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**Reports of UNDP, UNFPA and UNOPS ethics offices**

## **Activities of the UNDP Ethics Office in 2012**

### **Report of the Ethics Office**

*Summary*

Pursuant to decision 2008/37 of the Executive Board, the UNDP Ethics Office submits to the Board the present report covering the year 2012. In accordance with the Secretary-General's bulletin on United Nations system-wide application of ethics: separately administered organs and programmes (ST/SGB/2007/11), the United Nations Ethics Committee reviewed the report at its forty-fifth session, and the report was subsequently presented to the Administrator of UNDP. As required by the Executive Board pursuant to its decision 2011/24, this report includes recommendations to management on strengthening the UNDP culture of integrity and compliance.

This is the fifth annual report presented by the Ethics Office since its establishment in 2007. In 2012, the Ethics Office had a transition in leadership, as the previous Director departed in April and a new Director entered on duty in June. This is the first annual report to be presented by the new Director.

*Elements of a decision*

The Executive Board may wish to take note of the present report and comment on the progress made by the Ethics Office.



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## I. Introduction

1. The present report is submitted pursuant to Executive Board decision 2008/37 and discusses the work of the Ethics Office for 2012 to “cultivate and nurture a culture of ethics, integrity and accountability, and thereby enhance the trust in and credibility of the United Nations, both internally and externally.”<sup>1</sup> The reporting period marked the departure, in April, of the Director who had led the Office since July 2008, and the entry of a new Director in June.

2. This report reviews progress made in each of the functional areas of the Ethics Office. It reflects the vision of the Office for enhancing critical aspects of the programme and embedding ethics in all business processes and decision-making, in connection with the shared value of “operating with unwavering integrity”.

### *Standard-setting and policy support*

3. Within the framework of the United Nations Ethics Committee and the Ethics Network of Multinational Organizations, the Ethics Office collaborated in harmonizing ethics standards within the United Nations system.

(a) During 2012, the Office made significant advances by finalizing proposed revisions of the financial disclosure and protection against retaliation policies to reflect best practices and lessons learned. After review by the Audit Advisory Committee and the United Nations Ethics Committee in December, both policies are scheduled for review by the Organizational Performance Group early in 2013.

(b) The Ethics Office has consulted with the Office of Human Resources, Bureau of Management, to identify ways of better managing conflicts of interest: (a) a proposed amendment to the family relationships policy was prepared by the Ethics Office to harmonize the UNDP policy with the policies in other United Nations organizations; (c) The Office proposed and developed an initiative for early detection of conflicts of interest at the recruitment stage. Both are with the Office of Human Resources for consideration in 2013.

(d) The Ethics Office has also contributed to organizational initiatives in other areas, and has thus been able to add value to broader internal standard-setting and internal policy development activities.

(e) In 2012, the Ethics Office increased its use of available technology to enhance its outreach to staff members around the world. Brief videos and informational blog entries were posted to intranet and teamworks sites, guidance messages were disseminated by email and the intranet, and peer-trainer network meetings were hosted on a new video-conferencing system.

(f) In implementing decision 2010/17 of the Executive Board, the Ethics Office vetted recommended candidates for key oversight positions for potential conflicts of interest and met with each of them to brief them on the role of the Ethics Office and how each manager is a critical partner in supporting ethical behavior in UNDP.

### *Training and outreach activities*

4. For 2012, in addition to its standard training and outreach activities, the Ethics Office increased its contact with staff and personnel working in post-conflict and fragile environments and to country offices in the Africa region. Approximately 1,381 staff members and personnel participated in workshops and group briefings. Individual briefings were provided to senior managers entering on duty at headquarters.

<sup>1</sup> ST/SGB/2007/11, Section I.1

5. In order to strengthen the engagement of senior UNDP leadership with the Ethics programme, the Director met with senior managers in each headquarters unit and regional bureau, as well as with the Directors of key offices such as the Ombudsman's Office, the Legal Support Office, the Office of Human Resources, the Procurement Support Office, Bureau of Management, the Office of Financial Administration, Bureau of Management and the Staff Council. The Ethics Office embarked on this proactive effort to build a collaborative partnership with management and staff representatives to help incorporate ethics into every UNDP area and activity.

***Confidential advice***

6. The advisory function is a major part of the services provided by the Office, helping staff members avoid or resolve conflicts of interest and preserving the independence and impartiality required of UNDP staff. For the period, there were 342 requests for confidential advice and guidance. Requests for advice on outside activities again made up the largest category.

***Financial disclosure programme***

7. For the 2012 annual filing exercise, 1,274 staff members (down from 1,413 in the previous year) filed financial disclosure statements. Although 100 per cent compliance was eventually achieved, timely filing continued to be a major challenge. Efforts to achieve timely, complete submission of disclosure statements created unnecessary inefficiency.

***Protection against retaliation***

8. In 2012, the Ethics Office received nine complaints of retaliation. One was withdrawn; one complainant did not wish to file a formal complaint; and one had mischaracterized the concerns as "retaliation". Each received appropriate advice and guidance. After review of the remaining six complaints, no *prima facie* case of retaliation was established in any of the matters. In each case, the complainants were advised as to alternative internal mechanisms to address the issues raised.

## **II. Administrative activities**

9. 2012 was a significant transition year for the Ethics Office. The previous Director departed in early April and the new one entered on duty in late June. The change in leadership provided an opportunity to assess the progress made by the Ethics Office since its inception in 2007, and to build on the efforts made to nurture and promote an ethical culture in UNDP. The Office is committed to emphasizing the value that can be added to business processes through a greater focus on ethics as an integral part of decision-making, rather than viewing the Office as an external resource to be engaged only in the event of a problem.

10. The Office is currently staffed with a Director (D-1), a P-5, a G-6 and a Junior Professional Officer whose term ends in mid-2013. It is critical that the Office address the potential staffing shortfall, the process to attract a new JPO to fill the void has begun. A budget of \$200,000 for general operating expenses remains constant from year to year.

11. The terms of reference for the Audit Advisory Committee specifically include oversight of the Ethics Office. The new Director was vetted by the Chair of the Committee and, in December, he presented a comprehensive summary of all 2012 Ethics Office activities, the 2013 work plan, and his vision for the future of the Ethics Office.

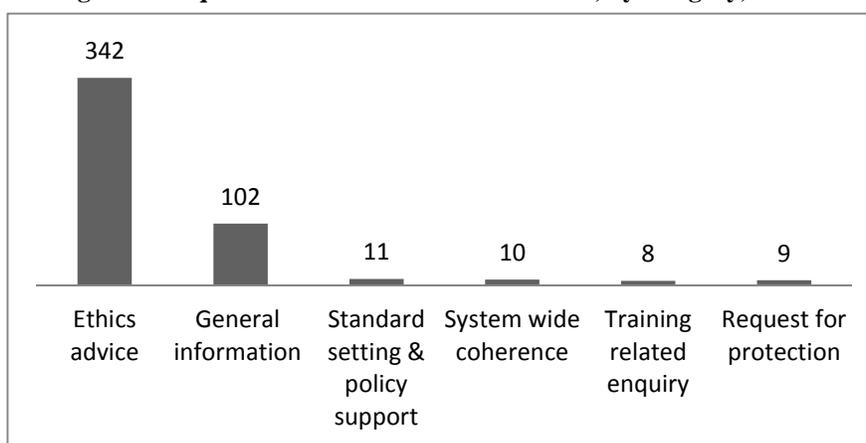
12. The Director met with the Administrator and the Associate Administrator, and continues to meet with the Associate Administrator on a monthly basis to ensure the continued engagement of UNDP leadership with ethics strategy and initiatives.

13. The Ethics Office participates as an observer at meetings of the Organizational Performance Group. The Director is thus engaged with UNDP senior leadership to provide advice and guidance, to support ethical decision-making at the highest level of the organization, and to keep abreast of all major UNDP projects and efforts.

### III. Mandated activities

14. During the period, the Ethics Office was fully occupied in all of its functional areas of responsibility. The Office receives a steady stream of requests for services ranging from advice and guidance, to managing conflicts of interest, to increased demands for specific, targeted training. Figure 1, below, displays the breakdown of requests for services received by the Office for the period.

**Figure 1. Requests for advice and other services, by category, 2012**



15. Progress was made in standard-setting and policy support through the proposed revision of the protection against retaliation and financial disclosure policies, and in the development of new standards affecting handling of conflicts of interest, as more fully explained below. Training was extended training to staff away from headquarters, with a special focus on country offices in Africa. Review of financial disclosure statements contemporaneously with the filing exercise enhanced the timely identification and resolution of conflicts of interest. Expanded training in connection with the protection against retaliation policy was provided to encourage individuals to speak up when they have concerns.

#### A. Standard-setting and policy support

##### *United Nations system-wide*

16. As discussed more fully in chapter IV, below, the Director of the UNDP Ethics Office meets monthly with the ethics leadership of the United Nations Secretariat and of each of the affiliated funds and programmes. The Offices collaborate between meetings to share best practices and mutually leverage their work so as to minimize duplication of effort and maintain consistency across organizations. The new Director quickly established himself as a respected member of the team, bringing new and fresh concepts to the table for discussion and consideration. .

17. The Ethics Office participated in the annual meeting of the Ethics Network of Multilateral Organizations., which is comprised of the ethics officers of the United Nations and affiliated agencies and is dedicated to the concept of sharing best practices and facilitating the adoption and absorption of common ethical practices.

***Within UNDP***

18. The Ethics Office continued to support the Administrator's agenda for organizational change and suggested means by which the "integrity competency" element in the performance compact for Assistant Secretaries-General may be measured. In creating and fostering a culture of ethical behavior, it is imperative that the most senior leaders are seen as the standard-bearers and key guardians of United Nations values. Successfully embedding ethics into the fabric and essence of UNDP depends upon the trustworthiness and stewardship of senior leaders, who must not only model the expected behavior but must also hold those over whom they exercise authority to the same standards.

19. The Ethics Office proposed significant revisions to both the financial disclosure and the protection against retaliation policies to reflect best practices and lessons learned through the years. Having been reviewed by the audit advisory committee and the United Nations Ethics Committee in 2012, both draft policies will be placed before the Organizational Performance Group for consideration in early 2013.

20. It is important that the Organization manage and remediate risks arising from potential conflicts of interest as soon as such risks are detected and evaluated. In 2012, the Ethics Office consulted with the Office of Human Resources to identify more efficient ways to better enable UNDP to address conflicts in a manner favorable to the organization, or to avoid them when they cannot be appropriately mitigated. A proposed amendment to the family relationships policy and a new initiative for early detection of conflict of interest at the recruitment stage are both with the Office of Human Resources for consideration in 2013. An added benefit of the proposed change to the family relationships policy is that it would significantly reduce the number of conflicts of interest to be resolved within the financial disclosure programme.

21. The Ethics Office continues to work with the Office of Human Resources and other relevant internal offices on addressing and mitigating actual or potential conflicts of interest arising from the movement of staff between UNDP and external entities. The Ethics Office is working on how best to identify and classify the various forms of arrangements for the movement of staff between the UNDP and external entities to gain consensus on how best to mitigate actual and potential personal conflicts of interest that may arise from each such arrangements.

22. In implementing decision 2010/17, in which the Executive Board requested that the Administrator vet incoming officials in key oversight positions for conflicts of interest, three such officials were vetted by the Ethics Office. The new Ethics Director was himself vetted by the head of the United Nations Ethics Office.

23. The Ethics Office has also been requested to lend its ethics, compliance and risk expertise to discussions concerning a number of organizational initiatives, including: (a) enterprise risk management; (b) the vendor review and sanctions committee; (c) supply-chain compliance and ethics risks; and (d) email archiving (records management).

24. The Ethics Office was thus able to add value by bringing its perspective and experience to these critical standard-setting and policy development discussions. Informal discussions have also taken place as to how the Ethics Office can assist in other UNDP efforts in anti-corruption, privacy, anti-discrimination, harassment, and environmental sustainability.

***Communication activities***

25. Together with the Learning Resources Centre in the Office of Human Resources/Bureau of Management, the Ethics Office developed a brief video to welcome new staff to UNDP and introduce the role and work of the Ethics Office. The presentation is designed as part of the updated induction package for new staff and appears on the intranet sites of both the Human Resources Office and the Ethics Office.

26. To enhance the delivery of training and ethics messaging, the Ethics Office joined with a cross-functional group to examine options for supporting a live, interactive intranet portal that would permit immediate, automatic postings of useful or critical information presented in a user-friendly manner. Such an updated and revised portal would enhance the ability of the Ethics Office to reach out to staff the world over.

27. The year 2012 saw a significant shift in communication activities, with expanded use of social media as a means of quickly reaching large portions of the staff population. Communications continued to be critical in reaching UNDP staff and personnel to encourage them to keep ethics foremost in their minds. The Office revised the ethics and Teamworks intranet sites and included several ethics-related information posts and blog entries. The Ethics Office website was viewed almost 15,000 times in 2012, nearly 90 per cent increase over the 8,000 views in 2011.

## **B. Training, outreach, and awareness-raising**

28. In 2012, training, outreach and awareness activities of the Ethics Office sought to (a) deepen staff members' understanding of ethics and role model behaviors and United Nations values, and (b) incorporate ethics into every UNDP area and activity. The training programme is multifaceted and includes a mandatory online module which provides a basic understanding of ethics at the United Nations as well as a primer on United Nations staff regulations and rules. The training includes a face-to-face workshop that is delivered directly by Ethics Office staff, by members of its peer trainer network or by an outside consultant. The workshop reinforces the concepts introduced in the online module and utilizes participatory exercises and case studies to emphasize the need for values-based ethical decision-making at every level of the organization.

29. During 2012, approximately 1,381 staff members and other personnel participated in face-to-face ethics workshops and group briefings. The sessions included contractors of UNDP and, in some instances, the staff members and personnel of other United Nations organizations who asked to be included. The multilingual peer ethics trainer network enhanced the capability of the Ethics Office to expand its training reach over the period. Separate individual briefings were provided to individual senior managers at headquarters.

### ***Online module***

30. In 2012, the Ethics Office began working with the Learning Resources Centre and the members of the United Nations Ethics Committee to leverage and customize a more robust, effective training course to communicate ethical concepts through easily understood scenarios.

### ***Face-to-face workshop***

31. In the in-person workshops, the Ethics Office emphasized that building an ethical culture in UNDP is an individual as well as a collective responsibility, with particular focus on the role of managers in fostering an ethical work environment. Through case study exercises and situations demonstrating ethical dilemmas, guidance was provided to support and encourage ethical decision-making in daily business processes. Information on the internal mechanisms available to address workplace issues was disseminated. Particular emphasis was placed on the operation of the protection against retaliation policy with respect to reporting misconduct and cooperating with duly authorized audits and investigations. In addition to the training offered at offices away from headquarters, the Office collaborates with the Learning Resources Centre to integrate ethics and values-based components into headquarters induction training for certain functional groups.

32. During 2012, the Ethics Office continued its training and awareness-raising activities for staff and personnel at headquarters and across the regions in which UNDP operates, delivering 45 sessions of the in-person workshop. Responding to the need for more training for country offices, particularly in francophone Africa, the Ethics Office mobilized the francophone members of the peer trainer network and, with those members, delivered training in, Burundi, Chad, the Central African Republic, Kenya, Rwanda, Senegal, South Sudan, Tanzania, and Uganda. In many instances separate briefings were held for senior management, a critical engagement practice that

solidified their personal commitment. Training was also delivered in China, the Democratic People's Republic of Korea, the Lao People's Democratic Republic, Pakistan, and Peru. Training was also provided to Junior Professional Officers in New York as part of their induction.

33. The Ethics Office held quarterly briefings for the members of the peer training network to exchange ideas, support ethics and values-related learning, and explore opportunities for greater engagement of trainers in promoting ethics within UNDP. The Ethics Office acknowledges the support and goodwill of senior management in Burkina Faso, the Democratic Republic of the Congo, and Guatemala, who continue to facilitate the release of the respective members of the peer trainer network to deliver training at country offices in their respective regions. Members of the network remain highly motivated and engaged and greatly enhance the capacity of the Ethics Office to provide ethics training to UNDP offices away from headquarters.

#### ***General or "customized" briefings***

34. General or "customized" briefings were provided by the Ethics Office on request. Over the period, in-person briefings were delivered to business advisors in the Office of Human Resources at headquarters, to senior management in Jamaica, and to deputy resident representatives and deputy country directors at the meeting of the Regional Bureau for Asia and the Pacific in Bangkok, as well as to deputy resident representatives and deputy country directors at their induction training at headquarters. The Ethics Office also participated in a panel comprising the Office of Human Resources, the Office of Audit and Investigations, the Ombudsman's Office, and others, for a roundtable discussion with operations managers at their induction training at headquarters. The Ethics Office participated in a movie screening and panel discussion organized by the Office of Human Resources on sexual exploitation and abuse, the duty of all staff to report misconduct, and whistleblower protection. Briefings were delivered electronically to staff in India, the Maldives, and Mauritania.

#### ***Senior management briefings***

35. Over the period, staff members at the D-1 level or above (newly assigned to headquarters) were provided a face-to-face briefing by the Director of the Ethics Office. Through these briefings, senior leaders were reminded of the importance of setting the ethical "tone at the top" within their business units, and of their responsibility to build an ethical culture by modeling the behaviors required of all staff and personnel. Particular focus was placed on the senior leaders' responsibility to promote a harmonious, open work environment in which people are empowered to raise concerns without fear of reprisal. The briefings also covered the role of the Ethics Office, which fosters a value-added partnership with the various UNDP units.

36. The Ethics Office held discussions with, and delivered briefings to, directors or deputy directors of the regional and headquarters bureaux (including most members of the Organizational Performance Group), the directors of the independent offices, and the directors of the Legal Support Office, the Procurement Support Office, the Office of Human Resources, the Ombudsman, and the head of the Staff Council to strengthen consensus around the concept of ethics in UNDP as an integral and essential element in the culture of the Organization and a necessary component of daily business processes.

#### ***Awareness-raising activities***

37. A key focus of the Ethics Office is to have sustained engagement with staff to encourage them to keep ethics "top of mind". For the period, awareness raising and outreach were conducted through varied communication methods.

38. The Ethics Office utilized social media to raise awareness. Blog postings and videos were placed on the Teamworks and ethics intranet sites. Guidance bulletins were prepared, and issued to all staff globally, in topics such as "tone at the top"; managing conflicts of interest; membership on boards of entities external to the United Nations; and the UNDP policy on gifts and hospitality during the holiday season. A detailed communication was issued to the resident coordinator/

resident representative network on the importance of integrity within UNDP and the critical role that these leaders — and their leadership teams — play in ensuring ethical behavior in UNDP operations.

### C. Advice and guidance

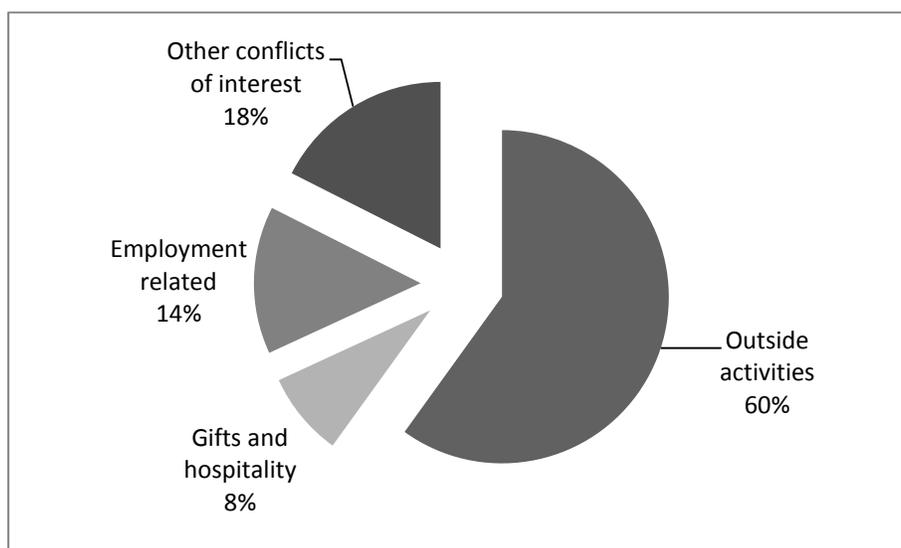
39. The Ethics Office provides confidential advice and guidance to all UNDP staff and personnel on the required standards of conduct and related policies. These include outside activities, gifts and hospitality, and conflicting personal and financial interests. Advice and guidance are designed to assist staff members in avoiding actual conflicts of interest, as well as in managing activities that may give rise to the appearance of impropriety. Through this function, staff and personnel are supported in managing conflicts of interest and are informed of options for resolving ethical dilemmas.

40. Confidential advice and guidance was provided whenever staff approached the Ethics Office regarding misconduct, harassment, discrimination, staff relations, corruption, and similar allegations, as staff are at times unsure where to go to report such matters. The Ethics Office is committed to helping such individuals avail themselves of the most effective internal mechanism for addressing their concerns. In 2012, the Ethics Office focused on a more collaborative approach and is now engaged on every aspect of a continuing commitment to work with the office to which the matter is referred and to ensure that the best interests of UNDP are protected. The Ethics Office is open to all reporters.

41. In 2012 the Ethics Office took a more active role in providing advice and guidance in cases where a third party notified it that a staff member might be in a potential conflict of interest situation. This better positioned the Ethics Office to safeguard the interests of UNDP in circumstances where a staff member could have been unwilling to come forward to seek advice and guidance on his or her own.

42. Over the period, the Ethics Office recorded 482 requests for services, of which 342 were for ethics advice. As shown in figure 2, the main area of concern for staff members and other personnel seeking ethics advice in 2012 pertained to outside activities, with those requests accounting for 60 per cent of the total.

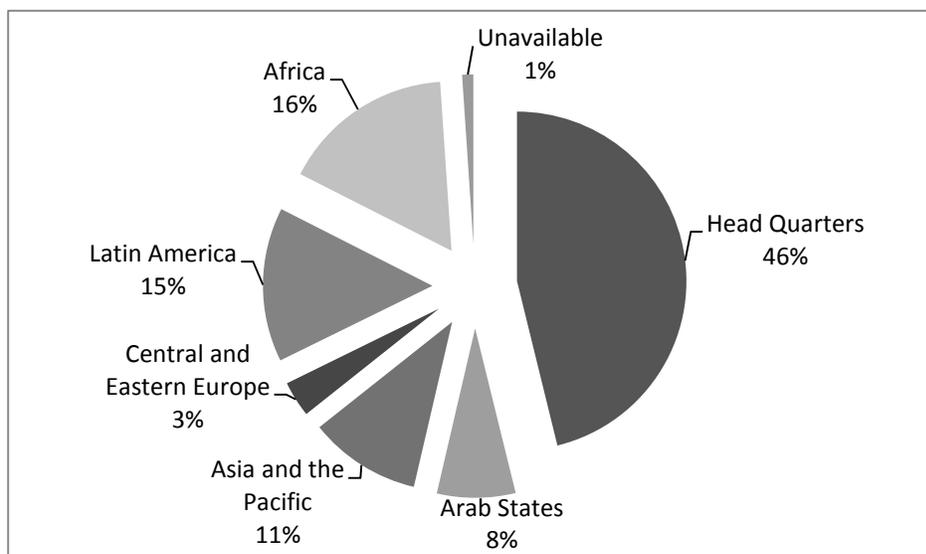
**Figure 2. Requests for ethics advice, by category, 2012**



43. Of the number of individuals seeking ethics advice 48 per cent were female and 50 per cent were male. The remaining 2 per cent were anonymous or from a group.

44. As shown in figure 3, the majority of requests continued to come from staff members and other personnel at headquarters, accounting for 46 per cent of the total. An increase in the number of requests from Africa was noted, up 6 per cent from 2011. This may have been related to training activities undertaken by the Ethics Office in Africa in 2012.

**Figure 3. Requests for advice, by geographic location, 2012**



45. The Office has continued to serve as a resource in the advisory group for the vendor review (sanctions) committee, managed by the Procurement Support Office, to conduct conflict of interest analyses in cases under review and advise the committee as requested.

#### **D. Financial disclosure programme, 2012**

46. The financial disclosure programme is designed to assist the organization in detecting actual, apparent and potential conflicts of interest between a staff member's private interests and his or her official obligations. Its primary purposes are (a) to assure that the independence and impartiality of UNDP staff are preserved in official decision-making, and (b) to promote transparency and public confidence in UNDP.

47. Staff regulations require that all staff at the D-1 level and above, and other designated staff members, upon appointment and annually thereafter, should file a financial disclosure statement concerning themselves, their spouse and dependent children. When requested, filers are also required to assist in verifying the accuracy of the information submitted.

48. The Ethics Office administers the financial disclosure programme, implements annual and periodic filing exercises, reviews disclosed information, and provides advice and guidance to mitigate any conflicts of interest that are detected or disclosed. The Ethics Office also educates and trains business unit focal points, who assist filers in registering and in submitting statements.

49. In late 2012, the Office of Information Services and Technology conducted "penetration testing" of the financial disclosure system to ensure the security of the highly confidential and sensitive data filed. Although the system was found to be secure, the Office of Information Services and Technology recommended that the server equipment be replaced and upgraded in

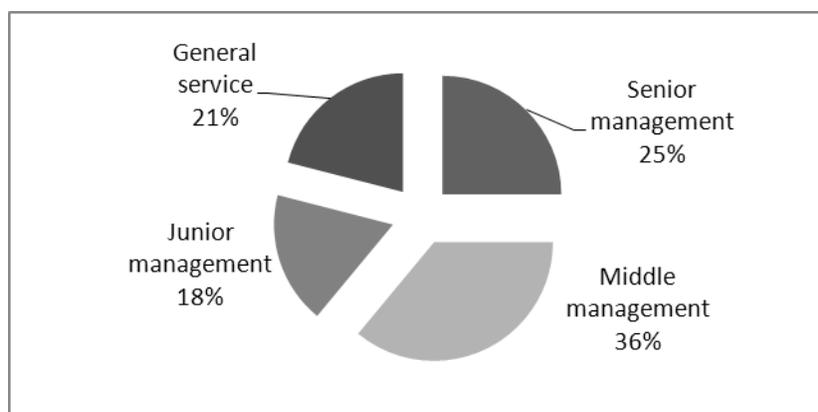
keeping with advances in technology; this upgrade is not expected to have any additional financial implication for the Ethics Office.

***Financial disclosure exercise for the 2011 transaction year***

50. In 2012, the Ethics Office implemented the sixth annual financial disclosure exercise, which was in respect of the 2011 transaction year. The exercise began on 1 March with 1,274 selected filers, 139 fewer than the 1,413 selected for the preceding annual filing exercise. The Ethics Office worked with heads of offices and business unit focal points to streamline the filing criteria based on a risk assessment, and focused on staff members with significant functional responsibilities in the identified areas.

51. Figure 4, below, displays the breakdown of filers by rank for the period.

**Figure 4. Filers, by rank, 2012**



52. In 2012, the number of General Service-level staff and junior management staff with little or no decision-making authority or with no relevant procurement responsibility was reduced as part of the streamlining process. .

53. Due to continued streamlining efforts by the Ethics Office, the total number of filers has decreased 26 per cent since the first financial disclosure exercise in 2007.

54. The Office received and reviewed 100 per cent of required statements. However, timely filing within the prescribed deadline was a challenge, with 30 per cent of filers submitting after the initial deadline. The eventual compliance of late filers was greatly facilitated by the intervention of the Director, Bureau of Management.

***Induction filing***

55. In June 2012, the Ethics Office conducted a filing (known as the “induction filing”) for newly hired, assigned or promoted staff members entering the financial disclosure filing categories. Induction filing allows the Ethics Office to review the financial and outside interests of these new staff members in order to detect and address conflicts of interest close to the date when the staff members begin their new assignments, rather than waiting for the annual filing exercise. In addition to the 1,274 annual filers, a total of 30 staff members were required to file an induction statement during the June exercise; the September induction effort was postponed to facilitate the security penetration testing of the system.

***Review of data and provision of advice***

56. For the first time since the inception of the programme, the Ethics Office staff monitored the filing process daily (rather than after the close of the filing exercise) to address the issues identified. As the filers submitted statements, the reviewers followed up with them regarding incomplete information, to seek clarification of information disclosed, and to provide advice. At the conclusion of the review, clearance messages were issued to 98 per cent of filers informing them that no conflict of interest was detected. In 96 cases the Ethics Office also provided advice to safeguard against potential future conflicts of interest.

57. Thirty-one potential conflicts of interest were identified. After discussions with the filers, 15 of those matters were resolved. Of the remaining 16 cases, 14 concerned family relationship issues that would be mitigated should the proposed amendment to the family relationships policy be adopted. The remaining two matters are holdovers from 2010-2011 (see below).

58. The Ethics Office closed its reviews on 31 conflict of interest cases remaining from the 2010-2011 exercise. Remedial action was taken in 11 cases, while 17 related to the same family relationships issue that would be dealt with through the proposed amendment to the relevant policy. In one of the remaining three cases, the Ethics Office is awaiting documentary proof that the matter has been resolved; local management and the Office of Human Resources are aware of and are addressing the other two cases.

***Verification***

59. In 2012, a verification exercise was conducted among randomly selected staff from various grade levels, duty stations and functions, to ascertain the accuracy of the financial disclosure information submitted. The filers were required to provide third-party documentation (such as bank account statements, income tax returns and documents relating to ownership of real estate) in order to support information provided in their disclosure statements.

60. Eighty-seven per cent of those participating in the verification submitted the documentation required to support their financial statements, and 10 per cent had separated from UNDP. Two individuals requested additional time to complete their submissions because they needed to travel to their home countries to retrieve the documentation.

***Secretary-General's voluntary public disclosure initiative***

61. The Ethics Office of the United Nations administers the Secretary-General's voluntary public disclosure initiative for senior officials at the assistant secretary-general level and above. The Administrator and members of the UNDP senior management team took part in that exercise in 2012.

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

62. Retaliation in the workplace is a complex behavioural situation. It is difficult to identify and difficult to eradicate. Retaliation undermines transparency and accountability, and has a chilling effect on individuals who want to speak up when they become aware of situations of concern. A healthy work environment fosters open dialogue where such issues can be raised freely and dealt with constructively, without the fear of reprisal. Effective mechanisms for addressing such concerns are available to staff and other personnel in order to support them in protecting the best interests of the organization. A work environment that does not adequately address the challenges of potential retaliation to staff and others who raise concerns can lead to an organizational culture of impunity. UNDP provides a credible, robust system to protect individuals who report misconduct and discipline retaliators.

63. In accordance with the Secretary-General's bulletin on United Nations system-wide application of ethics: separately administered organs and programmes (ST/SGB/2007/11), the

Ethics Office administers the UNDP policy for protection against retaliation. The policy assures that a staff member who fulfills the obligation to report misconduct or cooperate with a duly authorized audit or investigation should not suffer reprisal. In 2012, the Office proposed revisions to update the policy to further support reporters and protect the best interests of UNDP. The revised policy will be considered by the Organizational Performance Group in 2013.

64. The Ethics Office also focused on education and awareness-raising with regard to the protection policy as part of its education and outreach efforts in 2012. The Ethics Office included specific modules within its in-person training to inform staff and other personnel of the protections provided, to encourage those who suspect wrongdoing to come forward in good faith and make a report, and to cooperate with authorized audits and investigations without fear of retribution. For managers, the Ethics Office emphasized that retaliation is inconsistent with their responsibility to foster a harmonious work environment built on trust; and that retaliation is misconduct for which disciplinary proceedings may be initiated.

65. For the period, the Ethics Office received nine complaints of retaliation. No *prima facie* case of retaliation was established in any of the matters that were reviewed.<sup>2</sup> In each case, the individuals were referred to the appropriate office to deal with the matter. The Ethics Office has continued training and awareness-raising concerning the policy for protection against retaliation to enhance understanding throughout UNDP.

66. Rather than focus on the idea that staff members may need to seek protection once they report misconduct or cooperate with an audit or investigation, the Ethics Office has long supported an organizational culture where staff and management operate without fear or threat of retaliation; where management maintains an open-door philosophy; where staff and other personnel are comfortable raising concerns; and where all feel empowered to speak up when suspecting or witnessing wrongdoing.

#### **IV. The United Nations Ethics Committee and the Ethics Network of Multinational Organizations**

67. The Ethics Office participated in all United Nations Ethics Committee meetings in 2012 and in the annual meeting of the Ethics Network of Multilateral Organizations. The engagement with those entities has facilitated the sharing of experiences and best practices. The collaboration with members of the United Nations Ethics Committee, in particular, has served to promote the alignment of UNDP ethics-related policies, strategies and standards with those of the United Nations Secretariat and of the other Funds and Programmes, in accordance with the Secretary-General's bulletin (ST/SGB/2007/11). Further information on the work of the United Nations Ethics Committee is provided in the report of the Secretary-General on the activities of the Ethics Office (A/67/306), presented at the sixty-seventh session of the General Assembly.

#### **V. Recommendations to management to strengthen the UNDP culture of integrity and compliance**

68. In its decision 2011/24, the Executive Board called upon the Ethics Office to make recommendations to management for strengthening the UNDP culture of integrity and compliance. UNDP management is therefore requested to consider of the following recommendations:

- (a) *Consider adoption and approval of the proposed amendments to the financial disclosure and the protection against retaliation policies.* The amendments to the financial disclosure

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<sup>2</sup> To establish a *prima facie* case under the policy, a staff member must prove that (a) he/she had previously made a report alleging misconduct or cooperated with a duly authorized audit or investigation; (b) he/she thereafter suffered or was threatened with a detrimental action; and (c) there is a causal connection between the report of misconduct or cooperation with audit/investigation and the detrimental action that was threatened or took place.

policy would address: persistent late filing of statements, non-compliance with obligations related to financial disclosure, and measures to ensure that conflict situations are remediated in the best interests of UNDP. Amended as proposed, the protection against retaliation policy will expand coverage and better protect individuals and UNDP.

(b) *Consider adoption and approval of the proposed amendment to the family relationships policy to harmonize it with similar United Nations policies.* The proposed amendment will better align the UNDP policy with similar policies at other funds and programmes and eliminate a recurring presumed conflict of interest regarding certain family relationships.

(c) *Embed ethics into all business decision-making.* This is a similar recommendation to that proffered in 2011. Management changes and staff mobility can raise new challenges in different locations. Pressure to achieve results may lead to circumventing policies, rules and regulations. Management must take the lead at the local, regional and headquarters levels to emphasize ethics at each stage as decisions are made. The present recommendation does not imply that management has failed to embrace this concept. Rather, it is intended to reinforce and remind management that ethics will only become embedded in daily practices to the extent that managers model ethical behaviors and demand the same of staff. Mid-level managers are especially critical to the success of this endeavor, as they are often the “eyes and ears” on the ground. The world looks to United Nations conventions, policies and practices as the humanitarian standards; UNDP must continue to publicly embrace these concepts and tenets in its daily work. Management is urged to include a reminder of the UNDP commitment to “operating with unwavering integrity” while opening every staff and town hall meeting, and to ensure that their leadership teams do the same. It is recommended that management include ethical role model behaviors as critical components of performance appraisals for UNDP staff at all levels.

(d) *Improve online staff communications vehicles (such as intranet).* This recommendation is intended to support management efforts to modify the UNDP intranet site so as to create a more dynamic, “live” interface, to permit offices — including the Ethics Office — to have a better means of reaching staff in a quick, efficient, inexpensive and non-intrusive manner. A cross-functional team (including representation from the Ethics Office) met in late December to begin discussions on how best to address this need.

(e) *Improve management training.* This recommendation goes beyond the improved ethics training planned for 2013 and calls for a stronger training regimen on leadership skills in managing human resources. The Ethics Office can provide subject matter expertise on ethical behaviour in the workplace. The training should form part of the performance assessment for each manager. In developing the best individuals as leaders, technical skills must be complemented with the empowerment to live the purpose, vision and values of UNDP.

(f) *Formally resolve guidance for secondments, special leave without pay, and loaned personnel arrangements.* In 2012, the Ethics Office revived a dialogue with the leadership of the Office of Human Resources, the Legal Support Office, the Procurement Support Office in the Bureau of Management to identify, oversee and document the various arrangements existing in UNDP for retaining staff and other personnel. Clear rules and guidance concerning these arrangements will protect against conflicts of interest and will result in fewer requests for advice and guidance and fewer opportunities for inconsistent treatment.

(g) *Encourage managers to refer pertinent matters to the Ethics Office for advice and guidance.* To maintain consistency in advice, guidance and treatment of similar issues across UNDP, managers should be encouraged to refer questions regarding potential conflicts of interest, financial and outside interests, outside activities, gifts and entertainment, speaking engagements, fees and the like, to the Ethics Office.

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## VI. Conclusion

69. As noted in the 2011 report “Ethics [is] not the sole responsibility of the Ethics Office or the Office of Human Resources”, supervisors and managers need to learn how to help staff members deal with everyday ethics-related matters. Senior managers need to understand their role in creating an organizational culture that promotes a positive work environment where issues and concerns can be raised without fear of retaliation.”

70. The year 2012 was one of transition for the Ethics Office, and 2013 holds the promise of great change in strategy and approach. Management remains at the core of any such change, because a small, independent office cannot ensure the universal adoption of positive change. Ethics is more than merely “doing what is right”. Ethics is one critical element in an overall positive culture — a culture of operating with unwavering integrity. As ethics are embedded into the fabric of UNDP, staff members can be agents of change, influencing the world by sharing our ethical practices in the most fragile of environments.

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