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**Reports of UNDP, UNFPA and UNOPS Ethics Offices**

## **Activities of the UNOPS Ethics Office in 2012 Report of the Ethics Office**

*Summary*

The present report has been provided to the Executive Director of the United Nations Office for Project Services, pursuant to UNOPS organizational directive No. 15, paragraph 43. The report is submitted to the Executive Board of UNDP, UNFPA and UNOPS, at its annual session 2013, pursuant to Executive Board decision 2010/17.

The report has been reviewed by the United Nations Ethics Committee, in accordance with section 5.4 of the document entitled 'United Nations system-wide application of ethics: separately administered organs and programmes' (ST/SGB/2007/11).

The report covers the period from 1 January to 31 December 2012.



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## I. Introduction

1. The present report, the fourth since the establishment of the Ethics Office as a separate entity in UNOPS at the end of January 2009, is submitted annually to the Executive Director of UNOPS, the Chair of the United Nations Ethics Committee, and the Executive Board of UNDP, UNFPA and UNOPS.
2. In accordance with the Ethics Office mandate to promote the highest standards of integrity and to foster a culture of ethics, transparency and accountability within UNOPS, the present report provides an overview and assessment of the work of the Ethics Office in relation to its areas of responsibility over the reporting period. The report also addresses the longer-term strategic focus of the Office in respect to current activities and ethics policy implementation.

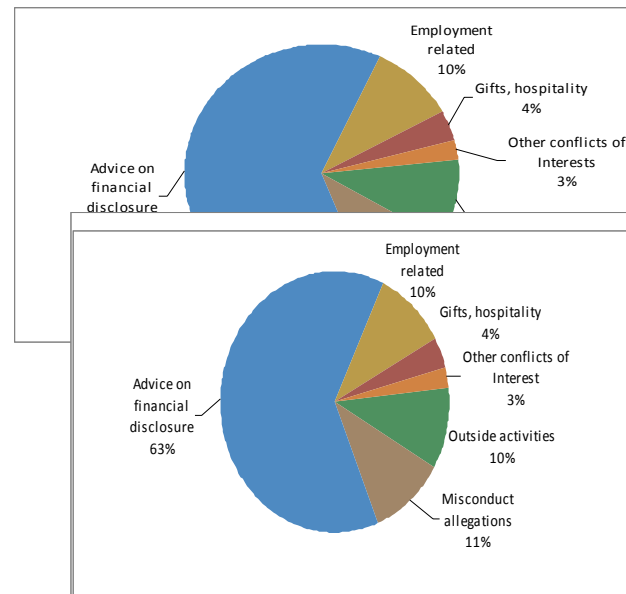
## II. Background and general information

3. The Ethics Office was established as an independent office within the United Nations Office for Project Services pursuant to General Assembly resolution 60/1 and to the Secretary-General's bulletin (ST/SGB/2007/11).
4. The main responsibilities of the Office include the following:
  - (a) Administering the UNOPS financial disclosure programme;
  - (b) Undertaking the responsibilities assigned to it under the UNOPS policy for the protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations;
  - (c) Developing standards, training and education on ethics issues, in coordination with the human resources practice group and other entities as appropriate and conducting ethics outreach;
  - (d) Providing confidential advice and guidance to staff on ethical issues (such as conflicts of interest), including administering an ethics helpline; and
  - (e) Supporting ethics standard-setting and policy coherence within the United Nations system.
5. In accordance with its core mandates, the Ethics Office assists the Executive Director in ensuring that all staff conduct themselves with integrity and professionalism and uphold the Charter of the United Nations. The Office seeks furthermore to nurture and sustain an organizational culture committed to ethics and accountability, with the aim of enhancing both the credibility and the effectiveness of the United Nations.
6. Reflecting its role as a consultative, impartial and service-oriented resource within UNOPS, the Ethics Office received a total of 462 referrals from 1 January 2012 to 31 December 2012. This represented a 13 per cent increase in the number of requests for services received by the Office as compared with the preceding reporting period. Figure 1 depicts the comparison of the respective figures for the period 2009-2012. The low figure for 2009 may be explained by the fact that the Office was new as an independent entity, and that administration of the financial disclosure programme had not yet been included in the terms of reference of the Ethics Office.

**Figure 1. Comparison of requests for services by reporting cycle, 2009-2011**

7. In line with the objective of the Ethics Office to provide comprehensive ethics coverage, requests for services received during the reporting period covered a broad range of ethics issues, including the permissibility of outside activities; acceptance of gifts; involvement in political activities; policy advice; standard-setting support; and protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations. Figure 2, below provides a breakdown of requests by category.

**Figure 2. Volume of requests for services by category, 2012**



### III. Activities of the Ethics Office

8. The areas of responsibility of the Ethics Office collectively support its strategic objective of promoting an ethical organizational culture so as to enhance organizational integrity, accountability, efficiency and productivity.

#### A. Financial disclosure programme

9. The Ethics Office is mandated to administer the UNOPS financial disclosure programme as a means of identifying, managing and mitigating personal conflict of interest risks in pursuit of strengthening public trust in the integrity of the organization. Pursuant to the Secretary-General's bulletin (ST/SGB/2007/11), UNOPS organizational directive no. 23 and advice from the Ethics Officer, personnel identified as falling within the categories listed in organizational directive no. 23 were required to file annual disclosure statements.

10. Of the 804 active personnel required to file a financial disclosure statement, all did so. There was thus a 100 per cent filing compliance.

11. After all the information had been received, no actual conflict of interest was found in the 804 financial disclosure statements. There were, however, 56 situations where the disclosed information suggested the appearance of a conflict of interest. Those cases were further investigated and carefully reviewed before it was decided that there was in fact no actual conflict. (The table below provides a breakdown of those 56 cases.)

#### Possible appearance of a conflict of interest

Case reason	Number of cases	Percentage	New recruit	Subtotal
Inconsistent data on financial disclosure statement	3	5.36%		
Leadership role in non-United Nations entity	2	3.57%		
Previous employer worked with the Organization	1	1.79%		
Relative works in the United Nations system	8	14.29%		
Staff member or employee has an outside business	3	5.36%		
Tenant of staff member is a state organ	1	1.79%		
Spouse works for a state organ	12	21.43%	1	60.72%
Spouse works for UNOPS	7	12.50%		
Spouse works in the United Nations system	8	14.29%		
Spouse works for a vendor	3	5.36%		
Spouse works for a partner of the Organization	4	7.14%		
Stock on the vendor list	4	7.14%		
<b>Grand total</b>	<b>56</b>	<b>100%</b>		

12. Thirty-one of the 56 cases where there was a possible appearance of a conflict of interest involved senior managers and internationally recruited professionals.

13. The process of reviewing financial disclosure statements includes a verification procedure. The procedure requires that selected participants provide third-party documentation to prove the completeness and accuracy of the information disclosed in their statements. Forty-one personnel were required to provide third-party documentation, and all did so. No discrepancies were found.

### **B. Protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations**

14. Pursuant to the Secretary-General's bulletin (ST/SGB/2007/11), the Ethics Office is mandated to implement the United Nations policy on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations. In accordance with UNOPS organizational directive no. 35, the Office receives complaints of retaliation and conducts preliminary reviews to determine whether a complainant engaged in a protected activity and, if so, whether the protected activity was a factor contributing to the alleged retaliation. In the event that on the basis of its preliminary review the Office determines that there is a *prima facie* case of retaliation, the matter is referred to the internal audit and investigations group, or to an alternative investigating mechanism, if required, for formal investigation.

15. Pending the completion of a referred investigation, the Ethics Office may recommend to the Executive Director that interim protection measures be implemented to safeguard the interests of the complainant, should such measures seem appropriate. The Office will make a final recommendation to the Executive Director for his determination subsequent to receipt and assessment of the completed investigation report and evidentiary materials.

16. The Ethics Office gave advice on several occasions in relation to protection from retaliation. One formal application was filed in 2012. The Ethics Officer found a *prima facie* case of retaliation in that case, which was therefore referred to the internal audit and investigations group for investigation in accordance with organizational directive no. 35.

17. Effective implementation of the protection against retaliation policy remains an essential means of promoting an organizational culture that encourages staff to speak out against behaviour that places the reputation and standing of UNOPS at risk. In addition to the thorough and timely review of received retaliation complaint cases, the Office will continue to articulate the purpose, scope and availability of the protection-against-retaliation-policy to staff. The Office considers raising awareness of the policy to be one means of preventing retaliation.

### **C. Outreach, training and education**

18. Online ethics training was provided via the mandatory online learning programme 'Integrity Awareness Initiative', which is directed at personnel at all levels and focuses on core values and the standards of integrity to be observed in the workplace.

19. The Ethics Officer receives the agendas of senior management meetings, namely, those of the corporate operations group and the management practice group, and decides whether to attend as an observer and commentator. In 2012 he attended most meetings.

### **D. Advice and guidance**

20. The ethics advisory function is a key element in the United Nations efforts to protect and bolster its reputation and standing. Pursuant to its advisory mandate, the Office provides confidential ethics advice and guidance to staff, management, and departments and offices in order to ensure that decision-making is consistent with the values, principles and rules of the United Nations. This function serves to prevent, mitigate and resolve actual or perceived conflicts of interest, and in so doing enhances the integrity of UNOPS and its staff.

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21. Demonstrating the significance of the advisory function of the Ethics Office, 46 per cent of all requests for services during the reporting period pertained to ethics advice (see figure 2). During the period under review, the Office received 462 requests for services on a wide range of ethics-related concerns. Figure 3, below, shows the categories into which requests for advice are classified: outside activities (10 per cent); allegations of misconduct (10 per cent); other conflicts of interest (3 per cent); financial disclosure (63 per cent); employment-related concerns (10 per cent); and gifts and hospitality (4 per cent).

22. The ethics advice and guidance provided by the Ethics Office during the reporting period included clarification or interpretation of the UNOPS regulations, rules and standards concerning prohibited or restricted activities, and, of course, ethical dilemmas. Through inter-organizational consultation and coordination with, inter alia, General Counsel and the members of the human resources practice group, the procurement and supply chain practice group and the internal audit and investigations group, the Ethics Office sought to ensure consistent approaches to the interpretation and implementation of organizational standards.

### **Figure 3. Requests for ethics advice (2012)**

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## **IV. United Nations Ethics Committee and Ethics Network**

23. The United Nations Ethics Committee was established by Secretary-General's bulletin (ST/SGB/2007/11), which entered into force on 1 December 2007. The Committee is mandated to establish a unified set of ethical standards and policies for the United Nations Secretariat and for the separately administered organs and programmes, and to consult on certain important and particularly complex cases and issues having United Nations system-wide implications. In 2012 the UNOPS Ethics Officer participated in all 10 of the meetings of the committee.

24. In accordance with the Secretary-General's ongoing promotion of system-wide collaboration on ethics-related issues, including with United Nations specialized agencies, funds and programmes and other interested entities, the United Nations Ethics Network was established on 21 June 2010. The Ethics Network was founded within the framework

of the Chief Executives Board for Coordination in order to promote system-wide collaboration and coherence in the area of ethics and integrity, with the participation of ethics officers and related professionals from the United Nations Secretariat, United Nations specialized agencies, funds and programmes, and selected international financial institutions. The Ethics Network, subsequently renamed the Ethics Network of Multilateral Organizations, held its fourth meeting in Geneva in July 2012. The UNOPS Ethics Officer participated in the meeting.

25. Full information on the work of the United Nations Ethics Committee and the Ethics Network is provided in the report of the Secretary-General on the Activities of the Ethics Office (A/67/306).