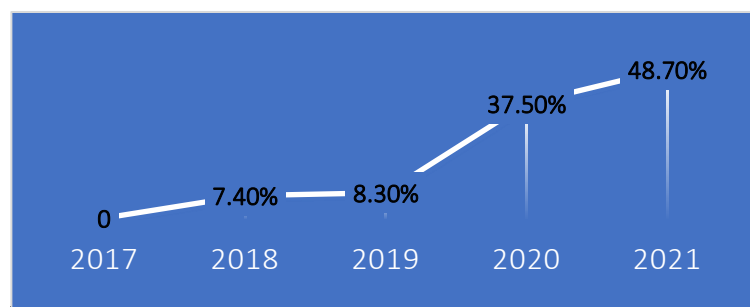


Figure 1) Increase in U4 annual expenditure compared to 2017 baseline (%)

¹ In 2016, U4 received NOK 1, 906 951 from the Belgian MFA to support U4 core work. The funds were not used in 2016 and we were allowed to carry over the amount to the following years as a contingency fund for U4.

II. 2017–2021 Strategic period overview: Annual budget against actual expenditure (NOK)

	2017	2018	2019	2020	2021	TOTAL
Strategy budget	18 338 750	18 143 137	18 631 507	19 134 898	19 652 801	93 902 093
Annual budget	18 638 750	18 825 000	23 828 242	24 000 179	28 280 886	113 573 057
Annual actual expenditure	18 858 972	20 256 212	20 439 605	25 942 333	28 049 016	113 546 138
Variance budget vs actual exp.	220 222	1 431 212	(3 388 637)	1 942 154	(231 870)	(26 919)
Variance in %	1,18%	7,60%	(14,22%)	8,09%	(0,82%)	(0,02%)

The table above shows the overview of budget for the five-year strategy period, the annual budget and the actual expenditures for the strategic period, 2017–2021.

U4 increased its budget in 2020 and in 2021 to spend its unspent balance from the previous year. The actual expenditure for 2017–2021 amounted to **NOK 113 546 138** (EUR 11 170 523) against the cumulative annual budget for 2017–2021 of **NOK 113 573 057** (EUR 11 173 171). With a more active focus on driving delivery and balancing out underspending from previous years, U4 managed to use these funds effectively in its 2021 workplan. Major expenses included a thorough improvement of the U4 website, and revisions of key online courses.

III. 2021 Income against expenditure – overview

The total income for 2021, including the balance carried over from 2020, the gain/loss on foreign exchange and the year-end exchange rate revaluation on the specific U4-account as per 31.12.2021, is **NOK 30 233 096** (EUR 2 974 293).

The annual expenditure (1 January–31 December 2021) amounts to **NOK 28 049 016** (EUR 2 759 426), showing a balance of income and expenditure amounting to **NOK 2 184 080** (EUR 214 867).

In summary, our annual figures show that we have been able to accelerate delivery and expenditure and so avoid the underspending of previous years while delivering on the 2021 workplan.

2021	NOK	EUR	GBP
Income including balance carried over	30 233 096	2 974 293	2 556 624
Expenditure	28 049 016	2 759 426	2 371 930
Balance	2 184 080	214 867	184 694

IV. Overview of 2021 income

The following table shows the *estimated* income to be received from SDC (see point 3, next page), and the *actual* income received from the remaining funding partners.

The contributions from the eight U4 partner agencies for 2021 amount to **NOK 26 684 019 (EUR 2 625 140)** adjusted to the actual amounts received for 2021.

This year, the foreign exchange EUR/NOK resulted in a loss of **NOK 201 694 (EUR 19 842)**.

Income source	Contract amount in original currency	% of total income	NOK
BMZ/GIZ (70% in 2021, 30% in 2022)	EUR 350 000	13 %	3 424 991
GAC Canada	EUR 222 000	8 %	2 146 740
MFA Finland	EUR 220 000	8 %	2 250 116
Danida Denmark	EUR 222 000	8 %	2 240 820
Sida Sweden	SEK 3 500 000	12 %	3 265 285
SDC Switzerland (estimated, forthcoming in 2022)	CHF 255 300	9 %	2 366 427
Norad Norway	NOK 8 650 000	32 %	8 650 000
FCDO UK	GBP 200 000	9 %	2 335 640
Income 2021			26 684 019
Carried forward from previous years(incl the Belgium funds)			3 750 771
Currency loss (end-of-year revaluation of U4 EUR account, 2021)			(201 694)
Total funds available in 2021			30 233 096

Currency calculations are based on the following average exchange rates in 2021 (source: [Norges bank](#))

NOK/EUR	10,1648
NOK/GBP	11,8254

Notes regarding 2021 received/estimated income

1) BMZ/GIZ

The changed funding source from BMZ to GIZ in 2019 was an Steering Committee (SC)-approved shift from basket to annual project funding.

We have received EUR 468 492 on the 2021–2022 contract. Only 70% of the contract amounting to EUR 500 000 was accounted for in 2021, and the 30% will be for 2022. Note that U4 still has an outstanding balance of EUR 13 897 from the 2020 contract.

2) Canada

In 2019, U4 received EUR 666 000 (NOK 6 440 220) for the period of 2019–2021.

U4 received EUR 444 000 (NOK 4 550 245) in 2021 for the period 2022–2023.

3) SDC

We have accounted for CHF 255 300, where the final disbursement CHF 55 300 will be transferred to U4 upon approval of the audited annual statement of account. Note that the CHF 55 300 is an estimated income.

4) UK FCDO

The financial year for FCDO is from 1 April to 31 March, unlike CMI–U4 and other partners.

U4 received GBP 200 000 for 2021. In February 2022, U4 applied for an additional GBP 50 000 for January–March 2022, and this amount will be regarded as 2022 income.

5) Currency revaluation gains/losses

CMI opened a new bank account in February 2019 for handling any U4 income and expenses in Euros. Currency gains and losses resulting from revaluations on this account and the sale of EUR to NOK, accrue to U4. Prior to 2019, such transactions were handled through a different CMI (institutional) Euro account, and currency revaluation gains and losses were accrued to CMI – not affecting the U4 accounts. Reserves in the Euro account are revalued as per the exchange rates on 31 December each year.

In 2021, U4 has a currency loss of NOK 201 694 (EUR 19 842).

V. Summary overview of expenses incurred, January–December 2021

Incurred expenses from 1 January–31 December 2021, balanced against the approved budget.

Items	Budget 2021	Actual costs 2021	Balance
1. Management	2 665 200	2 515 620	149 580
a) CMI Staff	2 310 200	2 310 200	–
b) Travel	160 000	33 654	126 346
c) Running costs	195 000	171 766	23 234
2. General operations	14 039 849	15 496 590	(1 456 741)
a) CMI staff (Core U4 team)	12 589 849	13 949 590	(1 359 741)
b) Travel (excl. workshop, HQ)	120 000	–	120 000
c) Communication costs	1 130 000	1 376 443	(246 443)
d) Running costs	200 000	170 557	29 443
3. Themes	3 866 122	2 390 964	1 475 158
a) Civil society and people's engagement	80 000	–	80 000
b) Development cooperation	273 000	317 266	(44 266)
c) Gender and corruption	198 500	68 640	129 860
d) Illicit financial flows	80 000	–	80 000
e) Justice sector	100 573	73 096	27 477
f) Measurement and evaluation	80 000	70 500	9 500
g) Natural resources sector	221 000	176 250	29 077
h) Private sector	80 000	50 200	29 800
i) Public service delivery	45 675	33 495	12 180
j) Public service delivery – Health (CATCH)	2 057 373	839 111	1 218 262
k) Flexible thematic funds*	200 000	170 923	29 077
l) Translations (all themes)	150 000	123 789	26 211
m) Reviewers (all themes)	50 000	42 793	7 207
n) Copyediting (all themes)	250 000	424 901	(174 901)
4. Strategic initiatives	295 000	172 843	122 157
a) Strategic support	200 000	149 343	50 657
b) Partnerships in the South	20 000	23 500	(3 500)
c) Bergen Hub	75 000	–	75 000

Items	Budget 2021	Actual costs 2021	Balance
5. Helpdesk (TI)	1 524 272	1 554 127	(29 855)
Helpdesk services	1 524 272	1 554 127	(29 855)
6. Courses and convening	2 285 444	2 533 237	(247 793)
a) Online course	1 564 300	1 848 180	(283 880)
b) HQ-visits/Partner forum travel	40 000	–	40 000
c) In-country workshops (External costs and all travels)	681 144	685 057	(3 913)
7. GIZ contribution	3 605 000	3 385 635	219 365
Staff fees GIZ contribution	3 605 000	3 385 635	219 365
Total NOK	28 280 886	28 049 016	231 870
Total EUR	2 782 237	2 759 426	22 811
Total GBP	2 391 537	2 371 929	19 608

*The budget line for flexible thematic funds gives a degree of agility to respond when new project opportunities and research needs emerge.

Currency calculations are based on the following average exchange rates in 2021 (source: [Norges bank](#))

NOK/EUR	10,1648
NOK/GBP	11,8254

VI. Main deviations

Our 2021 expenses show four main deviations from the 2021 estimated budget:

- CMI staff:** Line 2a *CMI staff* under *general operations* shows a 10.8% overspend. This is mainly due U4 staff working more hours than initially estimated for core U4 outputs to deliver on the 2021 workplan.
- Communications:** Line 2c shows a 22% overspend that results mainly from U4 committing additional resources to maximise the benefits of upgrading the U4 website.
- Health (CATCH):** At year end, the expenditure under the *Health (CATCH)* budget for 2021 was in line with our plan and budget for these activities. However, line 3j shows a positive balance. This is because at the start of the financial year, when we drew up the U4 budget, Norad's additional funding to deepen U4's work on corruption in health had not yet been earmarked for specific outputs. The allocated funds were therefore placed on this line under *Themes*, which refers to research and publications. Later, as concrete plans for health outputs evolved in 2021, actual costs incurred for these outputs and activities were instead recorded on other budget lines to better reflect the correct type of activity completed, i.e. *online courses*, *in-country workshops*, *communications*, *helpdesk*, and *copyediting*. Therefore, this has created a positive balance in the health budget line, despite spending being according to projection.

4. **Copyediting:** Line 3n shows a 70% overspend on copyeditors compared to the budget. This is due to a need to use more copyeditors employed by agencies as some of our usual freelance copy editors were unavailable for urgent work, and because copyeditors have contributed to writing more summaries and blog posts when publication authors have been unavailable to do so.
5. **Online courses:** Line 6a shows an 18% overspend on online courses. This is due to higher than estimated costs for developing content and assets that satisfy quality U4's quality expectations for online training for several current and forthcoming courses:
 - a. Three new self-paced courses on natural resource sectors
 - b. A new facilitated course on fragile states
 - c. A new facilitated course on health pandemics and emergency responses
 - d. Developing new materials for two existing facilitated courses: *Essentials II* and the *Corruption risk management*.

VII. Financial notes

The following numbered notes relate to the same numbers in the table above.

1. MANAGEMENT

Items	Approved budget	Actual expenditure	Balance
CMI Staff	2 310 200	2 310 200	–
Travel	160 000	33 654	126 346
Running costs	195 000	171 766	23 234

Management staff time: This category covers U4 management staff time for the U4 Director and the Finance and Operations Manager (FOM). Support from the CMI project controller to U4's FOM for the reporting of the BMZ/GIZ contract is also included.

Travel for management: Very limited travel was possible due to Covid-19 restrictions. The costs here cover for remotely-based staff travelling to Bergen for the strategy planning retreat and the Steering Committee meeting. The positive balance on this budget line was reallocated to cover prioritised costs on other budget lines.

Running costs: This budget line covers for the general management of the U4 centre. Among others, this budget line covers for some of the team building activities (ie strategy planning retreat) and the Steering Committee expenditures.

With the exception of the budget line for travel, the remaining lines in this category had minor deviations.

2. GENERAL OPERATIONS

Items	Approved budget	Actual expenditure	Balance
CMI Staff	12 589 849	13 949 590	(1 359 741)
Travel	120 000	–	120 000
Communication	1 130 000	1 376 443	(246 443)
Running cost	200 000	170 557	29 433

a. CMI staff

Items	Approved budget	Actual expenditure	Balance
CMI staff	12 589 849	13 949 590	(1 359 741)

This category covers staff time for core U4 activities: planning and reporting, thematic research, outreach, communications, online courses, in-country workshops, headquarter visits/partner forums and other meetings, strategic activities, and coordinating helpdesk operations and outputs. Operationalising gender aspects in U4 work and coordinating the internal monitoring and evaluation framework is also included here.

The main deviation can be explained as follows:

- Extension of the contract for CMI affiliated expert, Per Aarvik. Aarvik's contract was extended until 31 December 2021 to conduct further research in a 50% position. Aarvik is a specialist on emerging technologies and studies how these can be applied for anti-corruption and development.
- Use of specific CMI expertise: U4 engaged other CMI staff upon demand, including CMI Senior Researcher Inge Amundsen who has assisted the team research planning and publication quality control.
- CMI increased the amount of hours allocated to U4 staff compared to initial plans – mainly in second half of 2021. This was to ensure completion of core U4 work plan items in lieu of pursuing external projects or personal development initiatives.
- As of October 2021, U4 reduced its commitments to the TNRC project, and reallocated this U4 staff time to support in delivering on U4 core activities.

b. Staff travel

Items	Approved budget	Actual expenditure	Balance
Travel	120 000	–	120 000

All events were held online and no travelling was needed in 2021, the funds on this line were reallocated to other lines.

c. Communication costs

Items	Approved budget	Actual expenditure	Balance
Communications	1 130 000	1 376 443	(246 443)

This budget category was given a high priority in 2021, therefore the costs were higher than budgeted as a result of additional communications production and quality control related to launching the U4 website, promotion and design for webinars, strategic communications planning, and targeted outreach campaigns. Part of the additional costs were covered by the CATCH budget for launch activities for a U4 Brief: *Global access to Covid-19 vaccines: lifting the veil of opacity to end the pandemic*.

U4's new website was launched in November 2021. The aim was for the new website to be a clearer part of U4's recognisable brand, and help build further trust in our research and expertise, and enable our users to discover the depth and breadth of U4 resources.

d. Running costs

Items	Approved budget	Actual expenditure	Balance
Running costs	200 000	170 557	29 443

This line covers necessary staff training, purchase and subscriptions of thematic literature, representation, and other miscellaneous expenses related to thematic work and core activities.

Our initial estimations for this budget line were higher than the actual expenditure.

3. THEMATIC RESEARCH

Approved budget	Actual expenditure	Balance
3 866 122	2 390 964	1 475 158

This aggregated line for thematic research includes expert- and researcher fees for anyone *not* part of the U4 core team. It also includes their travels and other billable costs, as well as quality assurance costs related to thematic outputs in terms of *peer reviews* and *copyediting*. Translations of research outputs are also covered under this line.

Do note that this budget narrative only covers the costs disbursed to external consultants and/or other CMI staff not part of the U4 core group on thematic work. A detailed list of all 2021 deliverables will be available as part of the 2021 U4 annual report.

The main deviation on this budget category appear on the lines for the Health (CATCH) work (see detailed explanation in point 3 under VI. *Main deviations*, above).

The details under each thematic budget line are presented below.

Civil Society and people's engagement

Approved budget	Actual expenditure	Balance
80 000	0	80 000

The Senior Adviser in charge of this theme mainly focused his resources on the climate change outputs, so the costs related to this topic were decreased and no costs associated to external experts were incurred in 2021.

Development cooperation

Approved budget	Actual expenditure	Balance
273 000	317 266	(44 266)

The costs under this budget line are related to the following outputs:

- U4 Issue on *Multistakeholder partnerships as agents of integrity*. This was presented at an IACC virtual event.
- Finalising a U4 Issue on *Cooperation with Chinese actors on anti-corruption: Environmental governance as a pilot area* (published early 2022).
- U4 Issue on *Why do anti-corruption approaches in peace processes matter?* (forthcoming).
- Updating an existing U4 Brief on *UNCAC in a nutshell: A quick guide to the United Nations Convention against Corruption*.

The actual costs for this theme have been increased as the costs for the experts were higher than anticipated.

Gender and corruption

Approved budget	Actual expenditure	Balance
198 500	68 640	129 860

The costs under this budget line are related to the following outputs:

- Gender and corruption topic page and online course (light revisions).

The funds allocated to this budget line were reduced due to the responsible U4 senior adviser prioritising commitments on the Health (CATCH) project. Additionally, an external author initially intended for work on this theme was unavailable. The funds available were reallocated to other budget lines.

Illicit financial flows

Approved budget	Actual expenditure	Balance
80 000	0	80 000

Due to non-availability of an external expert and the fact that the responsible U4 senior adviser had to prioritise the U4 strategy process, commissioned work on this theme will be postponed to 2022. Therefore, these funds were reallocated to other budget lines in 2021.

Justice

Approved budget	Actual expenditure	Balance
100 573	73 096	27 477

The funds under this budget line cover the following:

- U4 Brief on *Zimbabwe's anti-corruption courts: progress and challenges*.
- U4 Blog post: *An independent expert on corruption and human rights: do we need one?*.
- U4 Brief on the *Special court against corruption and organised crime in Albania*.
- Research on anti-corruption courts in Southeast Europe.
- Updating and reviewing a U4 Issue on *Specialised anti-corruption courts: A comparative mapping* (2016).

U4 was not able to hire a research assistant as initially budgeted, therefore actual costs were lower than estimated for this theme.

Evaluation and measurement

Approved budget	Actual expenditure	Balance
80 000	70 500	9 500

The costs cover the following:

- U4 Guide on *Re-evaluating anti-corruption interventions: how to tailor the evaluation to the nature of corruption and anti-corruption* (forthcoming).

Natural resources sector

Approved budget	Actual expenditure	Balance
221 000	176 250	44 750

The costs under this budget line cover:

- U4 Issue on *Addressing corruption in Uganda conservation areas* (forthcoming).

In relation to this activity NOK 41 406 will be disbursed and accounted for in 2022

Private sector

Approved budget	Actual expenditure	Balance
80 000	50 200	29 800

The costs under this budget line cover:

- U4 Brief on *Due diligence* (forthcoming).
- U4 Brief on *Anti-corruption compliance for small and medium-sized enterprises*, Ghana (forthcoming).

Public service delivery

Approved budget	Actual expenditure	Balance
45 675	33 495	12 180

Within this theme we also cover the costs related to the areas of *health* and *education*.

Specifically for public service delivery, this budget line covers:

- U4 Issue on *Using spatial information tech to crowdmap corruption/service delivery education sector* (forthcoming).

The budget for this theme was reduced as a U4 Senior Adviser will be finalising the paper instead of an initially intended external expert.

Public service delivery – Health

Approved budget	Actual expenditure	Balance
2 057 373	839 111	1 218 262

Most CMI–U4 efforts on health in 2021 were geared towards the newly established Coalition for Accountability, Transparency and Anti-Corruption in Health (CATCH: WHO, The Global Fund, UNDP). The support consisted of advice, coordination, research, training materials, and outreach work.

The overall U4–CATCH project closed on budget in 2021. (Please see note 3 under the heading *VI. Main deviations*, above, for explanation of the positive balance on this line).

CATCH expenditures² on publications and work by external experts in 2021 consist of:

- External expert: Coordination and setting up governing mechanisms for CATCH.
- U4 Brief: *Global access to Covid-19 vaccines: lifting the veil of opacity to end the pandemic*.

² See also CATCH activities that have been recorded under other budget lines: *online courses*, activities that have been allocated to other budget lines are: *online courses, in-country workshops, helpdesk, communications*.

- U4 Brief: *Blockchain technologies' use for enhancing transparency and accountability in Covid-19 vaccine supply chain* (forthcoming).
- U4 Practice Insight: *Civil society monitoring in the health sector: acting locally to ensure clean procurement and service provision* (forthcoming).
- U4 Practice Insight: *Donor-funded efforts to mainstream anti-corruption in national health systems: experiences from ACTUE Colombia* (forthcoming).
- Short, animated videos for training purposes on corruption and Covid-19 vaccine supply chain (forthcoming).
- Topic page: Light revision.

Outstanding payments related to work under this category amount to NOK 94 569. These will be disbursed and accounted for in 2022.

Flexible thematic funds

Approved budget	Actual expenditure	Balance
200 000	170 923	29 077

Costs under this budget line cover:

- Background research on how information circulates in anti-corruption networks, to use for better planning of U4 outreach through social media messaging.
- Research assistant (climate change). (Note that the climate change project funded separately by SDC ran from Oct 2020–Nov 2021. After November 2021, the costs under this thematic were covered under the core budget.
- Topic page: Public Financial Management – updates.

Outstanding payments related to work under this category will be disbursed and accounted for in 2022.

Translations, external reviewers, copyediting

Items	Approved budget	Actual expenditure	Balance
Translations (all themes)	150 000	123 789	26 211
External reviewers (all theme)	50 000	42 793	7 207
Copyediting (all themes)	250 000	424 901	(174 901)

Translations

Lower costs were incurred for translations as some planned publications were not completed in 2021 due to delays and unavailability of translators.

External reviewers

Most, but not all, reviewers of U4 publications do not charge for their work.

Copyediting

Costs related to copyediting have exceeded the budget by 70%. The increased costs are due to:

- Lower availability of low-cost editors which forced U4 to commission more costly editors via agencies with which CMI has framework agreements.
- Editors to a larger extent than previously being asked to not only copyedit texts, but also draft summaries due to authors' capacity constraints.

The CATCH project (and budget) accounted for 42% of the copyediting costs in 2021.

4. STRATEGIC INITIATIVES

Items	Approved budget	Actual expenditure	Balance
Strategic support	200 000	149 343	50 657
Partnerships in the South	20 000	23 500	(3 500)
Bergen Hub	75 000	–	75 000

Strategic support

This budget line covers the costs related to coordination and strategic development, travel expenses, and training costs for staff to develop the team's facilitation and management skills (costs of external consultants) and assist the team in the strategy development process. Costs are lower than budgeted as some of the planned activities were postponed to 2022 to include the new U4 Director.

Partnerships in the South

U4 took part in the Internal Risk Management Group (IRMG) workshop in Uganda, a space for 62 NGOs to share, learn and improve their management and mitigation of risk in the country. Travel costs were slightly higher than budgeted.

Bergen Hub

We held six corruption research group meetings, all online. The ICRN event planned to be held in Bergen did not take place due to Covid-19 restrictions.

5. HELPDESK

Approved budget	Actual expenditure	Balance
1 524 272	1 554 127	(29 855)

This line covers the direct cost paid to Transparency International (TI) for the Helpdesk service. In 2021, we processed 35 queries. The requests have come from Sida, FCDO, Norad, Danida and GIZ.

Queries touched a large variety of subjects such as illicit financial flows (6), natural resources (3), health sector (2), gender and corruption (2), country profiles (12), private sector and public financial management (2), climate change (3) and on general anti-corruption knowledge (5).

Due to an increase in demand, the U4 Director approved to outsource seven helpdesk answers the subjects *natural resources, health, gender, private sector, illicit financial flows* and a country profiles.

Outsourced answers:

1. *Corruption in fisheries and aquaculture in Colombia.*
2. *Corruption and the right to sexual and reproductive health in sub-Saharan Africa.*
3. *The impact of anti-money laundering and counter terrorist financing regulations on civic space and human rights.*
4. *Illicit gold flows in Eastern and Central Africa*
5. *Corruption and gender equality: A summary of existing research*
6. *The role of private sector in asset recovery*
7. *North Macedonia: Overview of corruption and anti-corruption*
8. Health (CATCH) – one outsourced (urgent) helpdesk answer: *Mitigating corruption risks in the Covid-19 vaccine rollout.*

9. COURSES AND CONVENING

Online courses

Approved budget	Actual expenditure	Balance
1 564 300	1 848 180	(283 880)

This budget line covers online course administration, expert facilitation, IT programming costs, and asset design and production. We reallocated more funds to develop and revise online courses.

Costs under this budget line cover:

- Webinar for participants from *Uzbekistan* on the topic of setting up an Anti-Corruption Commission.
- Translation – self-paced course in Arabic: *Essentials I: The basics*.
- Software licence: *Curatr* online course training platform.

Facilitated courses

- Two *health* courses (CATCH) – Facilitation and light revisions (spring and autumn).
- Two *gender* courses (spring and autumn).
- One *justice* course (autumn).
- One *natural resource sector* course (English) (autumn).
- One *Essentials II* course (spring).
- Two *corruption risk management* courses (spring and autumn).

Course development

- Three new self-paced courses on *natural resource sectors* (forthcoming).
- A new facilitated course on *fragile states* (forthcoming).
- Revision of the *Corruption risk management* course (forthcoming).
- A new self-paced course on Health (CATCH): *Corruption in pandemics and health emergencies* (forthcoming).
- New learning assets *Gender and corruption* course (forthcoming).

- New content and assets for the facilitated course *Essentials II: Development programming* (forthcoming).

Outstanding payments related to work under this category amount to NOK 677 261, of which NOK 393 656 relate to the CATCH programme. These will be disbursed and accounted for in 2022.

Partner engagement

Approved budget	Actual expenditure	Balance
40 000	–	40 000

This budget line covers running costs for headquarter (HQ) visits and other partner engagement events, the annual seminar, etc.

In 2021, all our partner engagement events were held digitally. The HQ visit to Canada was postponed to 2022 due to Covid-19 restrictions.

In-country workshops (excl. External costs and travel for all)

Approved budget	Actual expenditure	Balance
681 144	685 057	(3 913)

This category covers in-country workshop expenses such as expert fees, travel costs, background studies, interpretation and translation services, etc.

The planned workshops in Afghanistan and Somaliland were first delayed and then cancelled due to conflict. The unspent budgets for these were reallocated to other in country workshops, and particularly for commissioned studies for workshops in Madagascar, Nepal, Thailand, and for health (CATCH): Colombia and Indonesia.³ As a result, we spent moderately more funds than originally allocated to this budget line.

Outstanding payments related to work under this category will be disbursed and accounted for in 2022, and specifically cover a planned replacement workshop (Ethiopia) for cancelled 2021 events, and a postponed Madagascar workshop.

³ A commissioned background study on Zambia was funded separately by the SDC project (see further details below).

10. GIZ CONTRIBUTION

GIZ funds U4 EUR 500 074 for the period from mid-April 2021 to mid-April 2022. Of this, EUR 350 000 (70%) accrues to the 2021 financial year.

Approved budget	Actual expenditure	Balance
3 605 000	3 385 635	247 793

Part of the salary for four thematic U4 advisers and the Finance and Operation Manager is covered by this GIZ project funding. Some of these costs were lower than expected due to unforeseen circumstances and U4 has sent a revised budget in March 2022 to BMZ/GIZ to address this matter.

VII. FUNDED SEPARATELY

Specific information on the deliverables resulting from different projects funded outside the core U4 budget will be available in the forthcoming 2021 narrative annual report.

A) Climate change (SDC)

This contract amounts to NOK 1 66 598 (CHF 170 200).

Items	Budget (NOK)
a) Total income received 2020 – 2021: CHF 170 200	1 666 598
b) Expenses in 2020	20 700
c) Expenses in 2021	1 649 560
Balance	-3 662

Project duration: Oct 2020–Nov 2021.

From April 2021 to November, U4 appointed a part-time (40%), temporary research assistant– Juan Camilo Ceballos – to support the U4 Senior Adviser in charge of this theme.

B) Corruption studies in Uganda (Government Transparency Institute Ltd.)

Senior Adviser, Monica Kirya, engaged in external consultancy work to produce three studies on corruption in Uganda. Contract amount NOK 30 700 (EUR 3 000).

C) Governance support programme (GIZ)

Senior Adviser, Sofie Schuette, developed and presented a study to the Governance Support programme of GIZ in South Africa on a contract amounting to NOK 79 707 (EUR 7 909).

D) TNRC – Targeting Natural Resource Corruption (USAID)

In 2021, U4 continued to be part of the five-year USAID-funded TNRC project (Aug 2018–June 2023), where we finalised the field work in Vietnam, Madagascar and Peru. As of October 2021, there was a focus on generating new knowledge and holding events to enhance anti-corruption efforts in natural resource sectors, specifically in wildlife, forestry, and fisheries. For 2021, U4 has spent NOK 3 450 346 (EUR 339 440) in 2021.

E) Strategy and Capitalisation exercise of Swiss anti-corruption Development Cooperation (CapEx) (IDS/SDC)

U4 supported the Institute of Development Studies (IDS), UK, in fulfilling its tasks regarding the SDC thematic unit on democratisation, decentralisation and local governance.

U4 completed a capitalisation exercise (CapEx) of Swiss anti-corruption assistance, commissioned in 2019 by SDC's Thematic Unit on Governance. The CapEx covered anti-corruption assistance in eight countries: Bangladesh, Burkina Faso, Guatemala, Honduras, Kosovo, Romania, Tanzania and Ukraine).

The income for 2021 amounted to NOK 310 890 (EUR 30 585)

VIII. Overview of incurred expenses – January – December 2021 (EUR)

This is a copy of the overview listed above (in NOK), with all the sums in EUR.

Items	Budget EUR	Actual costs EUR	Balance EUR
1. General management	262 199	247 483	14 715
a) CMI Staff	227 275	227 275	–
b) Travel	15 741	3 311	12 430
c) Running costs	19 184	16 898	2 286
2. General operations	1 381 222	1 524 535	(143 312)
a) CMI Staff	1 238 573	1 372 343	(133 770)
b) Travel	11 805	–	11 805
c) Running costs	111 168	135 413	(24 245)
d) CMI Staff	19 676	16 779	2 897
3. Thematic research	380 344	235 220	145 124
a) Civil society and people's engagement	7 870	–	7 870
b) Development cooperation	26 857	31 212	(4 355)
c) Gender and corruption	19 528	6 753	12 775
d) Illicit financial flows	7 870	–	7 870
e) Justice sector	9 894	7 191	2 703
f) Measurement and evaluation	7 870	6 936	935
g) Natural resources	21 742	17 339	4 402
h) Private sector	7 870	4 939	2 932
i) Public service delivery	4 493	3 295	1 198
j) Public service delivery – Health (CATCH)	202 402	82 551	119 851
k) Flexible thematic funds	19 676	16 815	2 861
l) Translations (all themes)	14 757	12 178	2 579
m) Reviewers (all themes)	4 919	4 210	709
n) Copyediting (all themes)	24 595	41 801	(17 207)
4. Strategic initiatives	29 022	17 004	12 018
a) Strategic support	19 676	14 692	4 984
b) Partnerships in the South	1 968	2 312	(344)
c) Bergen Hub	7 378	–	7 378
5. Helpdesk (TI)	149 956	152 893	(2 937)
Helpdesk (TI)	149 956	152 893	(2 937)
6. Courses and convening	224 839	249 217	(24 378)
a) Online course	153 894	181 822	(27 928)
b) Partner engagement	3 935	–	3 935
c) In-country workshops (External costs and all travels)	67 010	67 395	(385)
7. GIZ project funding	354 655	333 074	21 581
Staff salary – Thematic areas	354 655	333 074	21 581
Total EUR	2 782 237	2 759 426	22 811

IX. Overview of incurred expenses – January – December 2021 (GBP)

This is a copy of the overview listed above (in NOK), with all the sums in GBP.

Items	Budget GBP	Actual costs GBP	Balance GBP
1. General management	225 379	212 730	12 649
d) CMI Staff	195 359	195 359	-
e) Travel	13 530	2 846	10 684
f) Running costs	16 490	14 525	1 965
2. General operations	1 187 262	1 310 450	(123 187)
e) CMI Staff	1 064 645	1 173 629	(114 985)
f) Travel	10 148	-	10 148
g) Running costs	95 557	116 397	(20 840)
h) CMI Staff	16 913	14 423	2 490
3. Thematic research	326 934	202 189	124 745
o) Civil society and people's engagement	6 675	-	6 675
p) Development cooperation	23 086	26 829	(3 743)
q) Gender and corruption	16 786	5 804	10 981
r) Illicit financial flows	6 765	-	6 765
s) Justice sector	8 505	6 181	2 324
t) Measurement and evaluation	6 765	5 962	803
u) Natural resources	18 689	14 904	2 459
v) Private sector	6 765	4 245	2 520
w) Public service delivery	3 862	2 832	1 030
x) Public service delivery – Health (CATCH)	173 979	70 958	103 021
y) Flexible thematic funds	16 913	14 454	2 459
z) Translations (all themes)	12 685	10 468	2 217
aa) Reviewers (all themes)	4 228	3 619	609
bb) Copyediting (all themes)	21 141	35 931	(14 790)
4. Strategic initiatives	24 946	14 616	10 330
d) Strategic support	16 913	12 629	4 284
e) Partnerships in the South	1 691	1 987	(296)
f) Bergen Hub	6 342	-	6 342
5. Helpdesk (TI)	128 898	131 423	(2 525)
Helpdesk (TI)	128 898	131 423	(2 525)
6. Courses and convening	193 266	214 220	(20 954)
d) Online course	132 283	156 289	(24 006)
e) Partner engagement	3 383	-	3 383
f) In-country workshops (External costs and all travels)	57 600	57 931	(331)
7. GIZ project funding	304 852	286 302	18 550
Staff salary – Thematic areas	304 852	286 302	18 550
Total GBP	2 391 537	2 371 930	19 608