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Reports of UNDP, UNFPA and UNOPS ethics offices

**Activities of the UNOPS Ethics Office in 2018
Report of the Ethics Office**

Summary

The UNOPS Ethics and Compliance Officer provides the present report annually to the Executive Director. The report is in turn submitted to the Executive Board at its annual session, pursuant to Board decision 2010/17.

The Ethics Panel of the United Nations reviewed the report in draft at its 12 March 2019 meeting, in accordance with section 5.4 of the document, United Nations system-wide application of ethics in the separately administered organs and programmes (ST/SGB/2007/11, as amended). The UNOPS Audit Advisory Committee reviewed the report in draft at its 27 March 2019 meeting. The report covers the period from 1 January to 31 December 2018.

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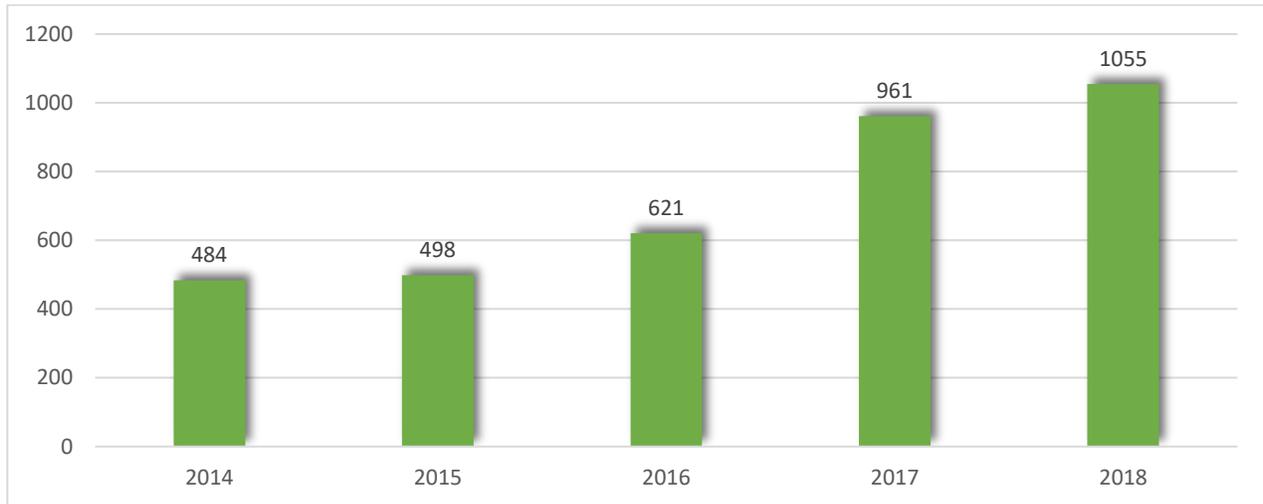
I. Introduction

1. The present report, the tenth 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 and the Executive Board of UNDP, UNFPA and UNOPS.
2. In accordance with the mandate of the Ethics Office 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, 1 January to 31 December 2018.
3. Effective 27 December 2018, the Ethics and Compliance Officer is responsible and accountable for the general oversight of UNOPS personnel compliance with UNOPS legislative instruments. Pending the recruitment of the Ethics and Compliance Officer, the Ethics Officer is acting as Ethics and Compliance Officer, ad interim. This report continues to refer to “Ethics Office” and “Ethics Officer”, as these nomenclatures were appropriate for the whole of 2018, except for the last five days of December 2018.

II. Background and general information

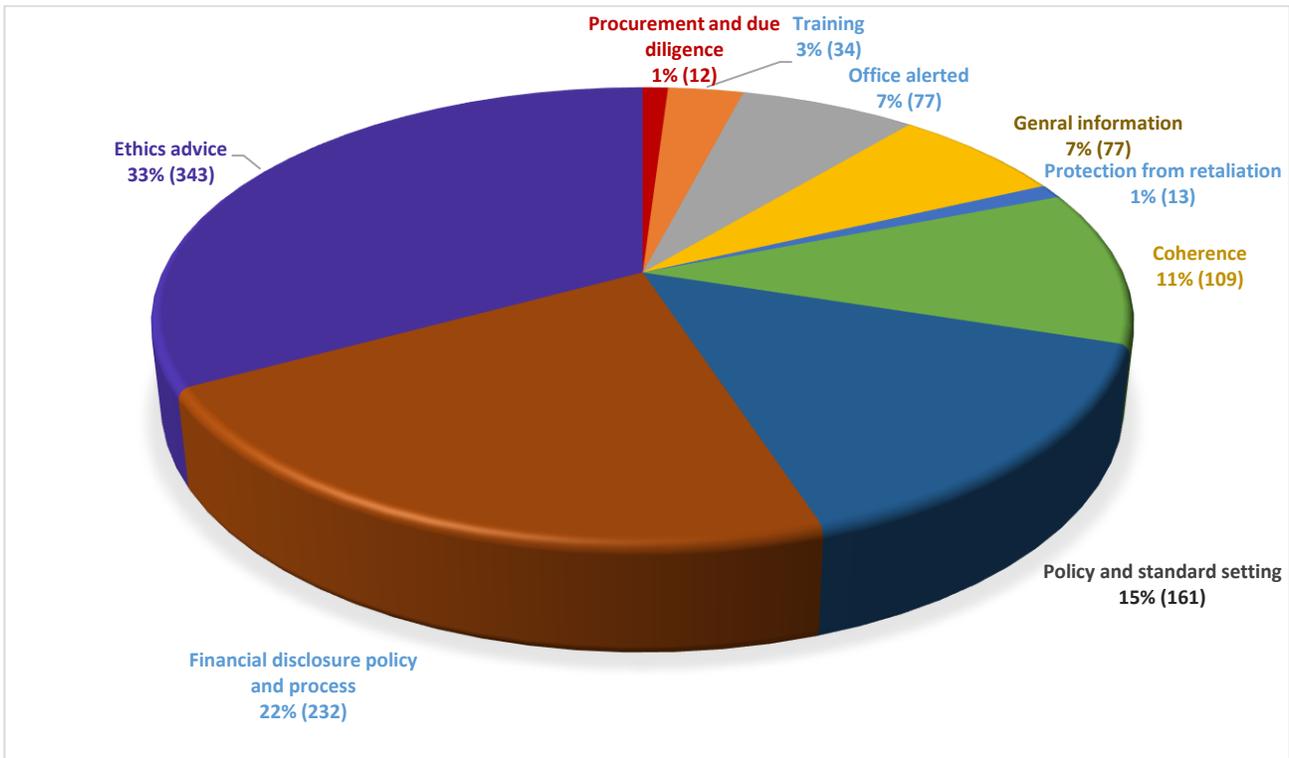
4. The Ethics Office was established as an independent office within UNOPS, pursuant to the Secretary-General’s bulletin (ST/SGB/2007/11, as amended).
5. The main responsibilities of the Ethics Office include:
 - (a) administering the UNOPS financial disclosure programme;
 - (b) undertaking the responsibilities assigned to it under the UNOPS policy for the protection of personnel (engaged under both staff and non-staff contract modalities) against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations or other fact-finding activities;
 - (c) developing standards, training and education on ethics issues, in coordination with other units within UNOPS as appropriate, and conducting ethics outreach;
 - (d) providing confidential advice and guidance to personnel 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.
6. In accordance with its core mandates, the Ethics Office assists the Executive Director in ensuring that all UNOPS personnel conduct themselves with integrity and professionalism and uphold the Charter of the United Nations. The office seeks 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.
7. Throughout 2018, the Ethics Office staffing consisted of the Ethics Officer, the Ethics Advisor, and a part-time Graphic Designer/Administrative Associate.
8. Reflecting its role as a consultative, impartial and service-oriented resource within UNOPS, the Ethics Office handled 1,055 matters from 1 January 2018 to 31 December 2018. This continued the upward trend in the number of issues referred to the office over the last few years. This sustained increase can be attributed to a greater understanding of ethics issues by UNOPS personnel, and the need to consult the Ethics Office on those issues. UNOPS believes this is due to the higher visibility of the Ethics Office since its expansion late 2015, the steady introduction of training initiatives, the new Financial Disclosure and Conflicts of Interest Programme, and, importantly, an increased ability to advise in French and Spanish as well as English. Figure 1 depicts the comparison of the respective figures for the period 2014-2018.

Figure 1. Comparison of requests for services by reporting cycle, 2014-2018



9. Requests for services received during 2018 covered a broad range of ethics matters, including the permissibility of outside activities; acceptance of gifts/hospitality; policy advice; standard-setting support; and protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations. Figure 2 provides a breakdown of requests by category: procurement and due diligence (12); training (34); office alerted (77); general information (74); protection from retaliation (13); coherence (109); policy and standard setting (161); financial disclosure policy and process (232); and ethics advice (343).

Figure 2. Volume of requests for services by category, 2018



III. Activities of the Ethics Office

10. The areas of responsibility of the Ethics Office serve to support its strategic objective of promoting an ethical organizational culture that enhances organizational integrity, accountability, efficiency and productivity.

A. Financial disclosure programme

11. The Ethics Office is responsible for administering the UNOPS financial disclosure programme, pursuant to section 3(g) of document ST/SGB/2007/11 of 30 November 2007 (as amended). The UNOPS financial disclosure programme is a means of identifying, managing and mitigating personal conflict-of-interest risks. The overall goal of this programme is to strengthen public trust in the integrity of the organization.

12. As previously reported, in 2016 UNOPS adopted a new online financial disclosure and conflict-of-interest form. The new form is linked to the UNOPS enterprise resource planning (ERP) system, can be completed in English, French or Spanish, includes follow-up questions (triggered by responses entered to previous questions), and firmly emphasizes identifying conflicts of interest rather than asset disclosure. The 2017 report of the Ethics Office included a summary of the assessment of the new system measured against three criteria: (a) the effectiveness of new system in identifying conflicts; (b) the reaction of users to the new system; and (c) the impact on resources UNOPS needed to administer the new system and review declarations. The system was deemed a success for each criterion.

13. Building on this, in 2018 the Ethics Office reviewed the categories of personnel required to file a financial disclosure and conflict-of-interest form. The categories used by UNOPS were already broader than those prescribed in the staff regulations and rules, but had not been reviewed since the launch of the original UNOPS financial disclosure programme in 2010. Following a consultation process, several additional job categories are now required to file. These new categories include, notably, senior non-staff as well as those holding a particular level of finance delegation of authority.

14. In collaboration with the People and Change Group, it was decided to link compliance with the financial disclosure programme to eligibility for the UNOPS merit award. This serves to formally highlight to personnel the importance placed by UNOPS on this programme and on the disclosure and management of conflicts of interest in general.

15. The above changes were incorporated into a revised policy on financial disclosure and conflict of interest statements, issued by the Ethics Officer on 22 February 2018 (OI.Ethics.2018.01). In 2018, the Ethics Office departed from its previous practice of awarding yearly contracts to an external company to review the submitted statements, and instead ran a tender process to engage an external reviewer for a three year period. The review guidelines issued to the external reviewer were also comprehensively revised in 2018.

16. Owing to the expansion of the categories of personnel required to file a financial disclosure and conflict-of-interest statement, 810 UNOPS personnel were called on to file in 2018. By contrast, 690 members of UNOPS personnel were required to file in 2017. As anticipated in the 2017 report, in 2018 the annual filing process was launched a month earlier than in 2017, the purpose being to progressively move the process forward to an earlier point in the calendar year. All those required to file in the 2018 annual programme have done so, and the review of statements is ongoing.

17. At the time the 2017 report was being written, the review of the 2017 statements had not yet been completed. The Ethics Office has therefore included in this 2018 annual report a summary of the results of the 2017 annual process.

18. In 2017, 690 members of UNOPS personnel filed a financial disclosure and conflict-of-interest statement. Conflict of interest was found and resolved in the case of 20 filers (3 per cent). Twelve of those conflicts resulted from the employment of a spouse/domestic partner or close friend of a filer: in ten instances, the filer's spouse or domestic partner worked for another United Nations organization or for a UNOPS vendor; in the other two cases, a close friend of the filer worked for a UNOPS vendor. The remaining eight conflicts of interest related to actions of the filer: in six cases, the filer had undertaken an outside activity without approval, and in the final two cases, the filer accepted gifts in the course of official duties. All situations were resolved in the interests of UNOPS. The Ethics Office notes that several of these instances would not have been identified under the financial disclosure programme used by UNOPS before 2016, as the previous programme did not require filers to declare situations regarding the employment of an unmarried partner or the employment of close friends.

19. In the case of another 69 filers (10 per cent of the filing population), no conflict of interest was found but there could have been a perception of one. In 56 per cent of the cases, the possible perception of conflict of interest involved the filer's spouse or domestic partner in situations, for example, where the spouse or domestic partner was working for UNOPS or for a UNOPS partner, vendor or other person/entity in the United Nations system. In 16 per cent of cases, the filer had a leadership role in non-United Nations entities, owned stock in vendors, rented property from a UNOPS colleague, was involved in an outside business, or received a gift or benefit from another entity. The third group of cases involved friends or other close relatives of the filer.

20. Where appropriate, the Ethics Office followed up directly with filers and their supervisors to ascertain if a situation represented a conflict of interest and to agree on safeguards, as needed and if not already in place, and to remind filers of their obligations regarding conflicts of interest. The Ethics Office also advised other colleagues of the UNOPS policies on gifts and outside activities.

B. Protection of personnel against retaliation for reporting misconduct and for cooperating with duly authorized audits, investigations, or other fact-finding activities

21. Pursuant to the Secretary-General's bulletin (ST/SGB/2007/11, as amended), the Ethics Office is mandated to implement UNOPS policy on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations or other fact-finding activities.

22. In 2018, the Ethics Officer issued a new policy on protection from retaliation to replace the former policy (organizational directive number 35), which had been in effect since 2010. The new operational instruction, OI.Ethics.2018.01, closely follows the Secretary-General's bulletin ST/SGB/2017/2/rev 1 of 28 November 2017 (protection against retaliation for reporting misconduct and for cooperating with duly authorised audits or investigations). The new UNOPS operational instruction deviates from the Secretary-General's bulletin with regard to the interim measures available to safeguard the interests of a complainant who is not on a staff contract. The bulletin expressly rules out the possibility of reinstatement of such a complainant. The UNOPS operational instruction, in recognition of the high proportion of UNOPS personnel who are not engaged on a staff contract, does not include such a restriction. In line with the Secretary-General's bulletin, the new operational instruction places greater emphasis on prevention.

23. In accordance with the new operational instruction, the Ethics Office received complaints of retaliation and conducted preliminary reviews to determine whether a complainant had engaged in a protected activity and, if so, whether the protected activity had been a factor contributing to the alleged retaliation or threat of retaliation. (A "protected" activity occurs

when the complainant either reports suspected misconduct through the proper reporting channels or has cooperated with a duly authorized audit or investigation or other fact-finding activity). Should the Ethics Office determine, on the basis of its preliminary review, that there is a prima facie case of retaliation, the matter is referred to the Internal Audit and Investigations Group (IAIG), or to an alternative investigating mechanism, if required, for formal investigation.

24. 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. The Ethics Office will make a final recommendation to the Executive Director, for her determination, subsequent to receipt and assessment of the completed investigation report and evidentiary materials.

25. In 2018, the Ethics Office received eight requests for protection from retaliation. By comparison, 10 such requests were received in 2017 and four in 2016.

26. Three of the requests originated from the same office. These three requests were still pending at the end of the reporting period and will be detailed in the 2019 report.

27. Of the remaining five requests from 2018, one came from a complainant who had engaged in a protected activity (reporting suspected misconduct) two years previously and contacted the Ethics Office after handing in their resignation. After a preliminary review, the Ethics Office found no evidence of retaliation but of an interpersonal conflict which was already known to the director of the office who had been monitoring the situation and consulting with human resources colleagues.

28. A senior staff member complained that he had been slated for non-renewal because of his complaints about his supervisor (who was a Secretariat director). Although his case did not qualify for protection under the directive, because the facts showed difficulties surrounding reorganization and budget rather than retaliation, the Ethics Officer liaised with the staff member's supervisor and the People and Change Group. His position was in turn confirmed by new budgetary arrangements and his contract renewed.

29. The Ethics Officer was consulted in a case where a complainant had properly provided information to IAIG, and IAIG was proceeding to investigation. The issue involved protection of the complainant, whose identity risked being revealed during the investigation and as a result heightened the potential for retaliation. The Ethics Officer took proactive preventative action by liaising with the complainant's supervisor and UNOPS investigations manager in order to secure her position. No retaliatory action was reported to the Ethics Office.

30. In another case, the complainant withdrew the request for protection as the issue had resolved itself.

31. In the final case, the Ethics Officer requested further necessary details from the complainant prior to making a determination. The complainant did not respond, despite several reminders. As a result, the case was considered abandoned.

32. In 2018, the Ethics Office also gave advice on several occasions regarding whistleblower protection. In one case, the advice encouraged a colleague to report an abuse of authority. In another, the Ethics Office provided guidance to a senior colleague who had been the subject of a complaint by a supervisee. The advice of the Ethics Office enabled the individuals to pause and to examine their own motives and avoid taking action, which might have been considered retaliatory.

33. Finally, in order to help raise awareness and understanding of the policy, the Ethics Office had the operational instruction (see details below) translated into French and Spanish. The office also created a step-by-step process map, with explanatory notes to accompany the policy, which was uploaded to the UNOPS process and quality management system.

34. In each of the eight requests for protection, including those where the Ethics Office concluded after the preliminary assessment that there was no prima facie case of retaliation, the Ethics Office considered whether there was any underlying management problem and made recommendations as appropriate.

35. Throughout the year, the Ethics Office was consulted by a number of colleagues regarding reporting channels and processes. The office reminded several colleagues of the existence and role of the Office of the Ombudsman of United Nations Funds and Programmes in resolving interpersonal conflicts. The office also advised colleagues of the existence of the protection available under operational instruction 2018.Ethics.2018.01 in order to encourage a speak-up culture. The office considers raising awareness of the policy one means of preventing retaliation.

C. Developing standards, outreach, training and raising awareness

36. In 2018, the Ethics Office developed new standards and worked on a number of training and outreach initiatives, both on its own and in collaboration with other units.

Developing standards

37. In 2018, as part of the implementation of the UNOPS-wide governance, risk and compliance initiative, the Ethics Officer issued four operational instructions:

- (a) OI.Ethics.2018.01: Protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations or other fact-finding activities;
- (b) OI.Ethics.2018.02: Financial disclosure and conflict-of-interest statements;
- (c) OI.Ethics.2018.03: Prohibition of accepting gifts, honours, decorations, favours or non-United Nations remuneration or benefits from governmental and non-governmental sources; and
- (d) OI.Ethics.2018.04: Outside activities.

38. Three of the four new operational instructions replaced existing policies. The first two policies listed above are discussed in earlier sections of this report. The third operational instruction closely followed the previous policy on the same topic, save that it has made all personnel subject to the stricter provisions regarding gifts and hospitality offered by UNOPS vendors. These stricter rules were previously only applied to personnel working in procurement.

39. The fourth operational instruction, outside activities, sets out restrictions on the ability of UNOPS personnel to engage in outside activities or employment. It is the first policy issued by UNOPS in this area (previously UNOPS applied the policy of the United Nations Secretariat with slight adaptations, which were noted on the Ethics Office intranet). The new policy distinguishes between different categories of UNOPS personnel and defines when approval is required for an outside activity and how to apply for approval. The policy also sets out the core considerations taken into account by UNOPS when examining a request to engage in an outside activity, together with standard conditions for approval. The new policy further states expressly that requests from UNOPS personnel in prominent positions will be subject to greater scrutiny than requests from other UNOPS personnel.

40. Each of the four operational instructions issued by the Ethics Officer includes a brief explanation of its rationale, with the expectation that personnel will more readily accept a restriction or an obligation if they understand why it exists and its purpose.

41. For three of the new policies it has issued, the Ethics Office has developed process maps and guidance that are included in the process and quality management system. The fourth is

to follow in 2019. The objective is to make Ethics Office policies more accessible to colleagues by depicting the process visually.

42. Other work carried out in 2018 by the Ethics Office to develop new standards included assisting the Director, Shared Service Centre, in the development of his operational instruction on hospitality provided at the cost of UNOPS (OLSSC.2018.02).

43. At the request of the Procurement Group, the Ethics Advisor also redrafted the section of the procurement manual on ethics.

Training

44. The Ethics Office worked on a number of training initiatives in 2018 and drew on the collaboration of colleagues from other units.

45. In 2018, the Ethics Office developed and delivered training directed at UNOPS supervisors that guided them on how to manage allegations of misconduct. The 2017 annual survey on integrity, ethics and anti-fraud had shown that the most common channel for reporting misconduct in UNOPS is the complainant's supervisor. In reviewing several requests for protection against retaliation, the Ethics Office had noted that, in some occasions, a situation had escalated unnecessarily due in part to the way the supervisor had responded when receiving the original report of misconduct. Based on this, the Ethics Office therefore identified the need for training, which included advice on whistle-blower protection, common errors and resources available for resolving conflicts. In preparing the presentation, the Ethics Office consulted colleagues responsible for the helplines in IAIG and in the People and Change Group in order to ensure that the advice given represented the views of the three units. In 2018, the Ethics Advisor gave the presentation three times (twice in English and once in Spanish) to colleagues from across UNOPS who attended the Leading People and the Leadership Foundation programmes. The presentation was well received and is now an established part of both programmes.

46. In addition, the Ethics Advisor attended the UNOPS Global Leaders Meeting in June 2018 and, together with the Director, IAIG, and the Director, Tunisia Project Centre, gave an interactive training session to several small groups of senior UNOPS managers on the theme of responding to allegations of misconduct.

47. In 2018, the Ethics Advisor updated the ethics in procurement segment (originally developed in 2016) of the three day procurement operations training given by the Procurement Group. The Ethics Advisor gave this presentation via Skype on three occasions to colleagues in field offices and once face-to-face to colleagues in headquarters.

48. As noted in the 2017 report, the online course, Ethics and Integrity at the United Nations, developed by other United Nations organizations, and promoted by the United Nations System Staff College, was introduced to UNOPS and made mandatory for all personnel. The course exists only in English and French, and in 2018 the Ethics Office had a Spanish translation prepared to accompany the course and assist Spanish-speaking colleagues. This is part of a general aim in the Ethics Office to encourage colleagues to feel comfortable contacting the office in any of the three UNOPS working languages.

Awareness and outreach

49. The Ethics Office continued with its blog in 2018 but found that it was not the most effective means of reaching colleagues, even with the support of the Communications Group which placed a banner on the intranet to draw attention to several of the Ethics Office's blog postings. At the end of 2018, UNOPS relaunched the communities of practice and the Ethics Advisor made postings in three languages regarding UNOPS policy on gifts and hospitality. These attracted a number of comments and increased traffic to the Ethics Office helpline on this issue.

50. UNOPS launched a large number of new policies in 2018 as part of its governance, risk and compliance initiative. In 2017, the Ethics Office added a “relevant policies” page to its intranet with a brief introduction and links to different policies of particular relevance in the ethics area. Throughout 2018, the Ethics Office perused new policies issued by other units and updated the intranet page as necessary, for example, with a link to operational instruction OI.CG.2018.03 on use of social media, issued by the Head of Communications (this is an area where previously UNOPS had no specific policy). The Ethics Office refers colleagues to the existence of the ‘Relevant Policies’ page as a resource at the end of each training session.

51. The Ethics Advisor is a member of the Prevention of Sexual Exploitation and Abuse Working Group, which was formed with colleagues from IAIG, the People and Change Group and the Health, Safety, Social and Environmental Management Team at the end of 2018. The working group now meets monthly.

52. The Ethics Office continues to support the Internal Audit and Investigations Group and other headquarters groups’ initiatives in anti-corruption and identification of risk in procurement.

D. Advice and guidance

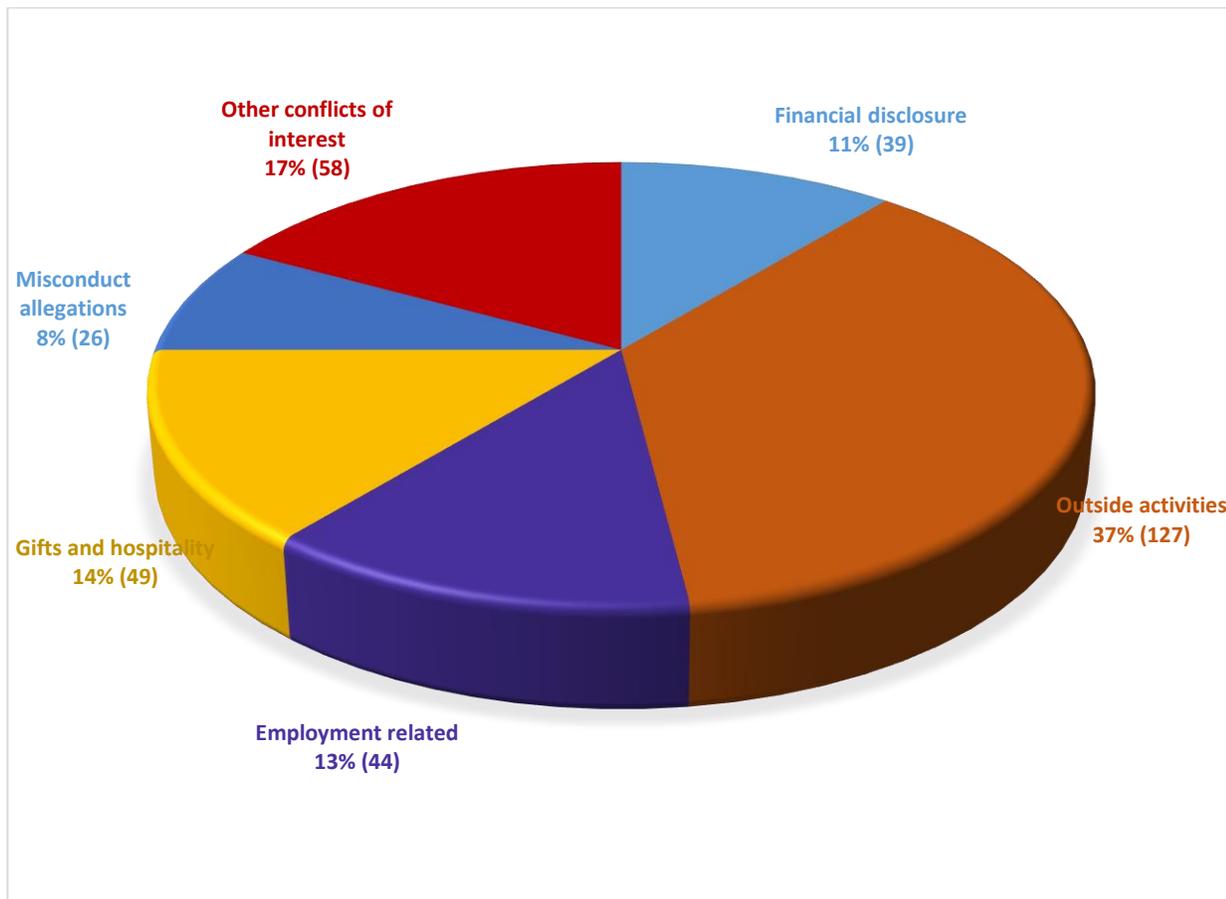
53. The ethics advisory function is a key element in United Nations efforts to protect and bolster its reputation for integrity. Pursuant to its advisory mandate, the Ethics Office provides confidential ethics advice and guidance to UNOPS personnel (staff and non-staff), management, departments and offices 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 doing so, enhances the integrity of UNOPS and its personnel.

54. The advisory function of the Ethics Office is paramount: 33 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 343 requests for advisory services on a wide range of ethics-related concerns. Figure 3, below, shows the categories into which requests for advice are classified: outside activities, 37 per cent; allegations of misconduct, 8 per cent; other conflicts of interest, 17 per cent; financial disclosure, 11 per cent; employment-related concerns, 13 per cent; and gifts and hospitality, 14 per cent. There has been a noticeable increase in requests for advice regarding conflicts of interest.

55. The advice and guidance provided by the Ethics Office during the reporting period included clarification or interpretation of UNOPS regulations, rules and standards concerning prohibited or restricted activities, and, of course, ethical dilemmas.

56. Through inter-organizational consultation and coordination with, inter alia, General Counsel, members of the People and Change Group, the Procurement Group and the Internal Audit and Investigations Group, the Ethics Office sought to provide policy support and guidance on the interpretation and implementation of organizational standards.

Figure 3. Requests for ethics advice, 2018



E. Assistance to other organizations

57. In accordance with its mandate to provide services to other United Nations organizations, UNOPS agreed that its Ethics Officer would serve as the outside reviewer for requests by personnel of the World Intellectual Property Organization (WIPO) with regard to determinations by the WIPO Chief Ethics Officer in protection against retaliation cases. The UNOPS Ethics Officer reviewed one case in 2018, where the Chief Ethics Officer of WIPO had not found a prima facie case. The UNOPS Ethics Officer determined that there was a prima facie case, reversed the determination of the CEO, and directed that the matter be referred for investigation. The investigation was pending at the end of the reporting year, as were two further cases referred to the UNOPS Ethics Officer for review at the end of 2018.

58. UNOPS agreed to assist the World Tourism Organisation (UNWTO) in a review of a protection against retaliation and misconduct case involving a senior official, where the Ethics Officer of UNWTO considered herself conflicted and thus recused. No retaliation or misconduct was found, but a solution was suggested for a management resolution to the problems that had arisen.

IV. The Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations

59. The United Nations Ethics Committee, later renamed the Ethics Panel of the United Nations, was established by the Secretary-General in his bulletin ST/SGB/2007/11, as amended, which entered into force on 1 December 2007. The panel is mandated to establish

a unified set of ethical standards and policies for the United Nations Secretariat and the separately administered funds, programmes and specialized agencies, and to consult on certain important and particularly complex cases and issues having United Nations system-wide implications. In 2018, the UNOPS Ethics Officer participated in all ten panel meetings.

60. In accordance with the Secretary-General's ongoing promotion of system-wide collaboration on ethics-related issues, including with United Nations funds, programmes and specialized agencies, and other interested entities, the Ethics Network of Multilateral Organizations (originally called the United Nations Ethics Network) was established on 21 June 2010. The network was founded within the framework of the United Nations System Chief Executives Board for Coordination 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 and United Nations funds, programmes and specialized agencies. It has since expanded to include international financial institutions and multilateral organizations that meet its membership criteria. In 2018, the Ethics Advisor attended the annual meeting of the Ethics Network of Multilateral Organizations, which was hosted by the United Nations Ethics Office.

61. Further information on the work of the Ethics Panel of the United Nations is provided in the forthcoming Report of the Secretary-General on the Activities of the Ethics Office, to be presented at the seventy-third session of the General Assembly.
