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EXECUTIVE OFFICE OF THE SECRETARY-GENERAL

NOTE TO THE CHEF DE CABINET

2013 Report of the Secretary-General on the Activities of the Ethics Office

05/08/13

I am submitting for the Secretary-General's consideration and approval the attached draft 2013 "Report of the Secretary General on the activities of the Ethics Office", to be submitted to the General Assembly at its 68th session. The Report covers the period 1 August 2012 - 31 July 2013.

The 2013 Report highlights the following key achievements and messages in relation to ethics and integrity:

1) The Ethics Office continues to strengthen its work in its core mandate areas and has contributed to promoting accountability and integrity, through administering the UN's Financial Disclosure Programme and the Voluntary Public Disclosure Initiative, providing confidential ethics advice to staff, and building ethics awareness. The Ethics Office proactively developed and implemented initiatives to further support the Organization's ethics and integrity culture.

2) Efforts in promoting ethical values and conduct amongst United Nations staff and management in 2012-2013 were enhanced vigorously. The Ethics Office continued to reach out to as many staff in as many locations and field missions as possible. It further encouraged ethics engagement by senior UN leadership and supported ethical leadership throughout the Organization. It launched the Leadership Dialogue initiative throughout the UN Secretariat.

3) The provision of ethics services must be aligned with a clear understanding of the ethical risks which the Organization faces. The Ethics Office has developed criteria by which to measure risks and the impact of mitigation efforts over time, having completed the ethics and reputational risk assessment for peacekeeping operations and special political missions.

4) The comprehensive review of the Organization's protection against retaliation policy continues which focuses on enhancing how the Organization encourages the reporting of serious misconduct, protects whistleblowers from retaliation, and intervenes to prevent retaliation from occurring. The Secretary-General will report to the General Assembly at its sixty-ninth session on the modalities and recommendations for enhancing the policy.

5) In regard to system-wide ethics application, the Ethics Panel of the United Nations (formerly the Ethics Committee) remains the sole institutionalized mechanism within the UN Secretariat and Funds and Programmes with a mandate to promote a coherent and consistent application of standards of ethics and integrity. It has contributed to harmonizing policies among member organizations and raising awareness about ethics and integrity.

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6) A strong ethics function significantly contributes to enhancing an organizational culture of ethics and integrity, and promoting public trust in the United Nations, supports accountability, and promotes workplace respect. The ethics function should continue to receive the strongest possible support, both politically and financially, in order to fulfill its mandate.

The Report contains no recommendation for action/approval by the General Assembly.

An electronic version of the draft report has been sent to Mr Patrick Carey of your Office.

Joan Elise Dubinsky
Director
Ethics Office
5 August 2013

Approved by the Deputy Secretary-General

Jan Eliasson

Date: Aug. 27, 2013

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Human resources management

Activities of the Ethics Office

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 60/254, "Review of the efficiency of the administrative and financial functioning of the United Nations", in which the Assembly requested the Secretary-General to report annually on the activities of the Ethics Office and the implementation of ethics policies. The report further includes information on the activities of the Ethics Panel of the United Nations, as mandated by the General Assembly in resolution 63/250 on human resources management.

The present report covers the period from 1 August 2012 to 31 July 2013.

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I. Introduction

1. This report, the eighth since the establishment of the United Nations Ethics Office in January 2006, was prepared pursuant to General Assembly resolution 60/254, paragraph 16 (i), by which the Assembly requested annual reporting on the activities of the Ethics Office and the implementation of ethics policies.

2. The report provides an overview and assessment of Ethics Office activities from 01 August 2012 to 31 July 2013, undertaken pursuant to its mandate to foster an organizational culture of integrity, transparency, and accountability. The Office has undertaken several initiatives that promote an ethical culture, including supporting ethical leadership behaviour, promoting workplace conversations about ethics, conducting ethical risk assessments, and developing evaluative metrics.

3. The Office provides direct services to UN staff at all levels, annually handling hundreds of specific requests for services. Highlights of this reporting period include: responding to 459 confidential ethics advice requests; reviewing 4630 financial disclosure files during the 2012 cycle of the Organization's financial disclosure programme; retention of a new external reviewer for the financial disclosure programme, resulting in reduced costs; holding 60 outreach events enabling the Office to interact directly with over 700 UN staff; expanding the library of ethics training materials; advancing coherence and policy development; conducting 13 confidential ethics induction sessions with senior leaders; and responding to 49 inquiries concerning the UN's protection against retaliation policy, including conducting 15 preliminary reviews of workplace retaliation complaints.

4. The report provides insights into the 2012 Ethics and Reputational Risk Assessment for UN field operations, conducted by the Office. This assessment identified the most significant ethical and reputational risks facing peacekeeping, developed quantifiable measures for ethical risk and culture, and presented recommendations, several of which are being implemented.

5. The Office has initiated significant regulatory and policy reviews on financial disclosure and protection against retaliation, for the purpose of programme strengthening.

6. The report responds to General Assembly resolution 63/250, entitled "Human Resources Management", in which the Assembly requested the Secretary-General to include information on the activities of the Ethics Panel of the United Nations (formerly the United Nations Ethics Committee).

II. Background and general information

7. The Office was established by the Secretary-General as an independent Secretariat office upon approval of the General Assembly at the 2005 World Summit (General Assembly resolution 60/1, para. 161 (d)). Pursuant to Secretary-General's bulletins ST/SGB/2005/22 and ST/SGB/2007/11, the Office's mandate includes:

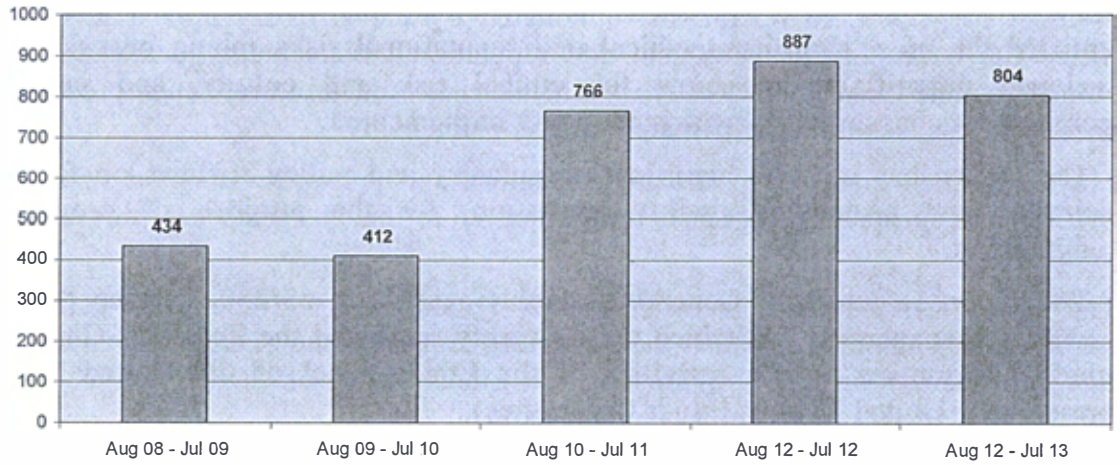
a) Administering the Organization's financial disclosure programme;

b) Providing confidential advice and guidance to staff on ethical issues, including administering an ethics helpline;
c) Administering the Organization's protection against retaliation policy;
d) Developing standards, training and education on ethics issues, in coordination with the Office of Human Resources Management and other offices as appropriate, and conducting ethics outreach; and
e) Supporting ethics standard-setting and promoting policy coherence among the United Nations Secretariat and the Funds and Programmes.

8. In undertaking its responsibilities, the Ethics Office assists the Secretary-General in ensuring that all staff members observe and perform their functions consistently with the highest standards of integrity required by the United Nations Charter.

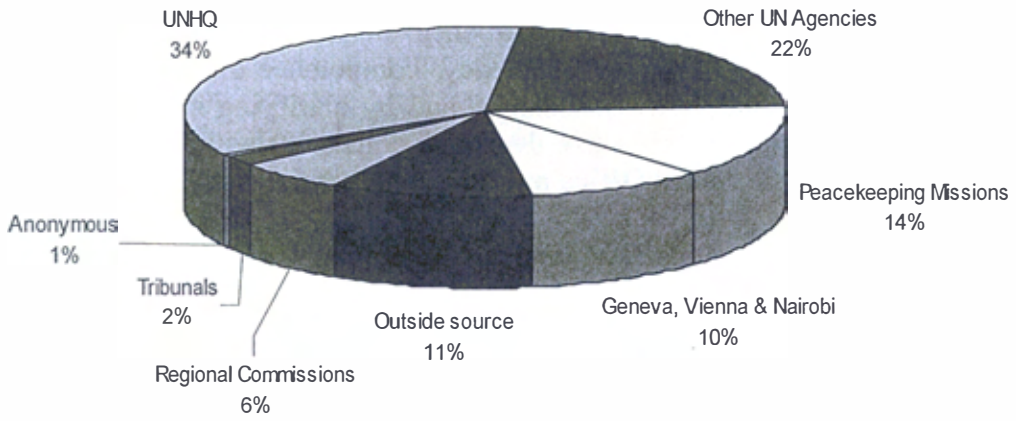
9. From 1 August 2012 through 31 July 2013, the Ethics Office received a total of 804 requests for its services from Secretariat offices, including headquarters, regional commissions, peacekeeping operations, and special political missions. As reflected in Figure I, the Office's commitment to expanded outreach, awareness raising, and ethics education over the last three reporting periods has resulted in a significantly increased use of the Office by staff. Sustained interaction remains essential to promote standards and reinforce ethical workplace behaviour.

Figure I
Overall requests for Ethics Office services by reporting cycle
(January 2006-July 2013)



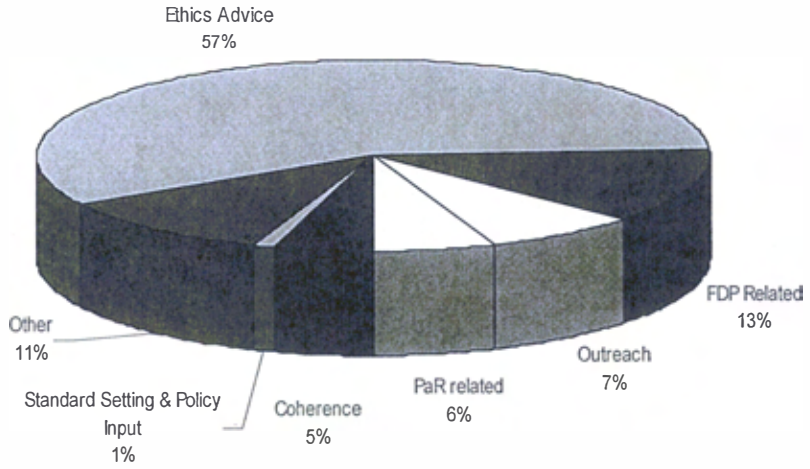
10. The Office regularly receives requests for services from multiple locations and entities (Figure II). As the Office is staffed solely in New York, concerted efforts are necessary to reach staff globally. The results of wider engagement are reflected in the steady increase in the percentage of service requests coming from outside Headquarters: 48 per cent in 2009-2010, and 66 per cent in 2012-2013.

Figure II
Service requests by source
(1 August 2012-31 July 2013)



11. Providing comprehensive coverage of ethics concerns, the Office responds to requests regarding general ethics advice, training, the financial disclosure programme, protection against retaliation, standard setting, and policy support. As shown in Figure III below, ethics advice continues to account for the majority of service requests received by the Office.

Figure III
Service requests by category
(1 August 2012-31 July 2013)



III. Activities of the Ethics Office

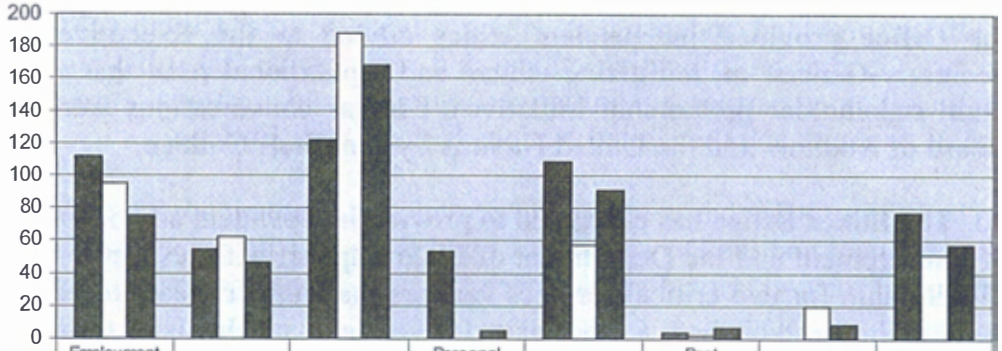
A. Advice and guidance

12. The Ethics Office serves as an independent, confidential, and impartial office dedicated to providing timely and quality advice. The Office assists staff in upholding the highest levels of efficiency, competence and integrity by providing advice on relevant standards of conduct, and by clarifying staff and Organizational obligations. In helping staff make decisions consistent with the values and rules of the Organization, the Ethics Office provides an essential risk prevention function.

13. The Office advises staff on various concerns, including actual or perceived personal conflicts of interest, engagement in outside activities, the acceptance of gifts and honours, personal investments and assets, and other employment-related issues. While providing a secure and confidential resource for staff, the Office does not replace existing mechanisms for the reporting of misconduct or resolving of grievances. The independent and confidential nature of the Office facilitates its approachability and builds trust. The Office represents neither Management nor staff, and remains impartial and advisory in nature.

14. As stated in paragraph 3 above, the Ethics Office received a total of 459 requests for ethics advice and guidance, representing 57 per cent of all requests received. Figure IV presents the categories of requests for advice over the last three reporting periods.

Figure IV
Requests for ethics advice by cycle
(August 2010 – July 2013)



	Employment related concerns	Gifts & Hospitality	Outside Activities	Personal Investments & Assets	Allegations of wrongdoing	Post Employment Restrictions	Procurement ethics	Other Conflict of Interest
Aug 2010 - July 2011	112	54	122	53	109	4	0	77
Aug 2011 - July 2012	95	62	188	0	57	2	20	51
Aug 2012 - July 2013	75	47	168	5	91	7	9	57

15. The overall number of requests for ethics advice has remained relatively constant over recent reporting cycles. This usage rate reflects the importance that staff and managers place on the Office's advisory services. The Office continues to assist UN personnel in navigating complex workplace issues, and devising appropriate courses of action. Recently, the complexity of advice requests has notably increased, indicating that staff turn to the Office for assistance with situations that present multiple issues, factual complexity, and uncertain consequences.

16. As shown in Figure IV, the largest number of advice requests received annually focus upon "outside activities". This demonstrates strong awareness by staff of the requirement to seek prior approval for certain types of outside activities to avoid adversely impacting the UN or their status as international civil servants. The Ethics Office regularly advises on approval procedures, and the appropriateness of contemplated activities.

17. The Ethics Office continued to provide independent ethics advice to the Procurement Division on issues related to the ethics, anti-corruption and corporate compliance programmes of vendors seeking to do business with the United Nations. These efforts focused primarily upon (a) the suitability of external ethics and compliance experts retained by vendors to verify that the vendor has implemented ethics, anti-corruption and compliance programmes that meet the United Nations expectations; and (b) whether the vendor's materials and expert's report provides sufficient reassurance that the vendor has met reinstatement requirements.

18. Over the past 36 months, the Ethics Office has responded to queries from the Procurement Division, Department of Management, concerning 28 vendors at various stages of the reinstatement process. Advice for each reinstatement matter requires multiple reviews, and close liaison with other departments. The Office has worked closely with the Procurement Division and others in matters relating to third party due diligence, reputational risk, and potential organizational and personal conflicts of interest.

19. In keeping with the Office's role in promoting accountability and transparency, the Office provided independent ethics advice to the Executive Office of the Secretary-General on mitigating ethical and reputational risks that could arise from multi-stakeholder partnership initiatives. Similar conversations were held with the Board of Auditors and the United Nations System Staff College.

20. The Ethics Office has continued to provide independent advice to the Department of Management and the Department of Field Support with respect to the Compliance Monitorship for two critical services vendors that support peacekeeping efforts. The monitorship establishes a contractual oversight mechanism through which the vendors may continue to provide services, provided that their employees strictly comply with United Nations policies applicable to the vendors. The first year of the monitorship has been completed, and all recommendations made to the vendors by the monitors are in the process of being implemented.

21. Staff view the Office as an independent body that serves as an office of confidential record. During the reporting period, the Office received 58 notification enquiries concerning individual workplace issues where further action on the part of the Office was not requested or required. Receipt and secure retention of this information allows staff who do not wish to pursue either informal or formal actions to nonetheless voice concerns and have them placed on record.

22. The Ethics Office responded to enquiries from many United Nations entities for information-sharing, best practices, policies, advice and guidance, including: the United Nations University, the United Nations Framework Convention on Climate Change, the World Intellectual Property Organization, the Food and Agriculture Organization, the International Civil Aviation Organization, the United Nations Human Settlements Programme, the United Nations Educational, Scientific and Cultural Organization, the World Health Organization, and the International Fund for Agricultural Development, among others.

B. Financial disclosure programme

23. The Ethics Office administers the Secretariat's financial disclosure programme (FDP). The FDP serves as an essential means to identify, manage and mitigate the risk of personal conflicts of interest for the purpose of protecting the integrity of the Organization. Under the programme, designated staff members, including all staff at the D-1 level and above and those whose principle duties involve procurement and investment, are obliged to file annual disclosure statements. The review of financial disclosure statements is outsourced to an external vendor.

24. During the 2012 annual filing cycle, beginning 1 March 2012 and covering the financial disclosure reporting period of 1 January to 31 December 2011, a total of 4,630 filers participated in the programme. Of this filer population, 1,249 were new or non-recurrent filers. A total of 99.9 per cent of the participants (or 4,625 staff members) complied with their filing obligation. This compliance rate equals the rate

achieved for the 2011 filing cycle, establishing consecutive cycles of the highest overall compliance level in the history of the programme.

25. The Office provided support to staff experiencing technical difficulties, and responded to individual queries within a 48-hour window. For the 2012 filing cycle, the Office received over 6,200 queries and requests for assistance, covering a broad range from technical issues and programme administration to compliance concerns. The Office notified departmental focal points and respective heads of departments for internal follow-up with those staff members who failed to complete their disclosure obligations. This measure helps to ensure that gaps in compliance are detected early, and that remedial measures pursued promptly.

26. The verification of filer information to ensure accuracy and completeness is an integral part of the FDP. During the 2012 filing cycle, 226 participants were selected using a stratified random sample for verification. All verification participants submitted complete third party documentation.

27. The FDP seeks to identify, mitigate and manage personal conflicts of interest. During the 2012 filing cycle, the programme's external reviewers identified 55 filers (1.2 per cent of the filing population) as having a total of 67 items or activities, which gave rise to potential or actual conflicts of interest requiring resolution. Of these 67 matters, 9 related to financial holdings, 41 to outside activities and 17 to family relationships. The reviewers, in consultation with the Ethics Office, issued individual recommendations on mitigating and managing these conflicts. Figure V provides a comparative breakdown of the remedial actions taken during 2011 and 2012. Where an item no longer presented a potential conflict of interest, no further action was required.

Figure V
Remediation of conflict of interest cases in the 2011-2012 filing cycles

	Number of Conflicts		No further action		Obtain approval		Recusal		Managed account		Other	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Financial Interests	9	14	0	3	0	1	7	10	0	0	0	0
Outside Activities	41	65	1	10	30	47	9	1	0	0	8	7
Family Relationships	17	24	0	3	0	0	12	20	0	0	0	1
TOTAL	**67**	**103**	**1**	**16**	**30**	**48**	**28**	**31**	**0**	**0**	**8**	**8**

28. Under the FDP, the Office responded to 103 requests for advice on a broad range of related issues, including personal investments, outside activities, and family relationships.

29. By the close of the 2012 filing cycle, only four participants out of 4,630 filers (less than 0.1 per cent) had failed to comply with their obligations under the

programme. These cases were referred to the Office of Human Resources Management for appropriate action.

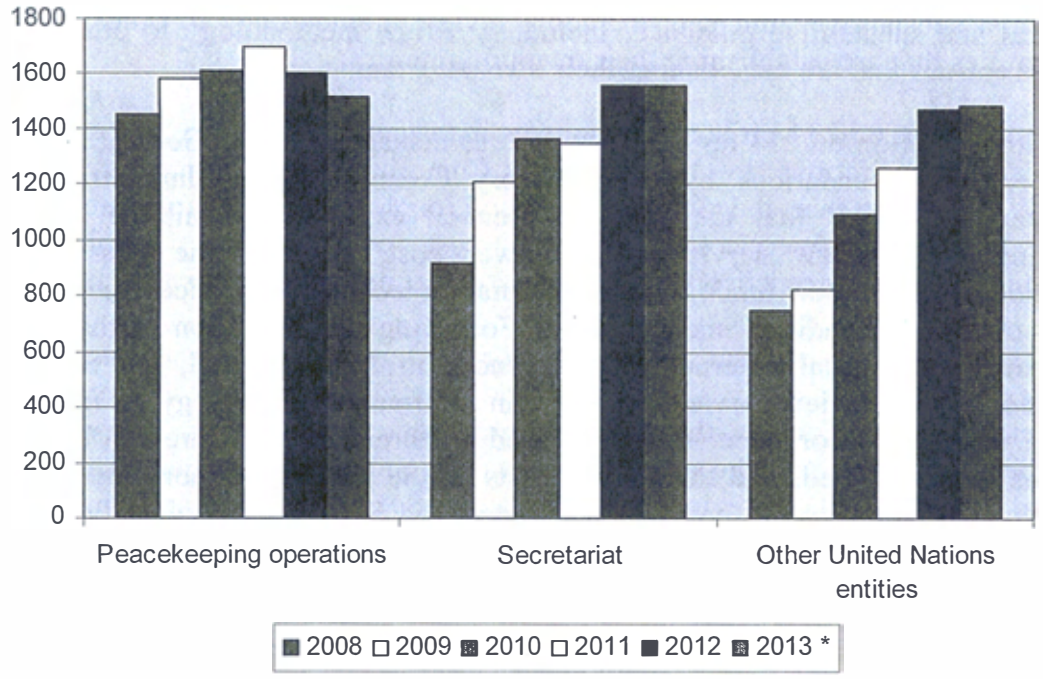
30. In its resolution 63/250, the General Assembly endorsed a recommendation by the Advisory Committee on Administrative and Budgetary Questions that in future reports on the activities of the Ethics Office the Secretary-General provide data, by duty station, on the number of individuals covered by the programme; the number of individuals who have complied with their filing obligations; the number of individuals who have failed to comply with those obligations; and the reasons for their failure to comply. Information concerning the 2012 financial disclosure programme by department/office within the United Nations Secretariat may be found in the annex to the present report.

31. The United Nations Voluntary Public Disclosure Initiative encourages senior officials at the Assistant Secretary-General level and above to publicly disclose private interests and outside activities. A total of 116 senior officials participated in the 2012 cycle, representing an 85.9 per cent participation rate. Of these participants, 80 officials (69 per cent) opted to publicly disclose a summary of their assets, liabilities, and outside interests. The remaining 36 officials (31 per cent) publicly affirmed that they had completed their confidential financial disclosure as required by the Organization. The voluntary disclosures of senior officials are posted on the website of the Secretary-General. Compared to the previous cycle, the participation rate experienced a slight decrease (from 93.5 per cent in 2011 to 85.9 per cent in 2012), which may be attributed to turnover in the population of senior officials in 2012.

32. Regarding the 2013 filing cycle which commenced on 1 March 2013, a total of 4,558 staff members were enrolled as of 31 July 2013. Figure VI provides a comparison of FDP annual filing cycle participation levels, including a breakdown by organizational grouping. While the number of filers for the 2013 cycle remains largely consistent with 2012, the total number has increased significantly over time from 1,704 filers in 2006, representing an increase of 167 per cent. While filers from the UN Secretariat, including peacekeeping operations, continue to constitute the majority of the total population, the number of filers from UN entities other than the UN Secretariat has increased from 339 filers in 2006 to 1495 in 2013.

33. The 2013 filer population reflects the high level of awareness by programme managers of the need to reduce ethics risks and manage potential conflicts of interest.

Figure VI
Financial disclosure participation by entity and filing year, 2006-2013



** as of 31 July 2013*

Financial disclosure participation by entity and filing year, 2006-2013

	Peacekeeping operations	*Secretariat*	*Other United Nations entities*	*Total by year*
2008	1449	919	750	3118
2009	1584	1212	822	3618
2010	1614	1360	1091	4065
2011	1697	1351	1258	4306
2012	1600	1558	1472	4630
2013 *	1515	1559	1484	4558

** as of 31 July 2013*

34. In addition to serving the Secretariat, the Ethics Office administers the financial disclosure programme for other United Nations entities[1] that opt to participate on a cost-sharing basis. Approximately one-third of the total FDP filing population, each

[1] The following United Nations entities currently participate in the FDP: the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Institute for Disarmament Research, the United Nations Interregional Crime and Justice Research Institute, the Joint United Nations Programme on HIV/AIDS, the United Nations Convention to Combat Desertification, the Office of the United Nations High Commissioner for Refugees, the United Nations Compensation Commission, the United Nations Framework Convention on Climate Change, the United Nations Institute for Training and Research, the United Nations University and the United Nations Entity for Gender Equality and the Empowerment of Women.

year comes from other United Nations entities (see Figure VI). The Office provided technical and substantive guidance, including review methodology to other United Nations entities that are establishing their own programmes.

35. In its resolution 66/234 on human resources management, the General Assembly endorsed recommendations by the Advisory Committee on Administrative and Budgetary Questions that the Secretary-General explore all available means of obtaining FDP review services at a lower cost, consider the possibility of consolidating the review function with information technology services, and keep the matter of filing periodicity under review. Following the expiration of the contract with the FDP's initial external review vendor in January 2013, the Secretariat procured external review services, and certain information technology services, from another vendor in accordance with established procurement procedures. A lower unit cost has been obtained, and the overall costs of the programme contained through contractual agreements. As previously reported, the Secretariat is identifying funds for the development of a new technology platform for the FDP. The Ethics Office continues to consider the matter of filing periodicity, bearing in mind the Organization's ethics and reputational risk profile.

36. The General Assembly endorsed in resolution 66/234 a recommendation by the Advisory Committee on Administrative and Budgetary Questions for a review of the FDP's regulatory framework to provide the Office a greater role in determining the filing population, and to devise a more focused set of eligibility criteria. This review will consider other measures to address conflicts of interest, and will be conducted by the Office in consultation with other concerned offices, including OHRM and OLA.

37. The FDP enhances staff awareness concerning personal conflicts of interest. Since 2006, the FDP has reviewed over 23,000 individual financial disclosure statements. In excess of 109,000 e-mail and telephone calls have been held between staff and the FDP's external reviewer, during which advice and guidance were provided. The enhanced awareness of conflicts of interest is further evidenced by the overall decrease in the number of conflict cases dealing with financial assets. While 58 such cases were reported in the 2010 FDP filing cycle, only 14 cases arose in 2011 and 9 in 2012, as depicted in Figure V above.

38. The FDP has contributed significantly to raising staff awareness and ensuring adherence to integrity standards. Staff members are more aware of personal conflicts of interest and are more inclined to avoid situations, which give rise to conflicts of interest. As staff in general, and senior officials in particular, become more conscious of conflict of interest risks, ethical risks are better managed.

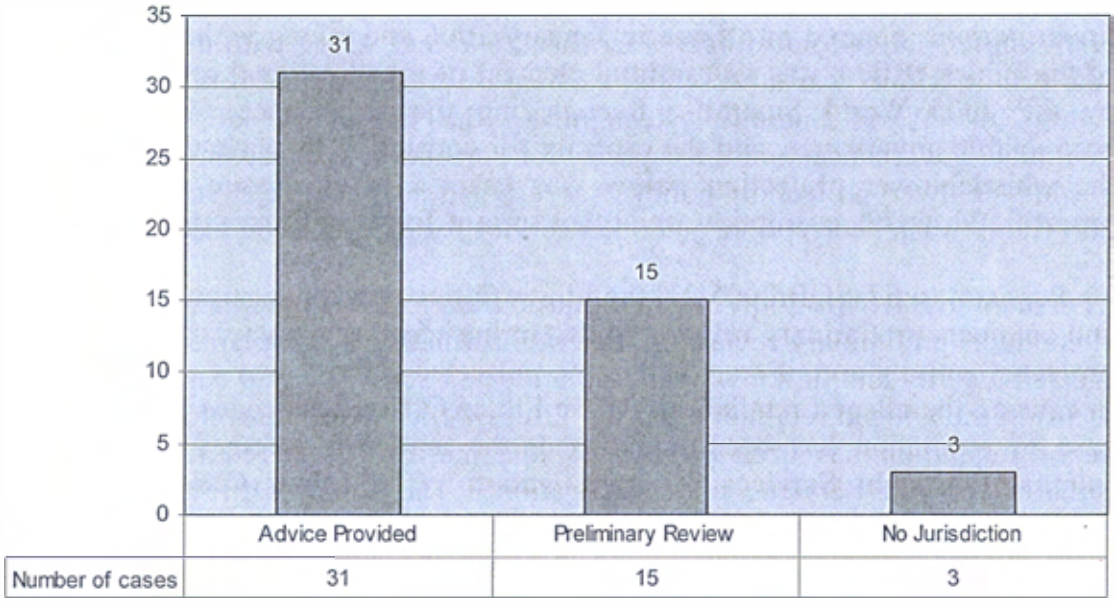
C. Protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations

39. Secretary-General's Bulletin ST/SGB/2005/21, *Protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations*, entered into force in January 2006 and, along with the establishment of the Ethics Office, was an essential element of organizational reform as mandated by the 2005 World Summit. Recognizing the importance of transparent and accountable governance, and the capacity for corruption to cause enormous damage, the whistleblower protection policy was enacted to encourage staff members to report fraud, waste, corruption, and other serious forms of misconduct.

40. Pursuant to ST/SGB/2005/21, the Ethics Office receives complaints of retaliation and conducts preliminary reviews to determine whether a complainant engaged in a protected activity and, if so, whether the protected activity was a contributing factor in causing the alleged retaliation. If the Ethics Office determines that a *prima facie* case of retaliation has been established, the matter is referred to the Office of Internal Oversight Services for investigation. The Ethics Office makes a final retaliation determination subsequent to its receipt and review of the relevant investigation report and supporting evidence.

41. From 1 August 2012 to 31 July 2013, the Ethics Office received 49 inquiries relating to the Organization's protection against retaliation policy. Concerning those inquiries where staff members alleged retaliation in accordance with ST/SGB/2005/21, the Ethics Office initiated 15 preliminary reviews, as shown in Figure VII. Of these, the Office completed 12 preliminary assessments, with 3 of these cases referred to OIOS for investigation subsequent to prima facie retaliation findings. While it was determined that there was no prima facie case of retaliation for 9 of the completed assessments, 3 preliminary reviews are ongoing.

Figure VII
Actions taken on requests for protection
(1 August 2011 – 31 July 2012)



42. Concerning the 35 inquiries that did not involve preliminary review assessments, three fell outside of the jurisdiction of the Ethics Office. The remaining 32 inquiries involved the provision of advice and guidance on, *inter alia*, the content and applicability of the protection against retaliation policy, and misconduct reporting requirements. Staff members seeking recourse for workplace concerns not covered by the policy were directed to the Management Evaluation Unit, the Office of Staff Legal Assistance, the Office of the Ombudsman and Mediation Services, and other relevant offices.

43. The Ethics Office may recommend to the Secretary-General interim protection measures for complaints referred for investigation. During the present reporting cycle, the Office facilitated interim protection measures for two complainants: one complainant was placed on special leave with full pay pending completion of the investigation process, while an alleged retaliatory investigation against the other was suspended.

44. During the reporting period the Ethics Office received investigation reports from OIOS for one *prima facie* retaliation case referred for investigation in 2010-2011, and two cases referred in 2011-2012. The Ethics Office is awaiting receipt of the investigation reports for the three *prima facie* cases referred to OIOS in the present reporting cycle.

45. Concerning the 2010-2011 referral case, subsequent to its independent assessment of the received OIOS investigation report and supporting materials, the Ethics Office determined that retaliation had not been established.

46. Regarding the two 2011-2012 referrals, the Office completed its review of the investigation report and supporting materials for one of the cases, and determined that retaliation had occurred as alleged. Pursuant to this finding, the Ethics Office has recommended to the Administration that disciplinary action be taken against the investigation subject and that specific remedial actions be undertaken to eliminate the adverse impact on the complainant of the retaliation that was experienced. The Office's review of the investigation report for the second case is ongoing.

47. As previously reported, despite the intent of the protection against retaliation policy to encourage the reporting of serious misconduct harmful to the Organization, the overwhelming majority of reports of misconduct cited in retaliation complaints involve allegations of harassment harmful to the individual staff member. The policy continues to be utilized as a grievance and labour dispute mechanism, with complainants contemporaneously availing themselves of other available recourse mechanisms. Concerning the Office's three *prima face* retaliation findings in 2012-2013, all three involved initial harassment complaints by the relevant staff member against supervisors.

48. The Office has initiated an independent and comprehensive review of the existing protection against retaliation policy and practices. This review focuses on enhancing how the Organization encourages the reporting of serious misconduct, protects whistleblowers from retaliation, and intervenes to prevent retaliation from occurring. As requested in General Assembly resolution 67/255, the Secretary-General will report to the Assembly at its sixty-ninth session on the modalities and recommendations for enhancing the protection against retaliation policy.

49. Since 2010, the Office has taken several measures to advance protection against retaliation, including: (1) successfully using an alternative investigating mechanism when OIOS could not conduct an investigation due to a conflict of interest; (2) protecting the confidentiality of individuals who seek protection; (3) developing and implementing protection against retaliation standard operating procedures; (4) implementing a rigorous practice of reviewing completed investigation reports, including the evidence and witness statements; (5) exercising its independent judgment when making the ultimate decision whether workplace retaliation occurred; and (6) embarking upon an ambitious outreach and educational campaign for staff, to encourage staff to speak up and report workplace concerns.

D. Outreach, training, and education

50. Pursuant to its mandate to strengthen an ethical culture across the Organization, the Office provides extensive outreach and consultation opportunities to staff based outside of New York. During the reporting period, field visits were conducted to the Regional Service Centre at Entebbe, the United Nations Mission in South Sudan, the United Nations Stabilization Mission in Haiti, the United Nations Operation in Côte d'Ivoire, the United Nations Economic Commission for Africa, the United Nations Economic Commission for Europe, the United Nations Office at Geneva, the United

Nations Conference on Trade and Development, the Food and Agricultural Organization, and the World Food Programme.

51. During these outreach missions, the Office held face to face meetings with approximately 700 individuals. The Office conducted individual consultations with staff and management, organised town hall meetings, and provided targeted ethics presentations and briefings.

52. The Office's new website had its first full year of activity in 2012-2013, with more than 60,000 individual visits. Available to all staff via *iSeek* and to the public via www.un.org, the website offers a central resource for information relating to ethics in the UN, and is available in all six official UN languages. The website is the Organization's central repository for ethics education and outreach.

53. Pursuant to its mandate to develop standards and education on ethics, and to ensure annual ethics training for all staff in collaboration with OHRM, the Ethics Office expanded its training library so that that it can provide education on issues responsive to staff needs. The Office's training strategy encompasses three levels: (a) initial awareness building; (b) basic ethics education and training; and (c) advanced training to build ethical decision-making skills. The Office employs multiple modalities to delivery ethics education, noting the ever-changing capacity of technology to advance learning.

54. Online training is best suited for establishing basic expectations for ethical behaviour. OHRM and the Ethics Office have redesigned the introductory on-line ethics training programme, which dates from 2007. Based on training developed by UNRWA, the revised training programme should be deployed in 2013-2014. Even as new training is developed, the legacy online training continues to be used by staff at all levels. Since that programme's launch in 2005, more than 54,000 persons have completed the on-line "Integrity Awareness Initiative" module, including 4,325 persons during the current reporting period.

55. Ethics education is essential to ensuring staff members fulfil their obligations as international civil servants. In 2012-2013, the Ethics Office launched Leadership Dialogues to ensure that all staff participate in annual ethics training. With support from the EOSG, OHRM, and DM, the Office developed a self-executing discussion guide on what it means to be an international civil servant, focusing on the UN Oath of Office. Through a traditional management cascade process, starting with the Secretary-General's senior leadership team at his September 2012 Retreat, each successive layer of management was asked to lead their immediate staff in a guided conversation on the meaning of international civil service. As of 31 July 2013, 28 departments had participated in the Leadership Dialogues, with 13 department heads certifying completion. By relying upon "line of sight" managers to lead these discussions, the Organization does not need to rely upon outside facilitators. This

initiative enhances ethical leadership and exemplifies "tone from the top" support for ethics.[2]

56. During 2012-2013, Ethics Office began development of a new training programme that will reinforce application of ethics standards and cover outside activities and employment, conflicts of interest, gifts and favours, confidentiality, reporting concerns, and prevention of retaliation. This modular programme can be delivered by headquarters and field-based training staff, without the need for outside facilitators. During the reporting period the Ethics Office distributed the newly revised *Putting Ethics to Work: A Guide for UN Staff*, which will serve as a companion guide to this basic programme.

57. Advanced ethics education assists staff in thinking critically about issues of ethics and integrity, and engaging in ethical decision-making to solve real-world dilemmas. Delivery of the workshop, "Professional Ethics and Integrity in our Daily Work," continued at New York and at other duty stations throughout 2012-2013. Since the launch of the workshop in 2006, more than 14,500 staff members system-wide have participated. In the current reporting year, approximately 500 staff members system-wide participated in workshop sessions.

58. The Procurement Division's online training module entitled "Ethics and Integrity in Procurement", continued into its fourth year. During the reporting period, 161 persons completed the programme, which is mandatory for Procurement Division staff and recommended for those with procurement-related duties.

59. General Assembly Resolution 65/247 directed that the Office conduct mandatory ethics induction briefings for senior leaders to positively impact the Organization's culture of ethics, integrity and accountability. In this reporting period, the Director conducted 10 confidential ethics induction briefings with incoming and newly appointed Assistant-Secretary-Generals and Under-Secretary Generals, including Special Representatives of the Secretary-General (SRSGs) and Deputy SRSGs.

E. Standard-setting and policy support

60. During the reporting period, the Ethics Office commented upon the revision of the Secretary-General's Bulletin on the status, basic rights and duties of United Nations staff, following approval by the General Assembly of revisions to the Staff Regulations, Staff Rules and the 2013 Standards of Conduct for the International Civil Service. The Office provided input on the proposed amendments to the Staff Regulations and Staff Rules. With observer status at the Management Committee, the Director is positioned to identify and offer ethical insights that may arise in connection with these deliberations.

61. The Ethics Office continued to collaborate with other Departments within the Secretariat in examining issues relating to personal and organizational conflicts of

[2] Related information about promoting ethical leadership and culture can be found in Section VI below.

interest, and aspects of the terms and conditions for the recruitment of certain types of personnel.

62. The Office held consultations and provided substantive policy advice to other UN entities in relation to their development of ethics-related standards governing staff conduct and behaviour, and on the establishment of ethics offices and policies.

F. Ethical Leadership, Culture and Metrics

63. The 2013 cycle of the Secretary-General's Senior Manager Compacts included an objective of supporting the Organization's commitment to an ethical culture. The Director of the Ethics Office was tasked with conducting confidential ethical leadership behaviour assessments for all USGs who signed Senior Manager Compacts. This initiative enabled members of the senior leadership team to consider how specific behaviours impact their ability to serve as ethically committed leaders. Aggregate data from both the 2011 and 2013 cycles of this assessment can be used to help develop a model of ethical leadership for senior leaders.

64. In 2012, the Office undertook a formal ethics and reputational risk assessment of UN field missions in response to two parallel directives. In its resolution 66/234, the General Assembly endorsed a request by the ACABQ that the Secretary-General devise appropriate ethics evaluation criteria in order to determine whether the objectives of promoting high standards of integrity and a culture of ethics were being achieved. In late 2011, the USG, DFS tasked the Ethics Office with conducting an assessment of ethical risk particular to peacekeeping operations.

65. The resulting research examined ethical risk and organizational culture considerations. It examined the extent to which staff believe that they work in and contribute to a culture informed by ethics and integrity. The assessment systematically identified the likelihood of risk occurrence and the potential seriousness of such risks impacting the UN's ability to fulfill its peacekeeping mandate. This approach provides baseline metrics for tracking the impact over time of the organization's commitment to ethics in the workplace.

66. The assessment utilized best practices in social science research, and incorporated learning from the conduct of similar ethical risk assessments in the private and public sectors. Qualitative data from interviews and focus groups were collected from 519 individuals, based at Headquarters and eight field missions, including international and national staff, managers, leaders, and military and police observers. Quantitative data was collected from 2,322 staff members, via a confidential online survey. The survey examined 10 standard baseline measures of ethical culture as well as the seriousness and likelihood of 18 discrete ethical risks.

67. Both data sets, when interpreted, reflect strengths and concerns about ethics and integrity in the workplace. During the qualitative interviews, staff articulated six major themes: accountability; bureaucracy and effective management; sexual exploitation and abuse; expectations of international civil servants; independence and

impartiality; and third-party risks. They expressed concerns about speaking up, favouritism, impunity, and compliance with behavioural standards. Notwithstanding these expressed concerns, staff want to be engaged in the greater UN mission; they are eager to engage in conversations about ethics; and for the most part, desirous of working in a culture that is characterised by fairness and respect. UN staff were eager to work on ways to enhance trust, credibility, and transparency.

68. The report included a number of indicative recommendations, including:

- Continue raising awareness of UN's expectations about what it means to be an international civil servant
- Reinforce managers as key influencers on ethical conduct in the workplace
- Enhance individual perceptions of fair treatment in the workplace
- Enhance group perceptions of fair treatment in the workplace
- Ensure reports of misconduct can be made without fear of workplace harm or retribution
- Reduce pressure to bend rules in order to get work done
- Raise confidence that ethics concerns will be handled properly
- Ensure rules are applied the same, in good times and in bad
- Respect and promote a sense of safety for those who speak up and challenge
- Ensure that promotion decisions are based on merit, not favouritism

69. Since delivery of the report, the USG, DFS has received mission-specific reports for the eight field missions that participated in the research. SRSGs were asked to develop action plans responsive to their own data. Management is considering extending this research to selected field missions to expand baseline measures on culture and risk. The Organization is separately reviewing its internal practices and policies on the conduct of internal investigations, including the initiation of reports, fact finding, and the disciplinary process. Leadership Dialogues (see paragraph 55, above) in part address two findings from this study: enhancing appreciation of what it means to be an international civil servant; and considering the impact of bureaucracy on effective management. The work of the Ethics Office in support of both the Procurement Division and the proposed partnership facility helps address third party relationships and their inherent ethical risks.

IV. The Ethics Panel of the United Nations (EPUN)

70. In April 2013 the United Nations Ethics Committee was renamed the Ethics Panel of the United Nations, subsequent to a request in General Assembly resolution 66/234 and the issuance of Secretary-General bulletin ST/SGB/2007/11/Amend.1. The Ethics Panel is mandated to establish a unified set of ethical standards and policies of the United Nations Secretariat and of the separately administered organs and programmes, and to consult on important and particularly complex matters

having system-wide implications. The Panel is chaired by the Director of the Ethics Office.

71. Ethics Panel membership includes the heads of the Ethics Offices of the Funds and Programmes and the Secretariat.[3]

72. In the course of the reporting period, new heads of UNHCR, UNICEF, and WFP ethics offices were appointed on either a full-term or temporary basis. These new members received both in person orientation briefings from the Panel's Chair, and technical advice on common ethics office functions.

73. From 1 August 2012 to 31 July 2013, the Panel met in nine formal sessions. The Panel focused on enhancing consistency in the application of standards and common mandates. The Panel reviewed lessons learned from protection against retaliation policy implementation. In particular, it considered the affect of recent United Nations Dispute Tribunal decisions on the operations of an ethics office. Member offices continue to develop ethics training and diversify delivery methods. By sharing materials, Panel members are able to offer high quality materials in a cost effective manner.

74. Emerging ethical challenges posing individual, institutional and process risks continued to receive attention by the Panel. These issues included the use of social media, risk assessments, third party due diligence, as well as challenges to decisions or advice of an ethics office. The Panel considered the parameters of confidentiality of an ethics office within the context of its core functions.

75. As mandated, the Ethics Panel reviewed the annual reports of member ethics offices. This review serves to promote coherency in the reporting of activities, assessing effectiveness, and consolidating best practices.

76. The Ethics Office and members of the Ethics Panel participate in the activities of the Ethics Network for Multilateral Organizations. The Network was established in June 2010 in support of the Secretary-General's efforts to promote system-wide collaboration on ethics-related issues within the United Nations family. The Network serves as a broad forum of ethics functions from UN system entities, affiliated and other international organizations, and international and regional financial institutions. The Network supports professional development, benchmarking, and the exchange of ethics policies and practices. The Fifth Meeting of the Network was hosted by UNESCO and held in Paris from 3 to 5 July 2013.

77. Within the UN system, the Ethics Panel remains the sole mechanism to promote a coherent and consistent application of ethical standards, and to consult on important matters having system-wide implications. Since its establishment, this mechanism has raised awareness about issues of individual and institutional integrity in the UN family, including conflicts of interest risks that could otherwise cause reputational harm, and

[3] The Office provides direct services to United Nations Women, pending that entity's designation of its own Ethics Officer.

contributed to enhancing harmonized ethics and integrity policies and practices among member organizations.

V. Observations and Conclusion

78. A strong ethics function significantly contributes to enhancing an organizational culture of ethics and integrity, and promoting public trust in the United Nations. A strong ethics function supports accountability, and promotes workplace respect, stewardship, transparency, and integrity. The ethics function should continue to receive the strongest possible support, both politically and financially, in order to fulfill its mandate.

79. The Ethics Office is monitoring affects to its independence and confidentiality as a result of recent decisions of the United Nations Dispute Tribunal. Increasing expectations in connection with administering policies on protection against retaliation require advanced legal analysis of evidence, causation, and liability. These trends could fundamentally threaten the nature of ethics offices as confidential advisors and trusted counselors and educators.

80. The provision of ethics services must be aligned with a clear understanding of the ethical risks which the Organization faces. The Office has developed criteria by which to measure risks and the impact of mitigation efforts over time. The Office will work with other departments and offices in an effort to ensure that issues relating to individual integrity, institutional integrity and process risks are duly considered in the United Nations' Enterprise Risk Management model.

81. The Ethics Office, along with other relevant offices, promotes accountability. Some of the Office's contributions include:

- Annually administering the UN's Financial Disclosure Programme to over 4600 staff members and the Voluntary Public Disclosure Initiative to over 140 senior leaders
- Responding to approximately 800 ethics service requests annually
- Strengthening "tone from the top" commitment to the UN's ethical values, through the annual ethical leadership behaviour assessment for senior managers
- Developing evaluation tools to measure the Organization's commitment to an ethical organizational culture
- Conducting the first ever ethics and reputational risk assessment for UN field operations
- Revising and modernizing its ethics website
- Expanding the UN's ethics education library, to build ethics awareness, promote compliance, and enhance ethical decision-making
- Launching the Leadership Dialogue initiative, ensuring that all managers have annual conversations with their direct reports about ethics; and

- Serving as an independent advisor on procurement ethics and corporate compliance, to ensure that the UN has high confidence in the integrity and ethical business practices of its vendors

82. The Ethics Office remains an advocate of the ethical principles of the United Nations, and continues to promote a culture committed to ethical conduct and institutional integrity. Involvement of the Office in conversations about strategic issues facing the Organization, such as fundraising, human rights, enterprise risk management, use of social media, privacy, and partnerships, permits the UN to consider the ethical implications of such issues. By so doing, the UN gives voice to its values.

83. **The General Assembly is requested to take note of the present report.**

Annex

2012 Financial disclosure programme compliance level

United Nations entity	*Required filers*	*Completed filings*	*Non-compliant(s)*
United Nations Secretariat			
ACABQ Secretariat	2	2	0
United Nations Chief Executive Board for Coordination	2	2	0
Counter-Terrorism Committee Executive Directorate	3	3	0
Department for General Assembly and Conference Management	25	25	0
Department of Economic and Social Affairs	52	52	0
Department of Management	261	261	0
Department of Political Affairs, including special political missions	360	360	0
Department of Public Information	33	33	0
Department of Safety and Security	26	26	0
Economic and Social Commission for Asia and the Pacific	45	45	0
Economic and Social Commission for Western Asia	29	29	0
Economic Commission for Africa	98	98	0
Economic Commission for Europe	11	11	0
Economic Commission for Latin America and the Caribbean	47	47	0
Ethics Office	14	14	0
Executive Office of the Secretary-General	20	20	0
Office for Disarmament Affairs	5	5	0
Office for the Coordination of Humanitarian Affairs	28	28	0
Office of Administration of Justice	1	1	0
Office of Internal Oversight Services	18	18	0
Office of Legal Affairs	22	22	0
Office of Special Representative of Secretary-General for Children and Armed Conflict	1	1	0
Office of Special Representative of Secretary-General on Sexual Violence in Conflict	4	4	0
Office of the United Nations High Commissioner for Human Rights	20	20	0
Office of the Ombudsman	2	2	0
Office of the Special Adviser on Africa	4	4	0
Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States	4	4	0
Office of the President of the General Assembly	3	3	0
Peacebuilding Support Office	7	7	0
Regional Commission NY	1	1	0
UN Joint Staff Pension Fund	68	68	0
UN Office to African Union	6	6	0
United Nations Office at Geneva	83	83	0
United Nations Office at Nairobi	44	44	0
United Nations Office at Vienna	15	15	0
United Nations Office on Drugs and Crime	81	81	0
Research and training institutes	12	12	0
International tribunals and verification commission	101	101	0
Subtotal (excluding peacekeeping operations)	**1558**	**1558**	**0**
Peacekeeping operations	1600	1597	3

United Nations bodies/agencies and others	1472	1471	1
Total	**4630**	**4626**	**4**

Note to the Deputy Secretary-General

2013 Report of the Secretary-General on the Activities of the Ethics Office

1. Please refer to the note from the Director of the Ethics Office submiiting for the Secretary-General the draft 2013 "Report of the Secretary-General on the Activities of the Ethics Office". The present report is submitted pursuant to General Assembly resolution 60/254, "Review of the efficiency of the administrative and financial functioning of the United Nations", in which the Assembly requested the Secretary-General to report annually on the activities of the Ethics Office and the implementation of ethics policies.

2. The report provides an overview and assessment of Ethics Office activities from 01 August 2012 to 31 July 2013, undertaken pursuant to its mandate to foster an organizational culture of integrity, transparency, and accountability. It provides an update on several initiatives that promote an ethical culture, including supporting ethical leadership behaviour, promoting workplace conversations about ethics, conducting ethical risk assessments, and developing evaluative metrics.

Recommendation:

3 Based on review by OCdC, your approval of the draft report, on behalf of the Secretary-General, is recommended

Patrick Carey
13 August 2013

13-07179

Received in ODSG
14 August 2013

Seen by:
PV 14/8/13