



# FINAL REPORT

FIGHTING CORRUPTION TO IMPROVE GOVERNANCE  
PROJECT

*February 2006 – February 2010*

## 1. General Project Information

Name of organization:	UNDP
Area/Country	Europe/ FYR Macedonia
Project title:	00048056 Fighting Corruption to Improve Governance
Project number:	2060087
Recipient:	UNDP
Co-operation partner(s):	State Commission for Prevention of Corruption Association of Local Self-government Units Ministry of Local Self-government Agency for Civil Servants Municipality of Veles Municipality of Tetovo Municipality of Bitola Municipality of Gevgelija

## 2. Project Expenses

Allocated amount	747,860.00 USD (4.367.700,00 NOR)
Other financing	
Own contribution	100,900.00 USD UNDP
Other contribution	
Total Project Expenses (February 2006 – February 2010)	848,760.00 USD

### 3. Project Description

a) Describe the project purpose and objectives, including indicators for measuring performance. If the purpose or objectives were modified, an example must be given.

The project "Fighting Corruption to Improve Governance" has aimed to promote accountability and transparency as indispensable pillars of local democratic governance. The project has worked with the State Commission for the Prevention of Corruption and the Association of Local Self Governments (ZELS) in addressing the root causes and consequences of non-transparent practices. It has also on a pilot basis supported four municipalities (Tetovo, Gevgelija, Bitola and Veles) to introduce systems and mechanisms that will reduce their susceptibility to corruption. In addition to the four pilot municipalities, the project has also aimed to spread in a number of other local self government bodies, thus bringing an added value and enhancing the effectiveness and efficiency of the resources spent and the efforts put in the project implementation.

Based on the successful results from the first project phase (2006-2007) and on the request from the project partners (the State Commission of Prevention of Corruption and the four pilot municipalities), the initial project duration was extended for two additional years in which the first phase project results were build upon to ensure sustainability and further progress.

More specifically, throughout its lifetime, the project has focused on:

- 1) **Development and implementation of corruption assessment mapping tool;**
- 2) **Development of tools for promotion of ethics and upholding integrity within the local self governments;**
- 3) **Development of clear and comprehensive guidelines for provision of administrative services for the purpose of improved service delivery and minimization of the opportunities for corruption;**
- 4) **Enhancing the administrative capacity of the local authorities to fight corruption and implement the principles of good governance;**
- 5) **Strengthening civic control in the fight against corruption by working with civil society organizations and media to counteract corruption and build effective partnerships with local self governments.**

Project indicators and results:

- *Number of municipalities certified with ISO standards for delivery of services*
  - Quality Management System established in the project municipalities (Veles, Bitola, Gevgelija, Tetovo) and all four municipalities certified with ISO 9001:2008 standards
- *Impact from established ISO standards at local level*
  - The establishment of the Quality Management System in accordance with ISO 9001:2008 standards for delivery of services in the project municipalities has created a "snowball" effect and increased the level of interest from local self-government units to introduce this replicable model as a good practice for improving management and good governance at local level.

- *Number of municipalities which implemented the methodology for measuring the Index of Responsibility, Transparency and Accountability at local level*
  - In total, 14 urban municipalities implemented the methodology for measuring the Index of RTA at local level
  
- *Number of municipalities to officially adopt the Code of Ethics for Local Officials*
  - The Code of Ethics for Local Officials adopted by 84 municipal councils
  
- *Number of capacity building activities and trained local civil servants from the project municipalities in the areas of general administrative procedures, urban planning, communal activities and financial management*
  - The project organized 12 capacity building events (trainings, workshops, seminars) and trained around 200 local civil servants
  
- *Number of developed manuals and guidelines for streamlining municipal administrative procedures*
  - Eight manuals/guidelines (front and back office) have been designed in different areas for streamlining municipal administrative procedures
  
- *Number of standardized forms for delivery of services at local level*
  - 81 standardized forms for delivery of services at local level have been developed
  
- *Number of events for presentation and promotion of the Code of Ethics*
  - More than 15 events (public debates, round tables, seminars) organized for presentation and promotion of the Code of Ethics at national, regional and local level
  
- *Number of small grants to civil society organizations*
  - Six small grants to the civil society organizations from different regions of the country implemented to tackle issues such as promotion of ethnical youth entrepreneurship and substantive involvement of women in monitoring the work of local governments, particularly on issues negatively affecting the quality of life in rural areas. Another civil society initiative identified and defended the need for establishment of an anti-corruption support centre in a specific local community that will help citizens understand and report on corruption cases.
  
- *Number of capacity building actions and trained representatives from State Commission for Prevention of Corruption, Association of Local Self-government Units (ZELS), municipal authorities, civil society organizations and media representatives in the areas of anti-corruption, conflict of interest, UNCAC, free access to information and public procurements*
  - Eight events (trainings, seminars) organized and more than 150 participants from the above mentioned target groups were trained
  
- *Number of journalists trained in the area of investigative journalism in anti-corruption issues*
  - 30 journalists from different national and local media (TV, radio, newspapers, agencies etc.) trained in investigative journalism. A network of investigative journalists established

- *Usage of the developed project tools and mechanisms*
  - The developed manuals and guides for streamlining municipal administrative procedures have been made available to all municipalities through ZELS. The feedback received from municipalities is that they tools have greatly facilitated the work of the administration, particularly because of the decentralized competences which required additional knowledge and skills of the staff. The tools have also extensively been downloaded from the UND web site
  - The Code of Ethics for Local Officials has been adopted by ZELS and municipalities. At the same time, the process of promotion of principles of ethics and ethical behavior of elected local officials continued
  - The methodology for measuring the Index of Responsibility, Transparency and Accountability at local level has been used and implemented by several local self-government units. Also, the methodology has become part of the UNDP Oslo Governance Centre Guide for Measuring Local Governance as one of the mechanisms to measure vulnerability to corruption at local level

*b) Indicate the target group(s) of the project and if applicable, primary and secondary target groups*

**Primary beneficiaries:** municipalities, private sector, civil society organizations, media

**Secondary beneficiaries:** citizens at large

*c) Indicate the outputs, activities/process, and inputs*

<b>Intended Outputs</b>	<b>Indicative Activities</b>	<b>Inputs</b>
<i>1. Strengthened capacities of local actors to effectively monitor and address corruption practices</i>	Capacity building of local government officials on streamlining local processes; Developing necessary documents for standardizing municipal administrative procedures; Establishing Quality Management System and certifying four project municipalities Veles, Bitola, Tetovo and Gevgelija with ISO 9001:2008 standards for delivery of services; Established network of journalists on investigative journalism in anti-corruption; Small grant scheme for non-governmental organizations implemented; Provision of trainings to the project stakeholders on the issues of corruption, conflict of interest, UNCAC, free access to information's and public procurements;	UNDP Project staff Project partners Municipal authorities Civil Society Organizations Media
<i>2. Establishment of a monitoring system for tracking the level of corruption at local level</i>	Development and implementation of the methodology for measuring the level of susceptibility to corruption at local level i.e. methodology for measuring the Index of Responsibility, Transparency and Accountability (RTA) at local level; Development and adoption of the Code of Ethics for Local Officials; Organizing public dialogue on the issue of transparency, accountability, ethics and strengthening the capacities of relevant local actors;	UNDP Project staff Project partners Municipal authorities Civil Society Organizations Media

3. <i>Creation of a replicable model for anti-corruption at local level</i>	Prepare a “tool kit” for local government and civil society containing replicable elements that can be used as a guide of how to fight against corruption and increase the quality of democracy at local level.	UNDP Project staff Municipal authorities
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## Project implementation

a) *Were the project's purpose and objectives achieved? If not explain why.*

Yes, the project achieved its project objectives and goals. To achieve its objectives, the project produced the following outputs:

### ***STRENGTHENED CAPACITIES OF LOCAL ACTORS TO EFFECTIVELY MONITOR AND ADDRESS CORRUPTION PRACTICES***

- ***Streamlining and standardisation of administrative procedures***
  - Assessment and mapping of municipal administrative procedures in the project pilot municipalities (Veles, Tetovo, Bitola, Gevgelija)
  - Comprehensive situation analysis report, identification of bottlenecks in the process of delivery of services and provision of recommendations for simplification and harmonization of the local administrative procedures in the areas of urban planning, communal activities and financial management
  - Development of standardized municipal administrative forms for delivery of services in the areas of urban planning, communal activities and financial management
  - Production of a manual for administrative procedures in urban planning, communal activities, financial management (front office) and dissemination to all municipalities
  - Production of three manuals for standardizing and implementation of the municipal administrative procedures in urban planning, communal activities, financial management (back office) and delivery to local self-government units
  - Comprehensive analysis report on organizational structure, including recommendations for modifications in the municipal organizational structures
  - System analysis report for developing of e-solutions (software) for standardizing municipal administrative procedures in the three abovementioned areas
  - Provision of training for over 100 civil servants on comprehensive application of the Law on General Administrative Procedures
  - Development of a manual for implementation of the administrative procedures by the local administration in accordance with the Law on General Administrative Procedures
  - Delivery of specialized trainings to over 50 municipal civil servants for standardizing municipal administrative procedures in the area of financial management for the local civil servants from project municipalities. In addition, a guide for standardized administrative procedures in the area of financial management including standardized forms for delivery of services published and disseminated to all municipalities
  - Delivery of specialized trainings to more than 40 municipal civil servants for standardizing municipal administrative procedures in the area of communal activities. In addition, a guide for standardized administrative procedures in the area of communal activities, including standardized forms for delivery of services was published and disseminated to all municipalities

- Delivery of specialized trainings to over 35 participants local civil servants from project municipalities including representatives from the Secretariat of State Commission for Prevention of Corruption on the topic of standardizing municipal administrative procedures in the area of urban planning. In addition, a guide for standardized administrative procedures in the area of urban planning including standardized forms for delivery of services published and disseminated to all municipalities
  - A study visit to Slovenia (municipalities of Maribor and Koper) for the four mayors from pilot municipalities for peer-to-peer exchange of experiences with municipalities which are certified with ISO standards for delivery of services
  - Quality Management System in accordance ISO 9001:2008 standards for delivery of services established in the four project municipalities
- ***Strengthening the role of the media in tackling corruption issues***
    - A group of 30 journalists from national and local media trained in investigative journalism (comprehensive application of methods and techniques for investigative journalism)
    - A network of journalists established from different media institutions (TV, radio, newspapers, agencies, magazines, etc.)
    - Five journalists from the network of journalists participated in a study visit to Thomson Reuters Foundation Headquarters in London where they received trainings from peer journalists in the principles, practices and ethics of investigative journalism, gained practical experiences from “live” coverage by Reuters, met desk heads, newsrooms, online desks
  - ***Strengthening the role of civil society organisations in tackling corruption issues***
    - Strengthening the role of civil society organizations in the fight against corruption through a small grants scheme for “short and quick impact projects” implemented by non-governmental organizations at national and local level.
  - ***Thematic capacity-building activities***
    - Over 150 participants from local self-government units, non-governmental organizations, journalists, Secretariat of State Commission for Prevention of Corruption and the Association of the Local Self-government Units (ZELS) trained in the areas of anti-corruption, conflict of interest, United Nations Convention against Corruption, free access to information and public procurements at local level
    - Development of four manuals: manual on fighting corruption and conflict of interest; Manual on the United Nations Convention against Corruption (UNCAC), manual on free access to information with public character and manual on public procurements

## ***ESTABLISHMENT OF A MONITORING SYSTEM FOR TRACKING THE LEVEL OF CORRUPTION AT LOCAL LEVEL***

- The developed methodology for Measuring RTA at local level is a unique, simple and practice-oriented instrument that does not require specialised knowledge for implementation and can be easily used for monitoring purposes in all municipal structures. Apart from measuring the accountability and transparency in the three selected areas most prone to corruption (financial management, urban planning, and public procurement), the application of the methodology creates a culture of critical and objective self assessment that can be applied to all processes taking place in the municipal administrations. The methodology may also be a useful tool for improving the image of the municipality in the external environment
  - The adoption of the Code of Ethics for Local Officials by all municipalities has been perceived as clear indication of the political will of the elected municipal officials to voice their shared values for accountable and transparent work by also giving the external environment (the public, media and NGOs) an instrument to monitor the observance of those declared and formally adopted values. Media campaign for raising awareness to broader public and promotion of the Code of Ethics through TV/radio spots, posters, leaflets, TV and radio show appearances etc. The Association of Local Governments, as main partner on this activity, has undertaken also to continue monitoring the implementation of the Code of Ethics and propose corrective actions
  - The ISO certification of the four municipalities has set the bar of clarity, predictability and transparency of the work of the municipal administration at a high level and provides a clear benchmark for future monitoring of the work of the municipalities, but also can serve as comparators and inspiration for the rest of the municipalities to follow suit. As the four municipalities are the first ones to adopt the ISO quality management standard in Macedonia, the processes has brought about potentials for them to become centres of excellence and knowledge providers to the rest of the municipal administrations in Macedonia. The ISO certification process is expected to be beneficial for resource mobilisation purposes, particularly from the European Union
  - The efforts for enhancing the civil society participation in the process of fighting corruption and implementing good governance principles have proved critical for building effective external mechanisms for civic monitoring. The civil society organisations and the municipalities have already set a platform for discussions and consultations that is expected to continue in the future
  - As far as the media is concerned, the efforts for building the capacities of the media for understanding, researching, reporting and monitoring corruptive issues and practices have led to creation of a critical group of journalists as leaders and opinion-makers to take the anti-corruption agenda forward
- ***Creation of a replicable model for anti-corruption at local level***
- The key lessons from the project were codified in a **toolkit** broadly shared nationally and communicated with other UNDP Country Office and the Oslo Governance Centre for replication and reference. The toolkit codified the key products, lessons learnt and the knowledge accumulated through the project that will be fed into future national, sub-regional and regional anti-corruption interventions. The toolkit is user-friendly, succinct and formulated in a way to be easily applied and replicated in other circumstances/environments/institutions. UNDP has already received requests from other Country Offices to share the toolkit.



b) *Was the project implemented as planned as regards inputs and activities? If not explain why.*

Yes, project activities were successfully implemented as planned and with high quality in accordance with the project goals and objectives. The project activities were delivered according to the annual work plans. The process of planning, organization and execution of the project activities was realized in close communication, cooperation and common actions with the project partners (especially direct beneficiaries: local authorities from the municipalities of Veles, Bitola, Gevgelija and Tetovo) who were supportive and actively involved in all processes.

c) *How was the project coordinated with other actors (e.g. other NGOs and the authorities of the recipient country)?*

The coordination and consultation process included the following organisations:

- State Commission for Prevention of Corruption
- Association of Local Self-government Units (ZELS)
- Ministry of Local Self-Government
- Agency for Civil Servants
- Municipality of Veles
- Municipality of Tetovo
- Municipality of Bitola
- Municipality of Gevgelija
- Civil society organizations and media

***At strategic level***, representatives from the State Commission for Prevention of Corruption, ZELS, the Civil Service Agency and local experts were involved in the work of the Project Board thus contributing to the substantive steering of the project and ensuring relevance and timeliness of activities.

***At implementation level***, representatives from local self-government units especially mayors, project focal points and other local authorities, were leading actors and directly involved with ideas, suggestions and proposals during the process of development of the Code of Ethics for Local Officials. In addition, municipal authorities advanced specific proposals for development of the methodology for measuring the Index of Responsibility, Transparency and Accountability at local level and also actively participated in the implementation of the methodology at local level. At the same time, the local municipal administration of the target municipalities was directly involved in the process of preparing, implementing and maintaining the process of establishing quality management system in accordance with the ISO standards.

It is important to stress that the **State Commission for Prevention of Corruption** very proactively contributed to the development of the methodology for measuring susceptibility to corruption at local level and the Code of Ethics with a vision to institutionalise and internalise the developed tools. The **Association of Local Self-government Units**, for its part, took lead in the development and adoption of the Code of Ethics for Local Officials. The Ministry of Local Self-government, the Agency for Civil Servants, public/private business community, civil society organizations and journalist from different media institutions were regularly consulted and informed of the project aims and progress.

Last, but not least, contribution towards the project outputs was also given by practitioners, experts and other individuals and institutions who were not direct beneficiaries, but nevertheless served to validate the products and corroborate their relevance at national and local levels.

*d) What was done to ensure transfer of expertise and sustainability (e.g. financing, operation, etc)*

Throughout its lifetime, the project made specific efforts to ensure institutional ownership, reflected mainly through *capacity building activities* and *production and dissemination of knowledge products and methodologies* that can be sustained and replicated elsewhere.

The high-level policy representation in the Project Board, including representatives from the State Commission for Prevention of Corruption, Association of Local Self-Government Units (ZELS), Ministry for Local Self-Government, Agency for Civil Servants, experts and practitioners, ensured commitment for institutionalization, wider replication and continued monitoring of the achieved results.

In order to institutionalize the methodology for measuring the Index of Responsibility, Transparency and Accountability at local level, the project provided capacity building to the representatives from the State Commission for Prevention of Corruption, Association of Local Self-government Units (ZELS), municipal authorities and civil society organizations (trained over 60 beneficiaries). The process of implementation of the methodology in practice was conducted in cooperation among all stakeholders.

With the aim to strengthen the role of media and reinforce the accountability and transparency aspects, the project provided training to a group of 30 journalists from different national/local media institutions to improve their skills, techniques and methods to effectively research and report issues specifically in the area of anti-corruption. In addition, a network of journalists was established and five journalists from the group attended a study visit to Thomson Reuters Headquarters in London for a peer-to-peer training. Special meeting with chief editors of the respective outlets and Thomson Reuters team was organized in order to achieve awareness raising at that end and provide some ideas for sustainability of the investment in the journalists.

More specifically at municipal level, the project conducted several cycles of *comprehensive trainings* for streamlining and standardizing municipal administrative procedures in the several critical areas such as:

- General administrative procedures - over 125 local civil servants trained
- Urban planning - around 35 local civil servants trained
- Communal activities - around 40 local civil servants trained

- Financial management - over 50 local civil servants trained
- Trainings for establishing and maintaining the quality system management in accordance with ISO standards for delivery of services

Also, a variety of *manuals and guides for standardizing business processes and forms for delivery of services* at local level were developed:

- Manual for implementation of the procedures by the local administration in accordance with the Law on General Administrative Procedures
- Manual for administrative procedures in urban planning, communal activities, financial management (front office)
- Manuals for streamlining municipal administrative procedures in urban planning, communal activities, financial management (back office)
- Guides for standardizing municipal administrative procedures and forms for delivery of services in the areas of financial management, communal activities and urban planning

The above mentioned documents were disseminated to all 85 municipalities through the project and the network of ZELS for the usage and application of all interested municipalities.

#### 4. Lessons learned from the project

*a) What unforeseen challenges were encountered? How were they met?*

The project did not encounter any specific unforeseen challenges. On the contrary, some of the potential risks, such as the political climate and conflicting priorities at local level were transformed into opportunities, particularly after the last local elections in 2009. Namely, during and after the last local election, the new municipal leadership prioritised the project actions into their electoral campaigns and policy agenda and successfully completed and upgraded the ongoing project activities to the benefit of the municipalities. This particularly refers to successful finalisation of the ISO certification process.

*b) Which aspects of the implementation worked well?*

As a result of the constructive cooperation, coordination and vision among all stakeholders, especially with the direct beneficiaries, the planned project activities were implemented in timely and quality manner.

Throughout the lifetime of the project, the **Project Board** served as one of the main bodies for validation of progress, provision of policy guidance and recommendations regarding the project strategy and objectives, advising on institutional arrangements necessary for effective project implementation, approving the work plans and monitoring achievement of expected results.

The final Project Board meeting was held in January 2010 and the main conclusions from the meeting are the following:

All planned activities for the project 'Fighting Corruption to Improve Governance' have been completed in accordance with the project objectives, and it was proposed for the project to be operationally and financially closed.

The Board members agreed that the project was very successful in achieving its objectives particularly in terms of strengthening the capacities of local actors to effectively monitor and address corruption practices; establishing the monitoring system for tracking the level of corruption at local level; development of replicable model for anti-corruption at local level.

The Final Project Board meeting also highlighted the importance of further strengthening the institutional network, deepening the partnerships with civil society and media, and identification of avenues to scale-up and sharpen such or similar intervention for greater and broader impact.

In addition, to validate the achievements and results, the project was evaluated by an *external international expert* with specific attention to its relevance, efficiency and effectiveness and its contribution in achieving broader programme outcome in the area of good governance. Some of the main conclusions from the expert's report (the report is attached as an annex to this report) are as follows:

- The corruption assessment mapping tool i.e. methodology for measuring the Index of responsibility, transparency and accountability at local level is a unique and important mechanism that enables local government authorities to identify the bottlenecks in the administrative processes following a non objective process of assessment;
- Promotion of ethics and upholding the integrity within the local self-government through development and adoption of the Code of Ethics for Local Officials is an indication of the explicit will for changing the cultural perspectives towards the obligations and the expected behaviour of elected officials;
- The development of clear and comprehensive guidelines for providing administrative procedures and establishing quality management system in accordance with ISO standards at local level brings more clarity, predictability and transparency of the work of the municipal administration;
- The activities related to strengthening the administrative capacities of the local authorities and adhering to the principles of good governance are highly needed and represent successful approach towards providing practical skills that can be easily applied in the daily work of the municipal administration;
- The efforts for enhancing the capacities of civil society organizations and media to counteract corruption and build effective partnerships with local self-governments are of crucial importance for diminishing maladministration, building effective external mechanisms for civic monitoring and changing cultural tolerance towards corruption.

### c) Key Messages

Based on the experience from implementation of the project activities, the following key lessons learned could be drawn:

- Utilisation of measurable and objectives tools to identify corruption-prone bottlenecks and address them in a systematic manner (such as the ISO standards), proves to be received more openly and enthusiastically and increases the likelihood for sustainability and progress. This particularly compared to perception surveys which may sometimes turn into bone of contention and lead to misinterpretation. The municipalities have committed themselves to regularly update the certificate (which is part of the ISO certification requirements) from their own resources and continue monitoring their performance through the tools provided.

- Having in mind the sensitiveness of the anti-corruption topic it would be very useful to take a modified learning approach, i.e. approach which would be most suitable for successful implementation of project activities (for example: the approach of methodology for measuring the Index of RTA at local level instead of “pointing the finger” at municipalities).
- The involvement of new stakeholders in the anti-corruption efforts, such as the media, through supporting their investigative skills, proved very relevant and reinforced the importance of not neglecting any actor in the efforts for promoting and upholding the principles of transparency, accountability and efficiency.

*Place and date:* Skopje, FYR Macedonia, April 2010

*Recipient organization:* UNDP FYR Macedonia

*Project manager:* Fatmir Musa