



Economic and Social Council

Distr.: General
25 March 2013

Original: English

For information

United Nations Children's Fund

Executive Board

Annual session 2013

18-21 June 2013

Item 11 of the provisional agenda*

Report of the Ethics Office

Summary

This is the fourth report presented to the UNICEF Executive Board, in compliance with its decision 2010/18. It covers the fifth full year of functioning of the UNICEF Ethics Office.

This annual report covers each of the mandated areas of work for the Office: (a) standard setting and policy support; (b) training, education and outreach; (c) advice and guidance; (d) the Financial Disclosure Programme; (e) protection of staff against retaliation; and (f) participation in the United Nations Ethics Committee and Ethics Network for Multilateral Organizations.

During the course of 2012, the Ethics Office increased its emphasis on standard setting and policy support and on developing its ethics training programme. The Financial Disclosure Programme continued as the core activity of the office. The Ethics Office used the opportunities this programme provided to raise awareness and further develop other key activities.

Elements of a decision

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

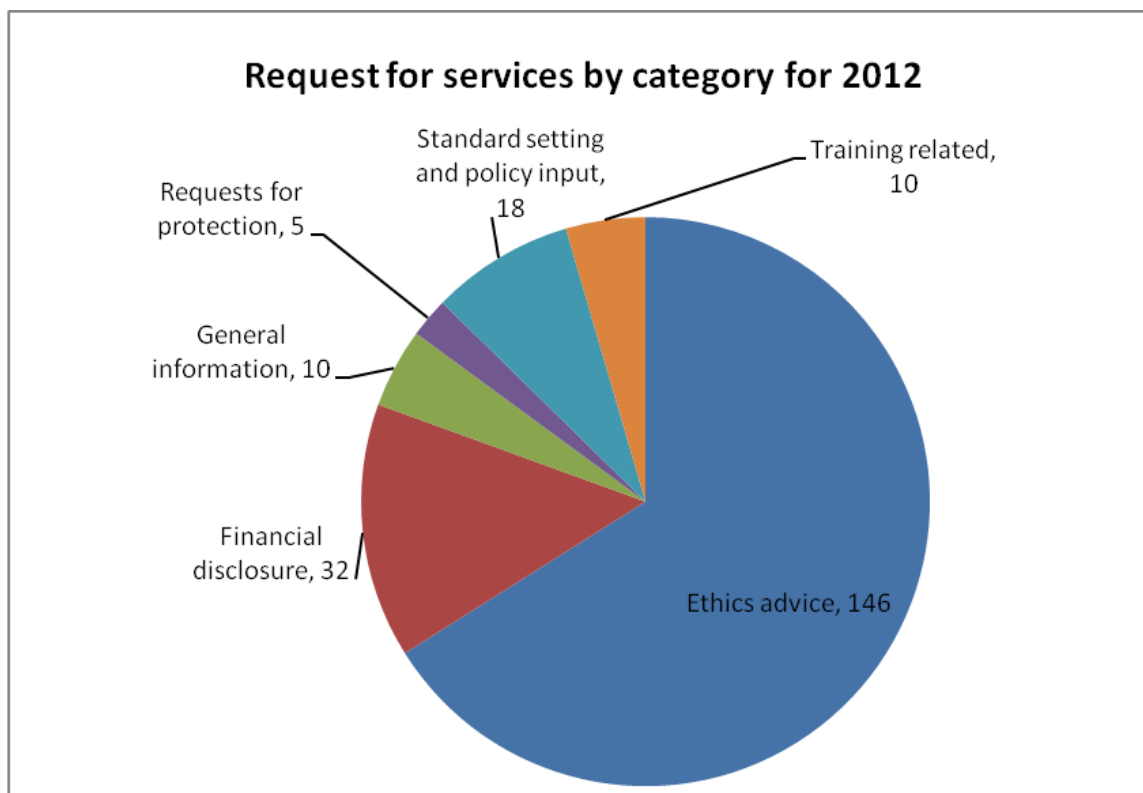
* E/ICEF/2013/10.



Introduction and general information

1. In 2012, a number of significant developments signalled a new and more established phase for the Ethics Office.
2. At the end of November, the Principal Adviser retired. A useful and productive overlap between the new and retiring advisers permitted the new Principal Adviser to benefit from extensive briefings and to familiarize herself with the functions of the office.
3. For the first 10 months of the year, the office had the support of an Ethics Officer at the P-1 level on temporary assistance, specializing in communications. With this support the office improved its Intranet presence and conducted a series of Internet-based distance training sessions, which participants judged as very useful.
4. In July, the Ethics Office moved to new offices in UNICEF House that provide more privacy and security. Staff members who bring confidential concerns to the Ethics Office now have greater assurance that their privacy is protected.
5. The post of the P-3 Ethics Officer dedicated to the Financial Disclosure Programme continued to enable the analysis and responses to staff who file disclosures. The availability of operating funds is crucial for the Ethics Office to deliver on its mandate. The budget, amounting to \$124,000 for 2012, enabled the office to engage additional services for a thorough review of financial disclosures, support travel for training and undertake its own staff development.
6. The number of requests to the Ethics Office declined from 371 in 2011 to 221 in 2012. The nature of requests, however, has become much more complex, requiring more detailed and nuanced responses. Soon after the establishment of the Ethics Office, queries tended to be simple requests for or about rules or for ready interpretations of permissible behaviour. Now, the regulations and rules are more accessible to staff, through training sessions, other outreach and the website. There are many more conversations about ethical concerns at the local office level. As a result, more of the queries submitted to the Ethics Office are for advice in resolving complex ethical problems that the staff member or office has already identified. To deal with these kinds of problems, such as those involving real or potential conflicts of interest, the Ethics Office works with the staff members and offices to find solutions that are transparent, consistent with United Nations ethical values and in compliance with the regulations and rules as well as with prior advice and practice.
7. Increased exposure to awareness-raising of ethical issues has likely contributed to a change in the nature of ethics advisory requests (figure 1). For example, all regional management teams have had briefing sessions, and it is clear from the nature of queries that representatives have raised awareness of ethical organizational culture in their offices. One third of the requests for advice from the field come from offices that have had training in the past year. A significant number of requests also come through regional human resource officers who are managing concerns that arise in their regions.

Figure 1
Request for services by category for 2012



8. Finally, the large number of guidance letters issued in 2012 to staff filing financial disclosures has led to conversations with the concerned staff (though these are not covered in the statistics on advice requests), which contribute to more frequent appreciation of ethical behaviour. Moreover, since the staff members who file disclosures are largely senior staff and managers, it is clear that they are contributing to the establishment of an ethical culture throughout the organization.

9. Throughout 2012, the Ethics Office continued to work closely with offices across UNICEF. These included the Legal Adviser; Office of Internal Audit and Investigation, including with the investigations unit; Office of the Internal Ombudsman; Division of Human Resources (DHR), especially the Policy and Administrative Law Section, Office of the Staff Counsellor and the Learning Section; Information Technology Solutions and Services Division (ITSS); and the Global Staff Association. The Ethics Office also met regularly with the Office of the Executive Director.

Standard setting and policy support

10. During 2012, the Ethics Office worked closely with partners across the organization to revise a number of policies. The office took the lead on revision of the policy on financial disclosure, and in 2013, it will take the lead on a planned revision of the policy on protection against retaliation. The office made significant contributions to the policies on outside activities; awards; prohibition of

discrimination, harassment, sexual harassment and abuse of authority; disciplinary processes and measures; and anti-corruption. In all of these the Ethics Office benefited from the sharing of policies and practices through the United Nations Ethics Committee and the Ethics Network for Multilateral Organizations.

11. One of the key areas of work was development of more systematic support to staff in identifying and resolving conflicts of interest. In close cooperation with the Policy and Administrative Law Section of DHR, the Ethics Office developed templates for guidance and recusal letters for different types of potential conflicts of interest, including new staff coming from partner organizations or staff closely related to officials in partner agencies, including governments. The number of queries related to such conflicts of interest has increased, in number and certainly in complexity. While the templates sometimes require modifications based on the context, they serve to ensure consistency in guidance.

12. The Principal Adviser continued to attend the regular meetings of headquarters senior staff and to participate in the Global Management Team. This continues to make it possible to infuse discussions with an ethics perspective, ranging from those on management decisions to issues of programme directions. A special briefing on ethics was made for the senior staff meeting, covering a number of concerns related to behavioural ethics and management.

Training, education and outreach

13. In 2012, ethics communications expanded, especially through the Intranet. The ethics page on the Intranet posts all ethics-related policies in English, French and Spanish. Information about best practices in country offices is also being placed on the Intranet, including how to handle gift-giving and manage conflicts of interest that arise in the office or in one's personal life.

14. Ethics training in UNICEF continued to be based on three main modalities: face-to-face group trainings at headquarters, regional and country offices; online training; and a modular set of exercises that can be used by country and regional offices.

15. Group training sessions are run as workshops, focusing on the application of UNICEF core ethical values and using the United Nations Oath of Office. Some of the workshops were presented face to face, some were delivered over the Internet and some used a mixture of these two delivery modes. Workshops were available in both English and French. A total of 1,473 staff members were reached through these sessions.

16. In 2012, web-based tools were used to deliver training considerably more than in previous years. More than 400 staff members, close to 30 per cent of all staff who participated in ethics education, were reached through these webinars and videoconferences. This number increases when training using a mix of face-to-face and web-based methods is counted. Distance learning does not offer the same experience as in-person interaction, which allows for post-training individual interaction and counselling, especially in offices outside of headquarters locations. The Ethics Office nevertheless identified several compelling advantages to using these methodologies. They are cost-effective and make it possible to reach staff globally and simultaneously in different country offices. In addition, Internet-based

learning allows a focus on single-issue topics, tailored to the needs of the country office. In having multiple, single-issue sessions with the same country office over the course of three days, for example, the Ethics Office has been able to address topics in more depth than is possible in a one-day, multi-issue on-site training.

Table 1
Training sessions held in 2012

	<i>Full office, on-site trainings</i>	<i>Briefings, on site</i>	<i>Issue-oriented sessions by web conferencing</i>
Country and regional offices	Chad, the Gambia, Lesotho, Madagascar, Malawi, Mauritania, Mozambique, Senegal and South Africa	West and Central Africa Regional Office, Eastern and Southern Africa Regional Office and CEE/CIS Regional Office	Tunisia, Ghana (2), United Republic of Tanzania (2); global sessions on financial disclosures (2); Democratic Republic of the Congo managers' retreat; Kenya country office session on political activities
Headquarters	Evaluation Division, ITSS, New and Emerging Talent staff, and Private Fundraising and Partnerships	Senior staff meeting	

17. After every training session, whether onsite or Internet-based, participants are asked to evaluate the quality of the training, the choice of topics covered and the usefulness of discussions and methodologies. These evaluations are overwhelmingly supportive and have contributed to numerous adjustments in content and approach. The Ethics Office has also noted a spike in requests for advice after such sessions.

18. The second arm of the ethics training is online awareness training. The Ethics Office has launched an online training module, developed by the United Nations Office on Drugs and Crime and used with its permission. It orients staff to the Staff Regulations and Rules and the Standards of Conduct for the International Civil Service. The Executive Director was among the first to take the training. The Ethics Office continues to monitor staff use of and compliance with this training, which is an important reinforcement to other parts of the ethics training and learning programme.

19. The third arm of the ethics training is preparation of customized modules, which will allow country and regional offices to cover the same material that has been covered in the face-to-face all-day training sessions based on the Oath of Office. This content has now been adapted in a series of chapters that can be used independently by offices using trained local facilitators or managers, covering the same concepts. These modules were developed with the support of DHR's Learning Section. The modules have now been pre-tested in two country offices in Africa; they continue to be revised based on country experiences. The modules, expected to be available for use in 2013, are flexible and can be used to cover a full range of

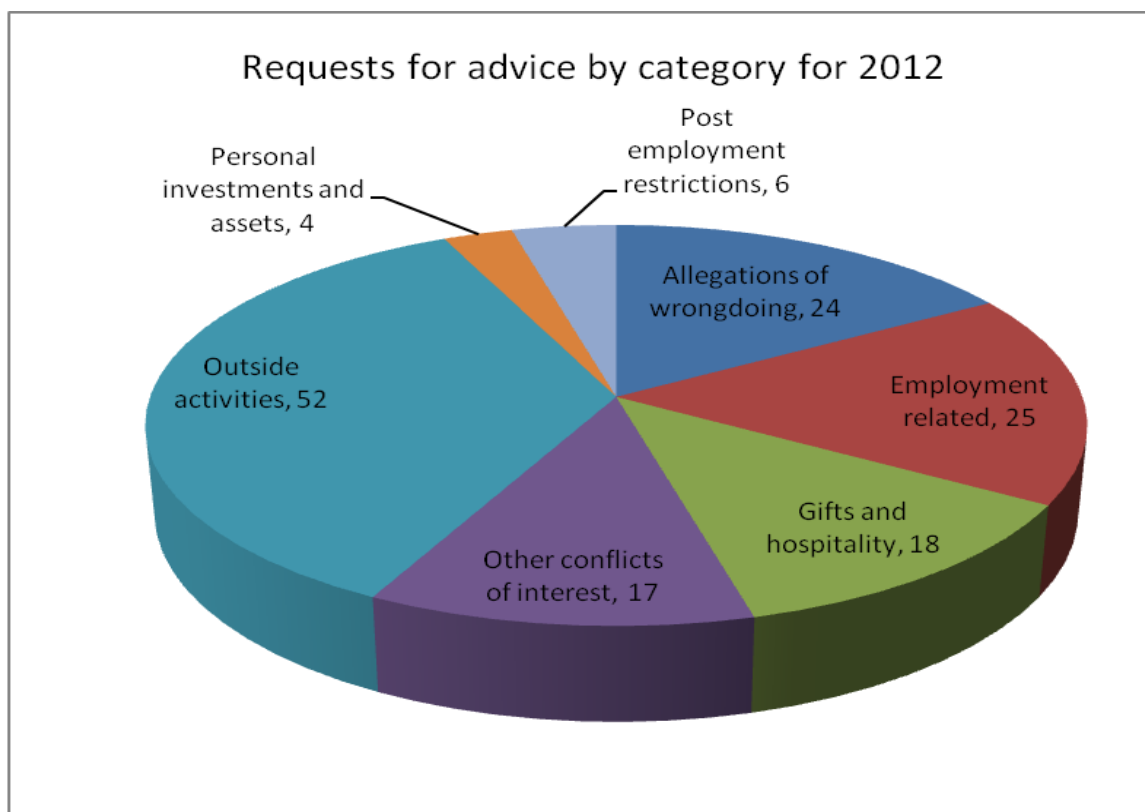
issues; users can single out one or more topics for focused examination. In addition to lectures, the modules include interactive activities, such as case studies and role-play situations that the Ethics Office has used in webinars. They are suitable for independent use, and the office is ready to backstop these sessions remotely.

Advice and guidance

20. The number of requests for ethics advice decreased in 2012 to 146 from 170 in 2011. As seen in figure 2, the majority of requests for assistance continue to relate to conflicts of interest in the broad sense — the categories of outside activities, gifts, personal investment and other conflicts of interest. These requests are becoming more complex in nature. This reflects partly the maturity of the Financial Disclosure Programme and the dialogue it has created on conflicts of interest. These numbers do not take into account the guidance notes and recusal letters issued as part of the Financial Disclosure Programme, all of which involved an iterative process of discussion with the staff member. This is discussed below in the section on the Financial Disclosure Programme.

Figure 2

Requests for advice by category for 2012



21. Staff members are encouraged to raise questions with the Ethics Office in confidence about whether or not outside activities are permissible. The office provides such advice and informs the staff member that DHR is the division that

authorizes such activities. DHR works closely with the Ethics Office in responding to staff when an outside activity might involve an actual or perceived conflict of interest. Over the course of 2012 and in consultation with DHR, the Ethics Office has developed a series of recusal letters that can be adapted for various situations in which such conflicts occur. They can be used as a basis to guide staff decisions, investments and engagements.

22. Requests for advice on employment-related concerns have dropped the most compared to 2011. This may be due in part to the Ethics Office practice of consistently referring staff members to the appropriate office, whether the Ombudsman, the Investigation Unit or DHR. The Ethics Office will continue to encourage staff members to consult with it regarding the various avenues that can be approached for advice. When staff members consult the Ethics Office, especially on abuse of authority or harassment as well as possible wrongdoing, they are informed of the policy on protection against retaliation, as appropriate. It is clear that additional training and coaching for managers at all levels on respectful communication styles should continue, as well as on how to incorporate transparency in decision-making.

The Financial Disclosure Programme

23. The Ethics Office manages and administers the Financial Disclosure Programme of UNICEF and has ensured that the programme is incorporated into the organizational culture of UNICEF for the past five years. The objective of the programme is to identify and mitigate risks of personal conflicts of interest arising from personal financial investments and/or outside activities of staff members, their spouses and their dependent children who are covered under the programme. It also plays a major role in reinforcing and protecting the reputation of UNICEF. The programme has strengthened the confidence that staff have in the organization's capacity to deliver its mandate with integrity.

24. On 1 March 2012, the Ethics Office launched the sixth cycle of reporting of financial disclosures. This programme includes all staff members at the D-1/P-6 level and above; all staff members, regardless of level, who are heads, deputy heads or operations chiefs of regional or country offices, and the heads of zone offices and sub-offices. Also participating in the programme are all staff members whose principal occupational duties involve procurement of goods and services; those who deal directly with external vendors; and all staff members, chairpersons and vice-chairpersons of committees involved in decisions on investment of UNICEF assets. In 2012, 2,694 staff members were identified to file a disclosure; 43 per cent were from the international professional category and 4 per cent from the director level. The national professional and general service staff constituted 30 per cent and 23 per cent respectively of the total population of filers. Compliance of staff with the programme continues to be high. Table 2 shows the compliance rate of the programme from 2007 to 2012.

Table 2
Compliance with Financial Disclosure Programme, 2007-2012

<i>Year</i>	<i>Staff required to file</i>	<i>Disclosures submitted</i>	<i>Compliance (%)</i>
2007	2 545	2 106	82.8
2008	2 556	2 141	83.8
2009	2 536	2 536	100
2010	2 365	2 356	99.6
2011	2 592	2 584	99.7
2012	2 694	2 691	99.9

25. The Ethics Office collaborates with DHR, regional directors and heads of offices to emphasize the purpose of the Financial Disclosure Programme. While compliance by every participating staff member is monitored, the Ethics Office puts special focus on senior staff members. Appointments and contract renewals of senior staff members are subject to confirmed compliance with the programme. In 2012, 108 requests for information on compliance were received from DHR and cleared by the Ethics Office. This ensures that all senior managers adhere to the policy on financial disclosure and are aware of the potential conflict-of-interest issues that could harm the organization.

26. Staff members are submitting their disclosures with fewer difficulties. The Ethics Office worked closely with ITSS in 2012 to adjust the disclosure process so that it would be clearer to staff on how to file and on what specific information is required. The usefulness and effectiveness of these changes has resulted in a substantial decline in the number of technical queries received from staff members. In 2012, 443 queries were received, compared to 628 in 2011, 879 in 2010 and 1,091 in 2009. Additionally, the substantial decline in the number of substantive queries shows that staff members have a better understanding of the purpose of the Financial Disclosure Programme. In 2012, the Ethics Office received only 32 substantive queries, as opposed to 53 in 2011 and 85 in 2010.

27. The Ethics Office undertook a comprehensive vetting of all statements to ensure the information provided was complete and to detect if there were any actual, perceived or potential conflicts of interest arising from the private interests, investments or outside activities that had been disclosed. The review of the financial disclosures shows that the organization continues to face conflict-of-interest risks, related mainly to outside activities. Overall, 337 guidance letters were issued to staff who filed disclosures. They covered concerns linked to outside activities, personal investments and relatives working within the United Nations system or for UNICEF programme partners. This covered 12.5 per cent of all staff filing disclosures. Each staff member who received a guidance letter was required to confirm their agreement to the Ethics Office, with copies to their supervisor and colleagues if it would require changes to or restrictions in the decisions they would be making for UNICEF. This involved a considerable amount of iterative discussion with many staff members. The Ethics Office finds that this interaction has led to more complex and thoughtful queries about conflicts of interest from senior staff.

28. Another area of concern for the Ethics Office relates to staff members who were engaged in outside activities without receiving prior authorization. In these cases, the office advises staff to seek the authorization of the Director of DHR in accordance with United Nations staff regulation 1.2 (o). This ensures that staff members who are engaged in outside activities adhere to United Nations rules and regulations. The new Executive Directive on outside activities (CF/EXD/2012-009) has helped to focus awareness on this issue, and pre-authorization requests have increased since its issuance in late November 2012.

29. On 16 May 2012, the Ethics Office issued a revised policy (CF/EXD/2012-003) that will help to streamline the process of selecting which staff must file disclosures starting in 2013, and to clarify concerns about risks due to conflicts of interest. The revision was made in close cooperation with DHR, the Office of Internal Audit and Investigation, and the Legal Office. It took into account best practices as discussed in the United Nations Ethics Committee. Conflicts of interest are more clearly defined in the policy, which covers both actual and potential conflicts of interest. This will guide staff members in identifying potential conflict-of-interest risks before they become problematic. This has proven useful in clarifying the rationale for the Financial Disclosure Programme and ways in which personal conflicts of interest can be satisfactorily resolved.

Protection of staff against retaliation

30. A key part of the work of the Ethics Office is serving as the focal point for the policy on protection against retaliation. In 2012, there were five requests for protection against retaliation. Four were from staff — two each from field and headquarters — and one from a non-staff member. For all five requests for protection, the Ethics Office found no evidence supporting a prima facie case. In one of the cases, information of other possible misconduct was discovered and was referred to the investigation unit.

31. In addition, there were four requests for information on the functioning of the programme on protection against retaliation. All of these were from country offices. None of these inquiries led to formal complaints of retaliation.

32. During each of the eight face-to-face on-site trainings in country offices, at least one staff member asked for confidential advice on the details of the programme's functioning. These requests seem to signify that staff members are aware of the programme but that there is still lack of confidence in the policy and fear of retaliation, which could hold staff back from speaking out against unethical behaviour or reporting misconduct. The Ethics Office is increasing the emphasis on the programme in its training and briefings with managers. The objective is for them to ensure that in their own management meetings and other interactions with staff, they create the space for open communication, and for them to make clear that retaliation will not be tolerated.

United Nations Ethics Committee

33. In 2012, UNICEF participated in all 11 meetings of the United Nations Ethics Committee. In addition to these meetings, the members of the Committee frequently consult each other about ethics-related matters. These meetings and consultations

are contributing to greater harmonization of both policies and practices among the participating funds and programmes. UNICEF also participated in the Ethics Network meeting, at which ethics offices from across the United Nations system meet to review issues of common concern and to explore current ethical best practices. 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, presented at the sixty-seventh session of the General Assembly (A/67/306).

Conclusion

34. The Ethics Office is focusing its interactions with managers on the value of considering the ethical component of decision-making and relationships with staff. The explicit discussion of ethical concerns — as they manifest themselves in programme implementation, administrative decisions personal engagements and staff interrelationships — will improve the efficiency and effectiveness of programmes. The Ethics Office will concentrate on these concerns, in discussions with managers at all levels, and will design and develop tools to support this process. Online awareness training is now mandatory for staff members at the P-5 level and above as well as deputy representatives, chiefs of operation and zone office chiefs regardless of their level. It will be important to revise this training to take into account modern training methodologies and to make this training mandatory for all staff.

35. The increasing complexity of requests for advice to the Ethics Office reflects the fact that messages about conflicts of interest and staff interactions are becoming embedded in the organizational culture. This process needs to be nourished with continued outreach using both traditional and new media. Staff support continues to be required to implement these processes, both to respond to current needs and to continue to encourage such ethics-related thinking. Adequate funding for the office will help to ensure its continued independence and allow it to be proactive in creating and embedding an ethical environment in UNICEF.

36. Finally, as divisions and offices finalize their office management plans for the medium-term strategic plan period of 2014-2017, it would be important for them to include one key performance indicator for management that measures progress in further improving the organizational culture in ethics and integrity. Similarly, each country management plan prepared in the new medium-term strategic plan period would benefit from having such a key performance indicator. This would encourage fostering and measuring progress in development of an ethical culture throughout UNICEF.