

**REVIEW OF MECHANISMS AND POLICIES
ADDRESSING CONFLICT OF INTEREST
IN THE UNITED NATIONS SYSTEM**

Prepared by

Rajab M. Sukayri

Joint Inspection Unit

Geneva 2017



United Nations

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EXECUTIVE SUMMARY

Review of mechanisms and policies addressing conflict of interest in the United Nations system JIU/REP/2017/9

The objectives of the present system-wide review are to assess to what extent the United Nations system organizations have in place adequate regulatory frameworks for addressing conflicts of interest; to assess the mechanisms and practices currently in place that address existing and potential conflicts of interest; to identify gaps and challenges, and propose solutions appropriate to the United Nations system organizations; to examine internal and inter-agency synergies, their impact in addressing conflicts of interest across the system, and make suggestions for their improvement or reinforcement; to identify and disseminate best/good practices in addressing conflicts of interest at all stages: prevention, mitigation, resolution and/or sanction.

As staff members risk wrongly interpreting their conduct as correct based on the invisible and unconscious bias that can impair their judgment, most United Nations system organizations have assigned to the ethics offices the role of interpreter of behaviours. The ethics function is tasked with objectively interpreting whether or not a situation constitutes a conflict of interest. That task is performed at the request of any staff member from the executive head to the most junior staff.

The United Nations Ethics Office works closely with the ethics offices of the United Nations funds and programmes within the framework of the Ethics Panel of the United Nations, to ensure a consistent application of ethical standards in member organizations. That includes addressing conflicts of interest through the provision of ethics advice, ethics training and outreach, and the administration of financial disclosure programmes in the respective organizations. Ethics officers of the United Nations specialized agencies are in favour of opening up the membership of the Panel to include all organizations of the system. Exchanges in the framework of the Panel would help the organizations to stop reinventing the wheel by adopting the best practices of the system, which have already been identified. The Inspector suggests that the ethics offices which are members of the Panel should open it up to the specialized agencies and create another forum for collaboration and exchanges within the United Nations system.

Main findings and conclusions

Solid framework for personal conflicts of interest

The Charter of the United Nations sets the foundation for recognition of the interest of the United Nations as the sole prevailing interest that all its staff members, the staff members of its funds and programmes, its specialized agencies and the International Atomic Energy Agency (IAEA) should have in view when performing their duties.

The International Civil Service Commission (ICSC) standards of conduct for the international civil service and the respective organizational legal instruments and policies reviewed indicate that the topic of personal conflicts of interest is well covered in theory, while organizational conflicts of interest remain an unexplored territory that the present review could not fully tackle owing to insufficient information being provided by the participating organizations. A system-wide mapping exercise and the development of a guide should be undertaken (recommendation 1).

Need for reminders of personnel obligations in everyday routine

The United Nations system needs to reinforce the guidance material used by introducing some statements that will enable both staff members and non-staff to state clearly that they fully comprehend their role and the standards their conduct should demonstrate upon their entry on duty and at intervals during their service with their respective organizations (recommendation 2). There is no mechanism in place to periodically remind staff in United Nations system organizations of their obligations and what constitutes the ethical conduct required, in particular concerning conflicts of interest. After their entry on duty, staff members are not required to acknowledge the content of the code of conduct in force in their respective organizations.

Organizational contractual provisions are silent with regard to the future obligations of staff members with regard to conflicts of interest after separation from a United Nations system organization. Organizations need to make use of statements on the absence of conflicts of interest in all employment agreements to enable and leverage the existing post-employment obligations of and restrictions on staff members after their separation (recommendation 4).

Training staff members on professional ethics is an excellent way of setting standards of conduct and teaching staff the importance of integrity in the United Nations system. Data on completion of the training course on ethics and the respective certification in the United Nations organizations where the staff members are required to successfully complete it as one of their obligations, indicate that the attendance and compliance rates may be quite uneven and differ significantly from one organization to the other. Adequate mandatory training courses and other learning opportunities on ethics with an emphasis on conflict of interest should accompany personnel throughout their career, with frequent refreshers (recommendation 5).

Review the existing disclosures system targeting the urgently needed reform

The Joint Inspection Unit (JIU) is of the view that financial disclosure and conflict of interest statements should be viewed as a measure for mitigating the risk for organizations and increasing the risk of being held accountable for staff who try to engage in fraud. For that reason, in two JIU reports - on accountability frameworks and fraud – Inspectors suggested that JIU participating organizations, which have not totally or partially implemented financial disclosure and conflict of interest policies, should do so expeditiously. Ethics professionals in charge of monitoring and implementing the existing disclosure systems are not convinced either of their *raison d'être* or of their return on investment. They should be given the means and the freedom to review such systems in their respective organizations and find system-wide solutions, within existing or new adequate forums, for economies of scale (recommendation 3).

Governing bodies should follow up closely, so that upon completion of the reviews, the resulting reforms may introduce innovative realistic proposals which respond to the contemporary needs of both the organizations and Member States (recommendation 3).

Actions to be taken

This review contains six formal and five informal (soft) recommendations. Both formal and soft recommendations are aimed at either reinforcing the monitoring of established mechanisms or introducing new discussions at a system-wide level, at no cost. Some of the soft recommendations reiterate the vital elements of pending recommendations of relevant JIU reports. In view of the recognition of conflict of interest as an element contributing to or constituting in itself a fraudulent act, the linkage between the present report and some of the earlier integrity-related JIU reviews was necessary.

Recommendations

Recommendation 1

Executive heads of the United Nations system organizations should direct their officials entrusted with the ethics function to map the most common occurrences and register the risks of situations exposing their respective organizations to organizational conflicts of interest, no later than December 2019.

Recommendation 2

Executive heads of the United Nations system organizations, who have not yet done so, should direct their human resources services to introduce a mandatory conflict of interest disclosure form that should be signed by staff members, along with their declaration of office, by all staff members and other types of personnel joining an organization, whether in a short- or long-term capacity. The form should be developed with the assistance of the ethics function of the respective organization and with other functions, as appropriate, and in consultation with any future inter-agency forum.

Recommendation 3

The governing bodies of the United Nations system organizations should request the executive heads of the organizations to prepare a detailed report on existing financial disclosure programmes and propose any changes to the rationale and scope of those programmes that are needed to increase their effectiveness.

Recommendation 4

Executive heads of the United Nations system organizations, who have not yet done so, in consultation with the Legal Network of the United Nations system organizations, should take the necessary steps to introduce, by December 2019, adequate legal clauses in contractual agreements with their staff and non-staff, as appropriate, binding them to the period of restriction set for their function that prohibits them from engaging in clearly defined post-employment activities for the duration of that period of time.

Recommendation 5

Executive heads of the United Nations system organizations, who have not yet done so, should take the necessary steps, no later than the end of December 2019, to: (a) ensure that all staff members, irrespective of their level and grade, successfully complete the initial and periodic mandatory ethics training course and obtain the respective certification; (b) link certification of the required ethics training course to the annual staff performance appraisal cycle; (c) include ethics training in the induction training of non-staff, including refresher courses after service intervals, as appropriate.

Recommendation 6

The governing bodies of the United Nations system organizations should, in exercising their oversight role on the accountability framework of their respective organizations, regularly monitor conflict of interest issues, including updates to relevant policies, administrative instruments and mechanisms.

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ATTACHMENTS

published only on the JIU website (www.unjiu.org) together with the report

- I.** Definitions of personal/individual and organizational/institutional conflict of interest
- II.** Financial Disclosure Programmes and Declarations of Interest
- III.** Training on ethics and/or code of conduct, including modules on conflict of interest
- IV.** Procurement training on ethics, including conflicts of interest

ABBREVIATIONS AND ACRONYMS

CEB	United Nations System Chief Executives Board for Coordination
EBRD	European Bank for Reconstruction and Development
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
IOM	International Organization for Migration
IPSAS	International Public Sector Accounting Standards
ITC	International Trade Centre
ITU	International Telecommunication Union
OECD	Organization for Economic Cooperation and Development
OIOS	Office of Internal Oversight Services
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNWTO	World Tourism Organization
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

I. INTRODUCTION

1. As part of its programme of work for 2017, the Joint Inspection Unit (JIU) conducted a review of mechanisms and policies addressing conflict of interest in the United Nations system, following an internal proposal emanating from the acknowledgment that conflicts of interest, if not appropriately addressed, may have a detrimental effect on the reputation and assets of the United Nations system organizations.

2. Prior to the present review, the Unit had examined conflict of interest only partially, in the context of JIU reviews on oversight, ethics, accountability, procurement and fraud. No separate review had been conducted on the specific topic of conflict of interest. In the section of the JIU report on accountability frameworks (JIU/REP/2011/5) dedicated to the control environment and consisting of benchmarks dealing with ethics and integrity, discipline and awards and human resources policies, one benchmark (no. 5) was included, which listed tools whose use would prevent or remedy situations of conflict of interest. More specifically, the Unit had suggested that along with establishing an ethics function, the United Nations system organizations should make use of more appropriate tools, such as the adoption of policies on gifts, favours and hospitality and on outside activities (conflict of interest), accompanied by relevant training.

3. In an earlier report on the ethics function (JIU/REP/2010/3), the Unit suggested that the terms of reference for ethics offices include responsibilities for standard-setting and policy support, training, education and outreach, and the provision of advice and guidance to staff upon request. The JIU standards for those responsibilities were set out in that report in the expectation that ethics offices would take the lead role in standard-setting and policy support, including, but not limited to, gifts, honours and decorations, conflict of interest and a financial disclosure policy.

A. Objectives, scope and methodology

4. The objectives of the review were:

(a) To assess to what extent the United Nations system organizations have in place adequate regulatory frameworks for addressing conflict of interest;

(b) To assess mechanisms and practices currently in place that address existing and potential conflicts of interest; identify gaps and challenges; and propose solutions appropriate to the United Nations system organizations;

(c) To examine internal and inter-agency synergies, their impact in addressing conflicts of interest across the system, and make suggestions for their improvement or reinforcement;

(d) To identify and disseminate best/good practices in addressing conflict of interest at all stages: prevention, mitigation, resolution, and/or sanction.

5. The review was system-wide, covering the United Nations, its funds and programmes, its specialized agencies and IAEA.

6. In accordance with the internal standards and guidelines of JIU and its internal working procedures, the methodology followed in preparing the present report included the preparation of terms of reference and an inception paper based on a preliminary desk review of available documentation, questionnaires and interviews, and in-depth analysis of information gathered through a combination of quantitative and qualitative methods. Detailed questionnaires were sent to all 28 participating organizations that have accepted the JIU statute. Five participating organizations did not respond to the questionnaire. Four of them, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Environment Programme (UNEP), the United Nations Human Settlements Programme (UN-Habitat) and the United Nations Office on Drugs and Crime (UNODC) did not respond, since they are covered by the responses of the Secretariat of the United Nations whose policies they follow on this issue. The fifth participating organization that did not respond was the Universal Postal Union (UPU), which was thoroughly reviewed by JIU as a single organization in 2016, and considered that the information it had provided in the context of that review was still relevant and sufficient.

7. On the basis of the responses received, the Inspector conducted interviews with officials from several offices, including the ethics, oversight, human resources, procurement and partnerships offices, and staff representatives, at most participating organizations in Amman, Copenhagen, Geneva, London, New York Paris, Rome and Vienna. The Inspector also sought the views of experts in other multilateral and United Nations common system organizations.¹ Comments on the draft report were sought from the participating organizations and taken into account in finalizing the report.

8. The review sought replies to the following key questions concerning the relevance, effectiveness, efficiency and impact of policies and mechanisms addressing conflict of interest:

(a) Do United Nations system organizations have in place a regulatory framework addressing both personal and organizational conflicts of interest? Which offices are mandated to define, regulate and monitor the implementation of the regulatory framework or elements of it currently in place? Which functions and posts (staff categories and levels) are covered by the regulatory framework or elements of it currently in place?

(b) How effectively do United Nations system organizations implement their regulatory frameworks and monitor established mechanisms and practices? How do they monitor and evaluate them? What measures are taken when relevant regulations and processes are not respected? What are the most common types of conflict of interest recorded by United Nations system organizations? What relevant data and statistics are available in each organization across the system? What are the main programmes and tools that the United Nations system organizations have in place to prevent and manage potential or existing conflicts of interest, including through raising awareness by training and other means? How do United Nations system organizations encourage their staff to comply with and abide by the regulatory frameworks and the established mechanisms and practices?

(c) Are the existing mechanisms addressing conflicts of interest efficiently? What are the major obstacles to addressing conflicts of interest efficiently and how can they be overcome? How do United Nations system organizations ensure coherence in addressing conflicts of interest within the organization?

(d) Are there organizational means to measure the impact of regulatory frameworks or some of their components adopted by the United Nations system organizations? What are the concrete results that can be attributed to the regulatory frameworks or some of their components and to established mechanisms and practices? Are indicators used to measure the success or failure of relevant programmes in place? Are there risk management and analyses of areas or functions that are not covered by existing regulatory frameworks or some of their components?

9. In accordance with article 11, paragraph 2, of the JIU statute, the present report has been finalized after consultation among all the inspectors, so as to test the conclusions and recommendations being made against the collective wisdom of the Unit.

10. To facilitate the handling of the report, the implementation of the recommendations it contains and the monitoring thereof, annex I contains a table indicating whether the report is submitted to the organizations concerned for action or for information. The table identifies the recommendations that are relevant for each organization, specifying whether they require a decision by its legislative or governing body, or can be acted upon by the executive head.

11. The Inspector wishes to express his appreciation to all who assisted him in the preparation of the report, particularly those who participated in the interviews and who so willingly shared their knowledge and expertise.

¹ The other United Nations common system organizations were the International Fund for Agricultural Development (IFAD) and the International Organization for Migration (IOM); the multilateral organizations were the Council of Europe Development Bank, the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IDB), the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD) and the World Bank Group.

B. Definitions

12. In the standards of conduct for the international civil service, ICSC stipulates that international civil servants “should perform their official duties and conduct their private affairs in a manner that preserves and enhances public confidence in their own integrity and that of their organization.” In that text, ICSC acknowledges that in the performance of their duties international civil servants may be confronted with very sensitive questions that need to be treated with care.

13. The text specifies that “when an international civil servant’s personal interests interfere with the performance of his/her official duties or call into question the qualities of integrity, independence and impartiality required by the status of an international civil servant”, conflicts of interest may occur. Such situations may arise either from an international civil servant’s personal dealings or by his/her familial dealings with third parties, individuals, beneficiaries, or other institutions.

14. More specifically, the ICSC standards describe conflicts of interest as:

“circumstances in which international civil servants, directly or indirectly, may benefit improperly, or allow a third party to benefit improperly, from their association with their organization”.

15. The earlier definition of conflict of interest in the 2002 version of the standards of conduct included circumstances in which international civil servants would also “appear” to benefit improperly. The appearance or perception element is not part of the current definition of the conflict of interest in the revised standards of conduct. Nevertheless, it surfaces in the following quotation:

“International civil servants should avoid assisting third parties in their dealings with their organization where this might lead to actual or perceived preferential treatment.”

16. Conflict of interest could either be personal or organizational. The present review focuses on mechanisms and policies addressing personal conflict of interest in the United Nations system. The list of key oversight terms of the United Nations Office of Internal Oversight Services (OIOS) brings the notion of “perceived” versus “actual” into the definition of the personal conflict of interest that it introduces:

“a situation where a person’s private interests interfere or may be perceived to interfere with his or her performance of official duties.”²

17. The same publication introduces a definition for organizational (also known as institutional) conflict of interest:

“a situation, where, because of other activities or relationships, an organization is unable to render impartial services and the organization’s objectivity in performing mandated work is or might be impaired, or the organization has an unfair competitive advantage.”

18. Having reviewed extensive documentation and literature, the Inspector is of the view that all existing definitions are more or less similar. The present review will use the ICSC definitions as they apply to the entire United Nations common system which encompasses all the JIU participating organizations. Attachment 1 to the present report lists several definitions of personal and organizational (institutional) conflicts of interest.

² The OIOS publication on oversight terms was prepared in consultation with the Board of Auditors of the United Nations and JIU.

II. REGULATORY FRAMEWORK

A. Charter of the United Nations

19. The staff members of United Nations system organizations are international civil servants; their obligations are not national but exclusively international. By accepting appointment, they pledge themselves to discharge their functions and regulate their conduct only with the interests of the United Nations and the organization they serve in view.

20. The current regulatory framework governing personal conflicts of interest across the United Nations system stems primarily from the Charter of the United Nations.

Box 1. Charter of the United Nations, Article 100

1. In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any Government or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organization.

2. Each Member of the United Nations undertakes to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them in the discharge of their responsibilities.

B. Staff Regulations and Rules

21. As soon as they join the United Nations system, staff members commit themselves to carrying out their responsibilities and regulating their conduct only with the interests of their organization in view. That commitment is reflected in the declaration or oath of office, which staff members take at the outset of their career with a United Nations system organization and have to repeat whenever they return to an organization after a separation.

22. The oath clause plays an important role by obliging all staff members to observe the limits of their authority and act in accordance with the powers delegated to them by the Charter. It also serves as a solemn reminder that the duty to uphold the Charter is not the exclusive or final responsibility of the executive head, but is shared.

23. In the United Nations Secretariat, the definition of personal conflict of interest in the Staff Regulations and Rules stems from a written and signed declaration, witnessed by the Secretary-General or his/her representative, known as the oath of office, which is mandated for all staff members.³ This oath of office (declaration) sets forth the principle that the interests of the Organization not only prevail over all other interests, but are to be the only interests a staff member should consider when discharging his/her functions. In addition to the United Nations,⁴ this oath is taken by the staff members of all the remaining United Nations funds and programmes which are JIU participating organizations and apply the Staff Rules and Staff Regulations of the United Nations.⁵

³ See ST/SGB/2017/1.

⁴ See ST/SGB/2015/3. The United Nations in this context includes UNCTAD, UNEP, UN-Habitat, and UNODC, which are considered as separate interlocutors of JIU, given their status of individual participating organizations of JIU.

⁵ The International Trade Centre, UNDP, UNEP, the United Nations Population Fund (UNFPA), the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Children's Fund (UNICEF), the United Nations Office for Project Services (UNOPS), and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women).

24. A similar regulation on the status of officials other than Secretariat officials and experts on mission, stipulates that those United Nations officials who do not fall under the category of staff have to make the same declaration upon their appointment.⁶ As the regulation is applicable also to the Chair and Vice-Chair of ICSC and the 11 JIU inspectors, whose mandates and functions are not limited solely to the United Nations, the 13 officials concerned make this declaration in respect of the United Nations and other organizations in the common system that accept the respective statutes of these two bodies.⁷ In the case of JIU, the inspectors declare that they shall always have the interests of all of the 28 participating organizations in view, whether acting individually or collectively.⁸

Box 2. Declaration under United Nations Staff Regulation 1.1 (b) otherwise called the oath of office

“I solemnly declare and promise to exercise in all loyalty, discretion and conscience the functions entrusted to me as an international civil servant of the United Nations, to discharge these functions and regulate my conduct with the interests of the United Nations only in view, and not to seek or accept instructions in regard to the performance of my duties from any Government or other source external to the Organization.”

25. All staff members in most United Nations specialized agencies,⁹ the Joint United Nations Programme on HIV/AIDS and IAEA subscribe to an oath or declaration whose text is almost identical to that of the United Nations (see box 2), apart from the specific reference to the name and rules of the respective organization.¹⁰ Similarly, all newly-recruited employees, including locally recruited staff, of the World Food Programme (WFP) and the Food and Agriculture Organization of the United Nations (FAO) are required to sign an oath of loyalty to both the United Nations and their respective organization, in which they swear to regulate their conduct with the interests of their organization only in view.¹¹ At the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), only internationally recruited staff members take an oath with the same content and make a declaration for duties entrusted to them by the Agency,¹² while in most organizations both internationally and locally recruited staff take the same oath.

26. The International Labour Organization (ILO) provides three versions of the declaration of loyalty¹³ based on the same basic text, differentiated only slightly for the ILO Director-General, his/her deputies and assistants, and the ILO Treasurer and Financial Comptroller, which have to be made upon entry to the organization. The respective ICAO staff regulation specifies that the signing of the declaration constitutes a condition of employment.¹⁴

⁶ ST/SGB/2002/9, regulation 1 (b).

⁷ Ibid., regulation 1 (f).

⁸ JIU statute, arts. 6 (1), 7 and 11 (2).

⁹ The International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO), the International Telecommunication Union (ITU), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Industrial Development Organization (UNIDO), the World Tourism Organization (UNWTO), UPU, the World Intellectual Property Organization (WIPO) and the World Meteorological Organization (WMO).

¹⁰ World Health Organization staff regulation 1.10 (2015) combined with an introduction to the staff regulations and staff rules for staff members of UNAIDS relating to the 2017 edition; ICAO service code (Doc. 7350/9, 2011, 9th edition) article 1.17; International Labour Organization (ILO) staff regulation 1.4 (2017); IMO staff regulation 1.9; ITU staff regulation 1.11 (2014); UNESCO staff regulation 1.9 (HRM/SRR/1 2010); UNIDO regulation 1.8 (DGB/2017/04 amend. 27 of 27 April 2017); UNWTO regulation 6 (2015, 2nd edition); UPU staff regulation 1.1. (2016, update 5).

¹¹ FAO Manual, ch. III, section 301.1.9 staff regulations (14 July 2011) and WFP human resources manual, ch. I.2.2.

¹² For example, UNRWA international staff regulations cod.i/61/rev.6 (1 January 2017).

¹³ ILO staff regulation 1.4 (2017).

¹⁴ ICAO service code.

27. The text of the declaration under United Nations Staff Regulation 1.1 (b) continues: “I also solemnly declare and promise to respect the obligations incumbent upon me as set out in the Staff Regulations and Rules.” In each organization of the United Nations system, the respective staff regulations and rules constitute the second source of the regulatory framework for the management of conflicting interests.

Box 3. United Nations Staff Regulation 1.2 (m)

“A conflict of interest occurs when, by act or omission, a staff member’s personal interests interfere with the performance of his or her official duties and responsibilities or with the integrity, independence and impartiality required by the staff member’s status as an international civil servant. When an actual or possible conflict of interest does arise, the conflict shall be disclosed by staff members to their head of office, mitigated by the Organization and resolved in favour of the interests of the Organization.”

28. The staff regulations and rules and other administrative issuances are the binding sources of obligations of employees and failure to meet those obligations, no matter whether this behaviour stems from conscious misconduct or ignorance, can entail disciplinary consequences, up to and including termination of employment. For example, the obligations of UNDP staff members are regulated by the UNDP legal framework for addressing non-compliance with United Nations standards of conduct.

C. Standards of conduct

29. The staff members of the United Nations system organizations should perform their official duties and conduct their personal affairs in a manner that preserves and enhances public confidence in their own integrity and that of their organization. In that vein, in 1998, pursuant to the request of the General Assembly in paragraph 8 of its resolution 52/252, the Secretary-General promulgated for the first time a bulletin on the status, basic rights and duties of United Nations staff members, in order to assist them in understanding their status, basic rights and duties as international civil servants and United Nations staff members.

30. This revised version of the bulletin was issued in 2016 to remind United Nations staff members of their basic rights and duties as international civil servants by including the provisions under the standards of conduct for the international civil service approved by the General Assembly in its resolution 67/257 and which entered into force on 1 January 2013.¹⁵ In addition, that bulletin provided an explanatory commentary after each individual provision to guide staff members and help them to understand the content of each regulation by placing it in context.

31. The full text of the standards of conduct, set out in part IV of the annex to the bulletin, aimed to assist staff members and executive heads of the organizations of the United Nations common system to better understand the obligations placed on their conduct by the Charter and the Staff Regulations and Rules. Complementing the Staff Regulations and Rules, the ICSC text provides a discussion of the standards expected, to help staff understand their role as international civil servants. In complying with the updated set of Staff Regulations and Rules that the United Nations issued in 2017,¹⁶ in particular the obligations of staff (Regulation 1.2) that relate to the standards set for the conduct of the international civil service, United Nations staff can always refer to the official guide included in the 2016 bulletin on the status, basic rights and duties of United Nations staff members.¹⁷

32. At ILO, staff members are required to sign a statement confirming that they have read and agree to observe the ICSC standards of conduct, which include provisions on conflicts of interest. Although the ICSC publication is ipso facto applicable to the staff of the Office of the United

¹⁵ See ST/SGB/2016/9 (as an update of ST/SGB/2002/13).

¹⁶ ST/SGB/2017/1.

¹⁷ See ST/SGB/2016/9, para. 4 on the role of the commentary.

Nations High Commissioner for Refugees (UNHCR), all new staff must sign the UNHCR code of conduct, in recognition of the fact that some aspects of the work of UNHCR require the highlighting of additional types of behaviour that are specific to the organization.¹⁸

Ethical conduct by themes: conflict of interest

33. Avoiding getting involved in conflicts of interest or learning not to conceal them once they occur is one of the philosophical underpinnings of the international civil service. According to ICSC, conflict of interest therefore constitutes a central theme in the standards of conduct for the international civil service.

Box 4. ICSC standards of conduct for the international civil service, paragraph 23

“Conflicts of interest may occur when an international civil servant’s personal interests interfere with the performance of his/her official duties or call into question the qualities of integrity, independence and impartiality required by the status of an international civil servant.”

34. Paragraph 23 of the ICSC standards of conduct is dedicated to explaining the circumstances that constitute conflicts of interest in general and other text of the standards defines and describes a number of more specific circumstances that may lead to such conflicts of interest. The content of the paragraphs describing such circumstances are set out below as a reminder of situations that are universal and that all United Nations system staff may be confronted with at some time in the course of their careers.

(a) Outside activities and employment

35. In paragraphs 45 to 49 staff are reminded that the image and reputation of United Nations system organizations depend on the conduct of the personnel. Staff members, in particular, are expected to devote their time and energy to the work of their organizations. Engagement in employment and activities outside the Organization, paid or unpaid, may interfere with that expectation. Outside activities are not permitted unless prior approval is given by the administrator or a designated representative, except civic or charitable activities, which may be undertaken without permission.

36. Furthermore, although staff members can participate in the activities of their local community, they should be careful not to engage in activities that may have an adverse impact on the organization or affect their status as international civil servants. Conversely, outside activities which are beneficial to both the organization and staff members, such as the development of professional and technical skills, are not only permitted, but also encouraged, subject to the considerations outlined above. As private citizens, staff members may vote and belong to political parties; however, they must avoid sensitive political activities.

(b) Acceptance of gifts, honours, awards, favours or remuneration from outside sources

37. In paragraphs 50 and 51 it is explained that the acceptance of an honour, decoration, favour, gift or remuneration in connection with official duties may give rise to a real or potential conflict of interest, as it may be seen to create an obligation. As a rule, staff members cannot accept such benefits from any governmental sources. However, when the rejection of a gift would be seen as embarrassing to the Government in question, they may accept it, but must hand it over to the executive head of the organization or a designated representative. Likewise, staff members cannot receive honours, gifts or benefits from non-governmental sources without prior approval. Small gifts of a social or customary nature from non-governmental sources are normally acceptable but must be reported to the designated representative.

¹⁸ See “Code of conduct and explanatory notes” (June 2004).

(c) Post-employment restrictions

38. Paragraph 26, foresees that after leaving service with organizations of the United Nations system, international civil servants should not take improper advantage of their former official functions and positions, including through unauthorized use or distribution of privileged or confidential information; nor should international civil servants, including those working in procurement services and as requisitioning officers, attempt to unduly influence the decisions of the organization in the interest or at the request of third parties with a view to seeking an opportunity to be employed by such third parties.

(d) Independence of staff, favouritism and nepotism

39. As set out in paragraph 29, it is entirely improper for international civil servants to lobby or seek support from government representatives or members of legislative organs to obtain advancement either for themselves or for others, or to block or reverse unfavourable decisions regarding their status. By adhering to the Charter and the constitutions of the organizations of the United Nations system, Governments have undertaken to safeguard the independence of the international civil service; it is therefore understood that government representatives and members of legislative bodies will neither accede to such requests nor intervene in such matters.

40. Paragraph 34 reiterates that international civil servants are not representatives of their countries. Therefore, for their part, neither Governments nor organizations should place international civil servants in a position where their international and national loyalties may conflict.

41. In paragraph 17, it is stated that managers and supervisors serve as role models and they have therefore a special obligation to uphold the highest standards of conduct. It is quite improper for them to solicit favours, gifts or loans from their staff; they must act impartially, without favouritism and intimidation. In matters relating to the appointment or career of others, international civil servants should refrain from influencing colleagues for personal reasons.

42. Paragraph 24 stipulates that international civil servants should avoid assisting third parties in their dealings with their organization where this might lead to actual or perceived preferential treatment. That is particularly important in procurement matters or when negotiating prospective employment.

43. The same paragraph states that, at times, international civil servants may, owing to their position or functions and in accordance with the policies of the organization, be required to disclose certain personal assets if that is necessary to enable their organizations to make sure that there is no conflict of interest. International civil servants should also disclose in advance possible conflicts of interest that may arise in the course of carrying out their duties and seek advice on mitigation and remediation.

44. The jurisprudence of the administrative tribunals of the United Nations system,¹⁹ contains judgments on cases of conflict of interest, including those referring to factors that may impair or reasonably give the appearance of impairing the ability of a judge serving on one of these tribunals to independently and impartially adjudicate a case assigned to him or her.

45. Neutrality should be one of the ethical principles governing some functions and the work of some categories of United Nations system officials, meaning that those officials should not engage in any situation that could create a conflict of interest.²⁰ For example, in the JIU report on resource mobilization, the Inspector found that the performance of the due diligence process by the same officials who were in charge of fundraising from the entities that were subject to the due diligence

¹⁹ The tribunals are: the United Nations Dispute Tribunal, the United Nations Appeals Tribunal the ILO Administrative Tribunal and the UNRWA Dispute Tribunal.

²⁰ For example, ombudsmen, investigators, procurement personnel, etc.

process, represented a conflict of interest and that organizations should ensure that that due diligence was not performed by the same individuals as those responsible for fundraising.²¹

D. Policies and administrative instruments

46. For preventing all relevant risks and in balancing such situations when they do occur, all organizations have developed policies and administrative instruments. The degree to which the circumstances described and listed in the ICSC standards are regulated depends also on the frequency of their occurrence and the specificity of the circumstances in each organization, given the different mandates and nature of the organizations.

47. Most organizations across the United Nations system tend to group situations that may give rise to conflict of interest in a similar way. This clustering is illustrated in the 2011 report of the Secretary-General on personal conflict of interest, in which he presented an overview of the main types of conflict of interest faced by United Nations organizations, based on the experience of the Secretariat and that of some United Nations funds and programmes, and other public international organizations.²²

Activities regulated as personal conflicts of interest

48. The report of the Secretary-General remains very pertinent in terms of having identified and catalogued the following situations as commonly posing a risk of potential conflict of interest:

- (a) Improper use of one's official position with the United Nations when interacting with a business or entity with which one is affiliated;
- (b) Receipt of supplemental income (e.g. housing, per diem payments, reimbursement of travel or entertainment expenses, remuneration) from an external source;
- (c) Receipt of gifts, favours or hospitality from external sources (e.g. governmental, non-governmental, vendor or contractor);
- (d) Exchange of gifts, favours, financial transactions or hospitality between staff (including between different hierarchical levels);
- (e) Receipt of honours, decorations, or awards from external sources (governmental, non-governmental, academic institutions, clubs and associations);
- (f) Employment of spouse, child or other relative or close personal friend by an entity associated with the United Nations;
- (g) Supervisory or managerial relationship over a relative or close personal friend;
- (h) Taking instructions from sources external to the Organization (e.g. from a governmental or non-governmental entity, vendor);
- (i) Leadership, policymaking or advisory role in external entities (e.g. a governmental or other political role, corporate or for-profit board, not-for-profit board, advisory committee, etc.);
- (j) Service on an academic or scientific committee or panel;
- (k) Misuse of insider or market-sensitive information;
- (l) Leak of confidential United Nations information;
- (m) Misuse of United Nations information (e.g. using United Nations information for personal purposes or gain);
- (n) Misuse of official position for personal gain;

²¹ See JIU/REP/2014/1, paras. 79–80 and recommendation 4.

²² A/66/98.

- (o) Offer of employment by another entity affiliated with the Organization (e.g. current contractor, implementing partner, including non-governmental organizations, government authority, etc.);
- (p) Misuse of United Nations resources or assets (e.g., using United Nations property for personal purposes or gain);
- (q) Rental property relationship between two staff members at different hierarchical levels in the same reporting line;
- (r) Hiring of relatives or close personal friends;
- (s) Accepting bribes for the performance or non-performance of an official function;
- (t) Offering or paying bribes to other officials for the performance or non-performance of an official function.

49. This list, taken from real-life scenarios, is very informative and useful, as some of the situations, while occurring frequently across the system, are not directly addressed or described in detail in the ICSC standards of conduct. In particular, concerning the situations described in paragraph 48 (f), (q) and (r) that involve close relationships of international civil servants with others, namely relatives and close friends, there are only two instances relevant to such situations in the ICSC standards, i.e. (a) the term “familial dealings”, in paragraph 23, which describes conflict of interest in general; and (b) the term “influence ... for personal reasons” in matters relating to the appointment or career of others, which is cited at the end of paragraph 17.

Specific instances

50. According to the report of the Secretary-General, the regulatory framework of the Secretariat at the time addressed the following specific instances of personal conflict of interest that mirror respective sections of the ICSC standards of conduct:

- (a) Outside occupation or employment and outside activities, including political activities;
- (b) Gifts, honours, awards, favours or remuneration;
- (c) Personal relationships;
- (d) General and financial conflict of interest (including the financial disclosure programme).

51. The existing regulatory framework has been reinforced and broadened since September 2016 with the introduction of the anti-fraud and anti-corruption framework of the Secretariat.²³ The framework includes, recognizes and qualifies instances of personal conflict of interest as fraudulent acts or corruption.

52. Such forms of potential conflicts of interest are also regulated in all United Nations system organizations. As mentioned in the introduction to the present report, in the JIU report on accountability frameworks, in the section on the control environment, the Inspector proposed tools that would prevent or remedy situations of conflict of interest.²⁴ More specifically, the Unit had suggested that along with establishing an ethics function, the United Nations system organizations should make use of more appropriate tools, such as the adoption of policies on gifts, favours and hospitality, as well as on outside activities (conflict of interest), accompanied by the relevant training. In chapters III-VI of the present report the Inspector examines the current state of affairs across the system.

²³ ST/IC/2016/25.

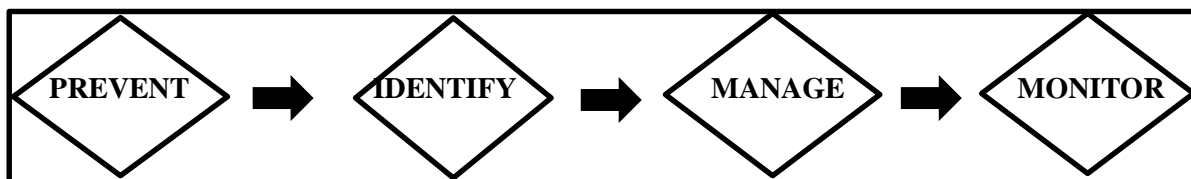
²⁴ JIU/REP/2011/5.

III. LANDSCAPE OF PROGRAMMES

53. The staff members of the United Nations system organizations commit themselves to behaving in accordance with the values and principles of the United Nations. Their actions and overall behaviour in all aspects of their professional and personal life, inside and outside the organizations in which they work, should demonstrate the ethos and integrity expected from them by the Charter of the United Nations. Although staff members themselves bear the responsibility to uphold those ethical standards, in parallel the United Nations system organizations, on their side, strive to create a working environment that supports the ethical conduct of both their staff and non-staff, and to a certain extent the third parties they deal with. In that regard, staff members and other actors of the system receive guidance in order to act as expected. The guidance, which concerns all the activities and issues prone to raise conflicts of interest, is provided through programmes, guidance material, policies, training and other mechanisms.

54. With corruption universally recognized as the behaviour of public officials that deviates from accepted norms in order to serve private ends,²⁵ most of the measures foreseen to inspire ethical behaviour and manage the risk of conflicts of interest within an organization simultaneously constitute internal control measures related to the management of fraud risks and contribute to their mitigation.²⁶ It is widely accepted that conflicts of interest are inevitable; however, they do not always constitute breaches of ethical conduct in themselves. In a fast-changing world, the United Nations system organizations must also change and adapt their stance vis-à-vis ethical issues in response to contemporary developments, such as the pervasiveness of technology, connectivity and social media.

Box 5. Steps in addressing conflict of interest²⁷



A. The role of the ethics function

55. Ethics offices or individual ethics officers have a central role to play in the way each organization manages conflicts of interest staff members are confronted with. According to the United Nations Public Administration Network, individual level integrity is usually promoted through “ethics programs that are aimed at preventing and managing individual conflicts of interest”.²⁸ In its report on the ethics function, JIU suggested that terms of reference for ethics offices should include responsibilities for ethics standard-setting and relevant policy support, training, education and outreach, and the provision of advice and guidance to staff upon request.²⁹ In accordance with the standards set out by JIU in that report, ethics offices should take the lead in discharging those responsibilities in each organization.

56. In 2015, the United Nations System Chief Executives Board for Coordination (CEB) recommended to its members that in “order to prevent, mitigate and remedy conflicts of interest and

²⁵ See United Nations Department of Economic and Social Affairs, “Public service ethics global practices and tools” (2003), p. 9, available at <http://unpan1.un.org/intradoc/groups/public/documents/un/unpan010812.pdf>.

²⁶ See JIU/REP/2016/4, ch. VII.

²⁷ See Global Social Observatory, “The SUN Movement toolkit for preventing and managing conflicts of interest”, (2014).

²⁸ See United Nations Department of Economic and Social Affairs, “Public service ethics global practices and tools”.

²⁹ JIU/REP/2010/3, box 1.

to assist staff in conforming to the ethical expectations established by their organizations”, they should provide staff with access to independent confidential ethics advisory services.³⁰ That recommendation was set out in the report issued in the framework of the institutional integrity initiative launched in 2012, which was led by UNODC and set out to examine how the integrity rules and regulations of the members of CEB could be aligned with the principles of the United Nations Convention against Corruption,³¹ so that United Nations system organizations would send a signal that all of them strive to abide by the same standards that Member States have set for themselves.

57. With regard to conflict of interest, in particular, the report concluded that considerable efforts had been made by CEB members in recent years to put in place both the legislative and practical measures that could help staff members to avoid or resolve personal conflicts of interest. It acknowledged conflict of interest as an area in which all ethics offices had developed extensive expertise system-wide, while the success and popularity of the provision of relevant services to staff members were an indication that all United Nations system organizations should continue their efforts in that connection. Furthermore, the report acknowledged the Ethics Panel of the United Nations as a mechanism that has raised awareness of issues of individual and institutional integrity in the United Nations, its funds and programmes, including risks of conflict of interest that could otherwise cause reputational harm.³² The Panel has mainly contributed to enhancing harmonized ethics and integrity policies.

58. The Panel is chaired by the Director of the United Nations Ethics Office, which was established by the Secretary-General in 2006 as an independent office of the Secretariat. The objective of the Ethics Office is to assist the Secretary-General in ensuring that all staff members observe and perform their functions in a manner consistent with the highest standards of integrity, as envisaged in the Charter of the United Nations.³³ Providing confidential advice and guidance to the United Nations staff on conflicts of interest, as part of advice and guidance on ethical issues, is one of the main areas of responsibility mandated to the Ethics Office which the JIU Inspectors, during their review of the ethics function in 2010, had judged to be a model office that should serve as a benchmark for the entire system.³⁴

59. The ethics office model and standards suggested by JIU with regard to providing confidential advice and guidance has been replicated by all organizations with established ethics function. The WFP Ethics Office, for example, provides confidential advice and guidance to employees and management on institutional and personal conflicts of interest and confidential and non-confidential advice in instances in which WFP and/or its employees may be faced with organizational and personal conflicts of interest.

60. The advice is given face-to-face or by email. Most ethics offices have a separate dedicated webpage either on the official website of the organization or its intranet, which explains the mandate and services it provides, including an email address to which requests for advice may be sent confidentially. With ethics offices of a rather small size and with a limited number of human resources, it is understood that only persons based at the headquarters of the organization concerned may have the privilege of meeting ethics officers face-to-face. Offices away from headquarters, either in field operations or established duty stations, may be covered periodically by ad hoc visits by representatives of the ethics office. Thus a very limited number of staff members may benefit

³⁰ See UNODC, “The institutional integrity initiative. Practising what we preach: the relevance of the United Nations Convention against Corruption to the UN System” (2015).

³¹ Ibid.

³² The Panel is comprised of the senior ethics practitioners at the Secretariat and each of the seven United Nations funds and programmes that have instituted their own ethics function: UNDP, UNFPA, UNHCR, UNICEF, UNOPS, UNRWA and WFP. See www.un.org/en/ethics/member.shtml.

³³ ST/SGB/2005/22.

³⁴ JIU/REP/2010/3, para. 18.

from interaction with members of the ethics office in person, as opposed to by videoconference or similar means of communication.

61. Some organizations, such as UNHCR and the World Intellectual Property Organization (WIPO), increasingly emphasize the active role that staff members themselves should play in order to fulfil their duties and obligations in the way that is expected. The objective of UNHCR is to strike a balance between the advisory role of the ethics office and increasingly active accountability of staff. By active reading and information-seeking on standards, regulations and rules concerning their behaviour, staff members cease to be considered as passive receivers of instructions. Nevertheless, it is understood that they cannot be left entirely to themselves in judging their behaviour and whether it fits the standards required. Making a judgment is a process that may be biased. Research has proven that people assume that their own views are objective and “that subjectivity (e.g., due to personal ideology) is the most likely explanation for their opponents’ conflicting perceptions”.³⁵ Literature on the topic suggests that “the many challenges in identifying conflicting interests include variations in individual interpretations of what is considered to be conflict”.³⁶ As staff members risk wrongly interpreting their conduct as correct based on the invisible and unconscious bias that impairs their judgment, most United Nations system organizations have assigned to their ethics offices the role of interpreter of behaviours. The ethics function is tasked with objectively interpreting whether or not a situation constitutes a conflict of interest. That task is performed at the request of any staff member, from the executive head to the most junior staff.

B. The role of other functions/offices

62. The ethics functions across the United Nations system interact with many other actors inside the respective organizations. Given that all staff members have the duty to identify and disclose conflicts of interest, the United Nations system organizations have created mechanisms to manage situations with which staff members are faced.

63. In the United Nations Secretariat, the Office of Legal Affairs provides legal advice to the Executive Office of the Secretary-General to assist in the identification, prevention, mitigation and resolution of potential conflicts of interest, mainly resulting from invitations for events and awards received by the Secretary-General. The Office of Legal Affairs provides legal advice upon request from other United Nations offices, including the Ethics Office and the Office of Human Resources Management, on the regulatory framework for the identification, prevention, mitigation, resolution, sanction and other aspects of conflict of interest management.

64. As foreseen in the United Nations Staff Regulations and Rules, “when an actual or possible conflict of interest does arise, the conflict shall be disclosed by staff members to their head of office”.³⁷ Accordingly, the head of an office plays an important role in mitigating and resolving conflicts of interest disclosed by staff. In addressing conflicts of interest, heads of offices may seek confidential advice from the United Nations Ethics Office.

65. At the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the Human Resources Division and the Programme Division are responsible for providing advice on the prevention, reporting and resolving of conflicts of interest.

³⁵ See Simon N. Young, “Bias in the research literature and conflict of interest: an issue for publishers, editors, reviewers and authors, and it is not just about the money”, *Journal of Psychiatry and Neuroscience*, vol. 34, No. 6 (November 2009).

³⁶ See workshop summary of a round table on environmental health sciences, research and medicine “Environmental health sciences decision making: risk management, evidence, and ethics”, available from www.ncbi.nlm.nih.gov/books/NBK50715/.

³⁷ ST/SGB/2017/1.

66. At the United Nations Population Fund (UNFPA), as regards procurement, conflicts of interest are addressed through proper segregation of duties during the various steps of the procurement process and a declaration by staff members of non-conflict of interest during critical phases of the procurement process (e.g. bid evaluation or review by the Contract Review Committee) and clear instructions issued on zero tolerance for gifts and hospitality from suppliers. For high-value local tenders, prevention is assured by headquarters procurement staff reviewing solicitation documents before they are issued to ensure specifications/terms of reference are sufficiently generic. Staff members get awareness through clear procurement procedures (which include a specific section on ethics and conflict of interest) and training. Every country office has a procurement focal point in the Procurement Services Branch (located in Copenhagen), whose role is, among other things, to advise country offices on procurement issues, including conflicts of interest. At UNHCR, the monitoring of procurement (supply) activities and the respective risks are entrusted, among some other activities aimed at enhancing fraud prevention, to a specialized team, the Compliance and Risk Management Unit, which consists of five staff members who maintain the relevant risk registers.

67. The internal control framework and delegation of authority framework at UN-Women establish a segregation of duties which helps to safeguard against conflict of interest. The United Nations Office for Project Services (UNOPS) introduced a new governance, risk and compliance framework articulated around six main components: governance, risk, compliance management, performance management, ethics and culture management, and internal control. The UNOPS framework includes a revised governance model on the basis of the so-called “three lines of defence” model, whose objective is to clarify the roles and responsibilities of UNOPS units at all levels and position them along those lines of defence. According to officials, one of the benefits of the model is that duties shall be segregated appropriately to prevent the risk of conflicts, errors and fraud. A review of more legislative instruments in force, coupled with structural changes decided in November 2017, was under way at the time of writing.

68. The JIU report on resource mobilization having found that the performance of the due diligence process by the same officials who were in charge of the fundraising from the same entities which were subject to this process, represented conflict of interest.³⁸ That conflict of interest, according to the JIU report’s recommendation could be prevented by setting up separate units to perform due diligence with the involvement of other departments.³⁹

69. The newly inaugurated UNFPA Strategic Partnership Branch, which was established in 2016, aims to build “Chinese walls” between partnerships and procurement. Sponsors wishing to offer cash, services or sponsorships, in kind or pro bono, could be suppliers that enter into the realm of procurement as regular interlocutors of the Procurement Services Branch. All partners are offered the same opportunities and it is explained to them that UNFPA does not apply preferential treatment. When products are offered for free, the organization checks whether accepting the offer creates a situation of dependency whereby UNFPA could find itself locked in, in order to avoid all relevant risks. More risks are avoided through carrying out due diligence on partners.

70. UNFPA applies the same principles as the United Nations Global Compact. However, it is challenging to undertake due diligence with individual sponsors and there is no consolidated procedure for wealthy individuals who have large business networks and investments in different countries.

71. An official of the UNFPA Partnerships Division stated that the organization had taken all mitigation measures possible to avoid both organizational and personal conflict of interest. The Division is self-financing so that the salaries of its staff members are not funded by the assessed contributions of donor countries. In general, the UNFPA Partnerships Division never benefits

³⁸ JIU/REP/2014/1, para. 79.

³⁹ Ibid., recommendation 4.

directly when negotiating donor agreements and all agreements contain a clause on conflict of interest.

Investigations into conflicts of interest

72. In general, most investigations officers across the United Nations system view conflict of interest as a seed or offspring of fraud and corruption cases. That is why very few cases are genuinely detected and solely recorded as conflicts of interest per se, despite being a different category of misconduct from fraud or corruption. Many cases which are investigated across the United Nations system may not be categorized as conflict of interest cases, but most of them have strong elements of conflict of interest. In particular, conflict of interest is an inherent secondary element in most fraudulent cases. It is found in fraud and corruption cases either as a precursor or as a symptom.

73. The United Nations OIOS investigates cases of conflict of interest. It identifies them as a separate category and maintains relevant statistical data. Conflict of interest cases at UN-Women are investigated by the UNDP Office of Audit and Investigations on the same cost recovery basis as any other type of cases.⁴⁰ However, no relevant cases have been established. At UNDP, from a caseload of 66 investigations, only three were purely based on conflict of interest. Those three cases are filed under the heading “other failures” as no separate category of conflict of interest exists. There most likely were other cases in which conflict of interest was an element of another type of misconduct, such as procurement fraud, improper recruitment or unauthorized outside activity, and were characterized under one of those categories. Officials at the Office of Internal Oversight Services at IAEA reported that the allegations related to conflict of interest which were brought to their attention typically concerned procurement, outside activities and recruitment, involving in most cases allegations about close relationships that had not been disclosed.

74. The investigative caseload of UNFPA includes cases of conflict of interest, however it was pointed out that conflict of interest is met as one mere element in most cases of fraud, bribery and other types of graver misconduct cases. Such cases also reflect the fact that UNFPA, besides being a health organization, is also a large procurer of pharmaceuticals. Anyone in the organization who is in the procurement chain and process is powerful. People from outside might want to influence those personnel to procure certain products; to design programmes around specific pharmaceuticals; to attend specific conferences financed by a pharmaceutical company; or to opt for a specific research and development field.

75. What the UNESCO investigators inquire about is whether conflict of interest has been dissimulated or omitted to be disclosed. For example, regarding an outside activity, they check whether a prior authorization has been sought. More cases related to conflict of interest materialize around procurement, often at the stage of drafting specifications, and concern violations of the policy on the segregation of duties. The occurrence of such type of incidents is somehow expected under the circumstances, given the required specialized skills and the targeted scientific fields, as UNESCO addresses its needs in a limited market.

76. Officials of the United Nations Children’s Fund (UNICEF) Office of Internal Audit and Investigation reported that the organization had been changing: the increasing demands for it to operate in humanitarian emergencies and a high-risk environment required new rules to be created to suit those environments that could vary even within one single region. Conflict of interest was a difficult topic for the staff to understand, especially in isolated and remote areas in the field. The Office of Internal Audit and Investigation had seven full-time investigators to investigate conflicts of interest and 16 other types of offences.

77. The World Bank Group takes a holistic approach to intake of investigation cases. Conflicts of interest do not always constitute misconduct. If investigators find that a misconduct case has no

⁴⁰ As of 1 January 2018, OIOS will take over investigations at UN-Women on the basis of a new cost recovery agreement.

financial impact, they identify it as inappropriate behaviour that does not constitute a case of conflict of interest. They try to be minimally invasive and find solutions to the problem. For example, when an investment is the problem, they ask the staff member to disinvest. But if they are convinced that the investments do not interfere with the interests of the Bank, staff are allowed to keep it. They mediate and help staff members to avoid conflict. They coordinate to mitigate and neutralize a risk of conflict of interest. The responsibility of the World Bank Group extends to partners of trust funds units as they house the fiduciary.

78. The Inter-American Development Bank (IDB) is a signatory of the cross-debarment agreement between the multilateral development banks, including the World Bank Group, a coordinated global initiative to deter fraud and corruption. Conflict of interest is not a prohibited practice per se, but could be an indicator of the five prohibited acts: obstruction, collusion, extortion/coercion, fraud and corruption (bribery). The non-disclosure of conflict of interest could also be a fraudulent practice by omission.

79. According to the JIU report on fraud prevention, detection and response in United Nations system organizations, a central cases intake system prevents possible conflicts of interest, as the pre-assessment and decision on opening an investigation is made by an independent entity, not by an entity closely connected to the allegation.⁴¹ Furthermore, a central intake facilitates the completeness of reporting of fraud and presumptive fraud to external auditors.⁴² However, one of the disadvantages of a decentralized intake mechanism is the potential conflict of interest within decentralized intake entities.

80. Some of the United Nations system organizations reviewed have provisions in place to mitigate conflicts of interest arising when wrongdoing is reported to have taken place, either by an ethics or an investigation function, but most do not. For example, during 2010/2011 the Ethics Office of the Secretariat faced a case of prima facie retaliation by the investigation function, which was addressed on an ad hoc basis by establishing an alternative investigation panel. Some organizations have addressed this issue by amending their policies to that effect, so that, for example, for cases of potential conflict of interest, the head of the ethics office can refer the review to an alternative reviewing body.⁴³

C. Concerns and suggestions

81. While having interests outside work is inherent in the social life of staff members of the United Nations system, seeking advice on conflicts of interest remains a delicate issue. That is the reason why Ethics Officers are entrusted with advising staff on situations they face and the ways they could resolve a conflict of interest or mitigate its risks.

82. In a few United Nations system organizations, the Ethics Officers not only discharge the ethics function but each of them devotes 50 per cent of his or her working time to another function in their respective organizations (security officer, legal officer and ombudsman). In one organization, the Senior Ethics Adviser serves mainly by telecommuting from another country, while two organizations, owing to their small size, share the ethics function under a cost-sharing agreement.

83. Collocating the ethics function within the oversight offices is also another obstacle, as even with the best intentions and segregation of duties, this may create the impression that the ethics adviser is not independent, as he or she collocates with officials who are assigned an investigative role in the cases of misconduct in the context of conflict of interest. The lack of a dedicated ethics officer also results in the oversight staff who play this role not being able to attend the relevant professional network's meetings and properly follow developments in ethics, including in conflict

⁴¹ See JIU/REP/2016/4, paras 242 and 247.

⁴² See also A/70/284, para. 89.

⁴³ See JIU/REP/2016/4, para. 236 and, for example, ST/SGB/2017/2 para. 7.7.

of interest. **The Inspector therefore reiterates a long-standing JIU recommendation to avoid dual ethics functions and collocation of the ethics function with other oversight functions or management.**⁴⁴

84. With the Ombudsman having a complementary mandate with the ethics function, for WFP, a natural solution was for the Ethics Adviser to make use of the “respectful workplace advisers”, who are select field staff trained by the Office of the Ombudsman. Those staff members who are the Ombudsman focal points in remote geographical areas are used also by the WFP Ethics Office as ethics ambassadors to promote the ethics agenda, provide advice on policies and direct staff to ethics-related resources, including on conflict of interest issues. UNHCR has the same concept as WFP, with respectful workplace advisers also promoting the UNHCR ethics agenda and organizational values, as well as serving as facilitators for the refresher course on the code of conduct. **The Inspector suggests that ethics offices with limited field presence emulate this practice and make use of similar function’ focal points to assure physical presence and reach out in the field, where they are most needed.**

85. The United Nations Ethics Office works closely with the ethics offices of the United Nations funds and programmes within the framework of Ethics Panel of the United Nations, to ensure a consistent application of ethical standards in member organizations. That includes addressing conflicts of interest through the provision of ethics advice, ethics training and outreach, and the administration of financial disclosure programmes in the respective organizations.

86. The Ethics Network of Multilateral Organizations is the professional network that brings together all the professionals in the field of ethics from all the international organizations that fulfil its strict membership requirements, including the United Nations system organizations.⁴⁵ In the framework of the annual session of the Network in 2015, Ethics Officers from the Secretariat, the International Monetary Fund (IMF) and the Islamic Development Bank made a presentation entitled “Conflicts of interest: a thematic case study approach”, in which they compared the different approaches regarding conflicts of interest between the three organizations. Likewise, European Union ethics and compliance officers had the opportunity to share information and exchange know-how in the field of ethics with their peers at the annual round table of European Chief Compliance Officers, as irrespective of differences in the regulations of each European Union member, in ethics they all seem to move along the same lines.

87. During the review, it was observed that neither the Ethics Panel of the United Nations nor Ethics Network of Multilateral Organizations had so far dealt with organizational conflict of interest. Very few Ethics Officers and officials of the organizations that responded to the questionnaire and were interviewed gave concrete feedback on organizational conflict of interest. UNFPA officials explained that functional conflict of interest might arise when the same entity was involved in the disciplinary process, both as supervisor of the subjects of allegations and as the entity entrusted with charging those subjects and proposing sanctions on them. UNFPA officials stated that they faced organizational conflicts of interest daily in their line of work, as they advised on policies that they would have to implement, i.e. by creating their own area of work.

88. On the basis of interviews with officials of United Nations system organizations, JIU observes that an organization may be exposed to organizational conflict of interest during the review and selection of a project, if staff members without any personal interest select a project that would not normally fall under their mandate, or that they would reject (e.g. they would assess it as not viable

⁴⁴ See JIU/REP/2010/3, para. 25, and recommendation 1.

⁴⁵ In accordance with the working methods section 3.1 (2017) of the Ethics Network: “*Membership in ENMO is institutional and is open to multilateral inter-governmental organizations, including but not limited to organizations that are members of the United Nations system family and related organizations, international and regional financial institutions, as well as inter-governmental organizations holding consultative status or maintaining an institutional relationship with the United Nations.*”

or of high cost), but instead do so to please the Regional Coordinator of a United Nations country team. Organizational conflicts of interest may also arise when United Nations system agencies compete with each other to attract projects. For example, the officials of an organization might – against the rules – agree to start a project without any funds received in advance, to make sure that it wins any competitive tender.

89. The following recommendation is expected to disseminate good practices and enhance coherence and harmonization.

Recommendation 1

Executive heads of the United Nations system organizations should direct their officials entrusted with the ethics function to map the most common occurrences and register the risks of situations exposing their respective organizations to organizational conflicts of interest, no later than December 2019.

90. Ethics officers of the United Nations specialized agencies are in favour of opening up the membership of the Ethics Panel of the United Nations to include all organizations in the system. Exchanges in the framework of the Panel would help organizations to stop reinventing the wheel by adopting those practices of the system that have been identified as the best. At present, such exchanges between the member organizations of the Panel and the remaining organizations of the United Nations system take place only at the level of the Ethics Network outside the United Nations system. **The Inspector suggests that the ethics offices which are members of the Panel should open up to the United Nations specialized agencies that are not members of the Panel and create another forum for collaboration and exchange within the United Nations system. Once recommendation 1 has been implemented, the results of the mapping exercise should be discussed in the framework of both CEB and the newly proposed inter-agency forum on ethics, as appropriate, in order to develop a system-wide guide on the management of organizational conflicts of interest.**

IV. GUIDANCE MATERIAL

91. According to the JIU report on fraud, “a written code of conduct is one of the most important vehicles to communicate to staff key standards of acceptable and prohibited behaviour”.⁴⁶ The staff regulations and rules and other administrative issuances remain the first point of reference to all staff and the purpose of a code is to facilitate their understanding; the guidance material issued by organizations does not contain or create additional obligations. Codes of ethics or ethical conduct are not meant to be legally binding or to provide sanctions for breaches. However, provisions of some codes of conduct mention failures that may result in corrective or disciplinary measures.⁴⁷ The intention of the codes is to protect and safeguard staff members while they are carrying out their duties as international civil servants. The United Nations Convention against Corruption (UNCAC), for instance, which requires the adoption of codes of conduct in national public administrations, is seen as an international code of conduct whose signatories are required to implement it.

Box 6. Organization for Economic Cooperation and Development on ethics codes and codes of conduct⁴⁸

To put values into effect, organizations will establish written, formal codes of behavioural standards. They can set out in broad terms in a code of ethics (or code of conduct) those values and principles that define the professional role of public servants – integrity, transparency etc., or they can focus on the application of such principles in practice – for instance, in conflict-of-interest situations, such as the use of official information and public resources, receiving gifts or benefits, working outside the public service and post public employment. Ideally, codes combine aspirational values and more detailed standards on how to put them in practice.

A. Codes

92. The 2016 bulletin on the status, basic rights and duties of United Nations staff members,⁴⁹ together with its annex, is issued to every staff member who is subject to the Staff Regulations and Rules, including staff members of separately administered organs and programmes. It should be noted that this bulletin is considered to be their de facto code of conduct.

93. The joint publication of the Office of Human Resources Management and the Ethics Office entitled “Putting ethics to work: a guide for UN staff” is a practical guide intended to help United Nations staff understand and apply the provisions of the United Nations Code of Conduct.⁵⁰ It also serves to encourage staff and managers to discuss the ways in which they might guide their professional and personal conduct. The guide highlights the main challenges to professional and ethical conduct and clarifies the main reasons for the standards adopted by the United Nations to manage them, as it refers to resources to help staff with dilemmas over conflicts of interest. The guide is considered by the United Nations Ethics Office to be an important communication tool for promoting the values of the Organization, highlighting professional ethics and helping staff to put principles into practice.

94. Many United Nations system organizations have developed similar codes with the same promotional role. The UNDP publication entitled “Code of ethics: operating with unwavering

⁴⁶ JIU/REP/2016/4, para. 151.

⁴⁷ See, for example, the IFAD code of conduct (October 2015).

⁴⁸ Another example from international organizations outside the United Nations system, OECD Home page, Directorate for Public Governance, Anti-corruption and integrity in the public sector, Ethics Codes and Codes of Conduct in OECD Countries. See:

<http://www.oecd.org/gov/ethics/ethicscodesandcodesofconductinoecdcountries.htm>

⁴⁹ See ST/SGB/2016/9, para. 4.

⁵⁰ The guide was first issued in 2012 and revised in January 2017. It does not replace or supersede the Staff Regulations and Rules, the Secretary-General’s bulletins, or administrative instructions. See also ST/SGB/2016/9.

integrity”, which is the first formal code of ethics of UNDP, is a guide intended to help staff understand and resolve ethical issues. The way the texts of such codes have been authored and inspired across the system varies. The UNAIDS ethics guide has been adapted from the “Ethical principles and conduct of Staff: Compilation of World Health Organization (WHO) policies and practices” and “Putting Ethics to Work: A guide to UN Staff” issued by the Ethics Office of the United Nations. The WIPO code of ethics is written as a short, concise statement of the core values and principles of the organization, such as independence, loyalty, impartiality and integrity, to guide the conduct and behaviour of WIPO personnel. It is intended to be values-based and aspirational in nature, instead of being rules-based and disciplinary. Examples in the following two paragraphs are drawn from international organizations outside the United Nations system.

95. The ethical framework at the Organization for Economic Cooperation and Development (OECD) is shaped mainly by the code of conduct which supplements the rules and regulations for staff members. The code of conduct is available online and although it is not compulsory, it is linked to new staff entries and pops up in their personal OECD email account as soon as they get one. IDB employees adhere to the strict ethical standards laid out in the 2012 code of ethics and professional conduct. The Board of Executive Directors is subject to its own code of conduct.

96. The Council of Europe Development Bank, which is a multilateral development bank with an exclusively social mandate, has adopted three code of conduct. All of them entered into force in 2010 replacing the previous code of conduct from 2001. The first code of conduct applies equally to the Governor, Vice-Governors, staff members, contractual collaborators and service providers. The other two codes of conduct apply to members of a number of Bank boards. The European Bank for Reconstruction and Development (EBRD), which has about 3,000 staff members and 35 offices, introduced two parallel codes of conduct in 2012. One applies to EBRD personnel, including senior management and the President, while the other applies to the officials of the Board of Directors of EBRD. An “umbrella” provision intended to capture the foundation of conflict of interest as well as its perception is common in both codes.

97. As part of the hiring process, WFP employees are required to acknowledge the WFP code of conduct, with the acknowledgement being an integral part of the oath of loyalty they sign. Similarly, all new UNHCR staff must sign the code of conduct, although it is considered more of a “moral code that doesn’t have the force of law, designed to assist staff to better understand obligations based upon them”, according to UNHCR officials. Conversely, at IFAD, signing the code of conduct is viewed as a form of leverage, allowing the organization to take action against the staff members who breach it. Signing is done annually and electronically, in order to certify that all staff members have reread the code of conduct and were again made aware of its content. **The Inspector suggests that all United Nations system organizations should adopt this simple IFAD system, which at no expense ensure that staff are reminded of their obligations and what constitutes the ethical conduct required, in particular concerning conflict of interest, as they have to acknowledge the code on annual basis by an electronic signature.**

Specific professional codes of conduct and guides

98. Specific standards of conduct are applicable to distinct professional categories employed by the United Nations system organizations, such as teachers, attorneys, doctors, medical professionals, social workers, psychosocial counsellors, auditors and procurement staff. Reference to the application of specific professional standards of conduct that have been issued by professional organizations are made in UNRWA organizational directives, technical instructions, post descriptions or otherwise.⁵¹ Most organizations use procurement manuals and handbooks. In recent

⁵¹ UNRWA teaching staff are guided by the UNESCO/ILO “Recommendation concerning the status of teachers” (1966) and the UNESCO “Recommendation concerning the status of higher-education teaching personnel” (1997). Examples of professional sets of standards of conduct include the code of ethics for UNRWA psychosocial counsellors adopted by the community mental health programme in the West Bank Field Office and the draft social worker code of ethics, currently under consideration by the Relief and Social Services Department.

years United Nations system organizations have been equipped with codes of conduct addressed to the suppliers and vendors to the system. For example, WIPO staff members involved in procurement actions are guided by an office instruction that updates and consolidates the rules concerning the standard of conduct that applies specifically to them.

99. In the United Nations internal justice system, the conduct of all parties involved is governed by a different code, as there is a code of conduct for the judges of the United Nations Dispute Tribunal and the United Nations Appeals Tribunal; a code of conduct for legal representatives and litigants in person; and guiding principles of conduct for counsel affiliated to the Office of Staff Legal Assistance. All three codes describe what constitutes conflict of interest for each party.

100. In the United Nations system, most services dedicated to oversight claim to abide by all international professional standards as applicable to each oversight function. Indicatively, UNRWA expressly states that its oversight activities “shall be performed in accordance with the international standards for audit, evaluation and investigation” and lists (a) the international standards and code of ethics defined in the International Professional Practices Framework issued by the Institute of Internal Auditors, (IIA) as adopted in June 2002 by the representatives of the internal audit services (RIAS) of the United Nations and the multilateral financial organizations, (b) norms and standards for evaluation in the United Nations system issued by the United Nations Evaluation Group in April 2005 and (c) the uniform guidelines for investigation adopted by the tenth Conference of International Investigators held from 10 to 12 June 2009.

101. In the view of the interviewees from the UNESCO Internal Oversight Office, the existence of a code of conduct is very helpful in the context of investigations, as it helps to identify deviations from the expected normal behaviour of the personnel. Every standard is helpful for this purpose. Regarding their own conflicts of interest, the staff members of the Internal Oversight Office follow and apply the standards set by the respective charter of the professional group of each oversight function.

Awareness material for the public

102. In general, World Bank Group ethics officers utilize communications tools, such as brochures explaining ethical questions and topics and in particular conflict of interest, to external parties and other clients, so that they support their colleagues in the operations of the Group. UNDP and WFP also have an arsenal of publicity materials advertising the work of their respective ethics offices, including their work on conflict of interest and other relevant activities.

103. Staff representatives at one participating organization complained that there was not much awareness of the existence of the ethics function and its role. They would like to have the ethics function issue a regular newsletter on ethics issues. As they pointed out, staff rules were too dry to be understood by personnel without interpretation by experts on the subject.

B. Forms for statements and/or declarations

104. Potential or actual conflicts of interest exist when commitments and obligations are likely to be compromised by the other interests or relationships - especially economic - of staff members, in particular if those interests or commitments are not disclosed. Literature reveals that filling out the relevant forms about those interests serves both education and sanctions purposes, and helps to manage possible conflicts of interest from the outset. Organizations use the terms “statements” and “declarations” interchangeably whenever they refer to disclosures of interest.

105. The use of statements of conflict of interest and financial disclosure, were recommended in the JIU report on accountability frameworks as instrumental in achieving a benchmark set by JIU

for enhancing control activities and internal control by deterring fraud and financial misconduct.⁵² The report acknowledged that financial disclosure statements and conflict of interest statements cannot fully prevent fraud, since a declaration – if not fully vetted – depends on its author’s honesty. Nevertheless, JIU is of the view that financial disclosure and conflict of interest statements should be viewed as a measure to mitigate risk for organizations and increase the risk of being held accountable for staff members who try to engage in fraud. For that reason, in its report on fraud prevention, detection and response in United Nations system organizations, JIU suggested that participating organizations that had not totally or partially, implemented financial disclosure and conflict of interest policies, should do so expeditiously.⁵³

106. As part of the year-end procedure, each head of unit at UNFPA has to confirm in writing (inter alia) that the UNFPA financial regulations, rules, procedures and processes were adhered to and that any non-compliance or weaknesses (including conflict of interest) in internal control were brought to the attention of either the Division for Management Services or the Office of Audit and Investigations Services.

Types of statements and/or declarations

107. As all the parties involved in the formal internal justice system - judges, legal representatives of the litigants and counsel in the Office of Staff Legal Assistance - abide by codes and guiding principles obliging them to declare conflicts of interest, so staff members of the United Nations OIOS comply with the standards dictated by their professions. In addition to the professional standards of each oversight function, OIOS internal audit staff sign declarations of interest both annually and before undertaking a new audit assignment, while investigatory staff sign such declarations before conducting a new investigation. This process of signing was significantly accentuated by the 2017 OIOS guidelines for maintaining operational independence during the conduct of OIOS duties that provide relevant information and are applicable to all OIOS staff. The “statement of objectivity” has been in place for the past 10 years at WHO. WHO officials interviewed for the present report praised the statement, whereby the oversight staff confirm on an annual basis that they have no direct conflicts of interest in the work they are assigned to.

108. A new measure introduced in 2016 was the pre-appointment review for conflicts of interest of candidates to the most senior United Nations positions, namely Assistant Secretary-General and above and mission leadership positions such as Force Commanders and Police Commanders. Candidates complete a declaration of interest form, which is reviewed by the United Nations Ethics Office. The form was developed by UNDP, which shared it with the Secretariat. The primary purpose of the vetting exercise is the identification and mitigation of actual or perceived conflicts of interest prior to the appointment of senior staff. The measure applies also to officials of the United Nations funds and programmes, who receive letters of appointment from the Secretary-General, but not in the specialized agencies, where that is not the case.

109. Some oversight units are considering the introduction of an annual declaration of interest. Signing such a declaration may or may not enhance the accountability aspects. Theoretically, oversight staff members are already guided by the professional standards of each oversight function, as integrity is at the core of their work.

110. Regarding conflicts of interest related to audit and investigation work, which may impair judgment, the staff of the UNFPA Office of Audit and Investigations Services are bound to professional standards, both in audit and in investigation. The oversight policy, as well as the charter of the Office of Audit and Investigations Services, deals with the specific situation of the Office. Evaluators at UNFPA are bound by the norms and standards of the United Nations Evaluation Group, which include a section on ethics and specific elements related to conflict of interest, both in the conduct of evaluation work and in the behavioural aspects of each evaluator (similar to audit and investigation). The staff of the Office of Audit and Investigations Services who were

⁵² See JIU/REP/2011/5, benchmark 11.

⁵³ See JIU/REP/2016/4.

interviewed for the present report stressed that the professional excellence and permanent obligation of the oversight staff to abide by the various professional codes, by the charter of the Office and the declaration signed upon engagement are sufficient. In their view, there is no need to add more paperwork by asking the oversight personnel to sign and resign statements of interest for each engagement. The internal oversight staff at the United Nations Industrial Development Organization (UNIDO) also sign conflict of interest disclosure statements going by the standards of each oversight function and the UNIDO internal charter of oversight.

111. Specific measures are also in place for the members of the UNFPA Audit Advisory Committee. Their terms of reference include a section on the criteria they have to fulfil to be deemed independent, as well as specific provisions to deal with conflict of interest. Interlocutors for the present report claimed that those tough criteria were geared towards avoiding conflicts of interest mainly in the New York arena. Each member has also to make a yearly declaration of non-conflict of interest to the Executive Director, with a specific form to that effect. Issues regarding the declarations are reported directly to him.

112. Although the existing IAEA rules and human resources procedures do not mention anything about an obligation for recruitment panel members to disclose relationships with candidates, an internal audit of recruitment recommended that such relationships should be disclosed beforehand by a clear-cut statement. UN-Women personnel who participate in various review and approval bodies (such as the Project Acceptance Committees, Procurement Review Committees, or recruitment panels) are expected to make a declaration that they do not have any conflict of interest pertaining to a case under review, as it is underpinned by the UN-Women delegation of authority framework.

113. UNOPS requires that all members of a Grant Evaluation Committee must have signed the “no conflict of interest” declaration form”, while “to avoid any conflict of interest, in cases where the Submitting Officer is also the relevant authority below (for example, also acts as the Project Centre Manager), the authority to award that particular grant will vest in the next highest authority level, notwithstanding the monetary threshold.”⁵⁴

114. The procurement services have strict provisions regarding conflicts of interest and all the tender or bidding documents contain relevant clauses. Statements of interest have to be signed at several stages of the procurement process, although all projects are designed taking into consideration the segregation of duties. Indicatively, in UNFPA and UNOPS procurement, conflicts of interest are addressed through proper segregation of duties during the various steps of the procurement process, as well as a declaration by staff members of non-conflict of interest during critical phases of the procurement process (e.g. bid evaluation, Contract Review Committee review) and clear instructions on zero tolerance for gifts and hospitality from suppliers.

Signing a conflict of interest disclosure form as a condition of appointment or employment

115. Upon appointment, UNDP requests all new staff to complete and sign a conflict of interest disclosure form, which explains the nature of potential and actual conflicts and imposes the obligation to update the status of their relationships, as they change. This form is shared with the hiring manager to ensure that work assignments do not inadvertently place an individual in a situation where a conflict can be inferred or caused. Other organizations are considering replicating the UNDP model and create a mandatory pre-employment disclosure form as well. In UNOPS, the standard texts and the amendments of offers of appointment, letters of appointment and individual contractor agreements include obligatory declarations regarding conflict of interest.⁵⁵

116. The Inspector reviewed the mandatory UNDP conflict of interest disclosure form and found it to be an excellent initiative that supplements and gives a meaning to the oath of office (declaration) that all United Nations system staff members sign upon appointment. The UNDP offer of

⁵⁴ See UNOPS AI/SPMPG/2013/01 on grant support – instructions, section 6.1(vi) and section 12.

⁵⁵ UNOPS Practice and Quality Management System.

appointment itself clarifies that conflicts of interest should be disclosed before candidates are appointed as staff. The conflict of interest rules applicable to employees under service contracts, individuals, consultants and vendors are referenced in their respective contracts under the heading “standards of conduct”.

117. The implementation of the following recommendation is expected to enhance, at no cost, the control, compliance and accountability of staff and non-staff across the system.

Recommendation 2

Executive heads of the United Nations system organizations, who have not yet done so, should direct their human resources services to introduce a mandatory conflict of interest disclosure form that should be signed by staff members, along with their declaration of office, by all staff members and other types of personnel joining an organization, whether in a short- or long-term capacity. The form should be developed with the assistance of the ethics function of the respective organization and with other functions, as appropriate, and in consultation with any future inter-agency forum.

C. Financial disclosures

118. The JIU standards for responsibilities discharged by ethics entities across the system, which were established by the JIU report on the ethics function, envisage that ethics offices take the lead role in implementing the financial disclosure policy in each United Nations system organization.⁵⁶ Financial disclosure programmes were introduced to maintain and enhance public trust in the integrity of the United Nations system organizations. The UNDP Ethics Officer interviewed for the present report described the financial disclosure programme along with the whistle-blower protection from retaliation as critical functions of an ethics office.

119. The primary purpose of all financial disclosure programmes, as stated by the United Nations Ethics Office for its own programme is to manage risk for conflicts of interest. A financial disclosure programme aims to identify, resolve and mitigate conflict of interest situations arising from the holdings (for example, investments) and/or activities of staff members. That may include advising staff members to divest themselves of holdings or to recuse themselves from a particular activity or aspect of their official functions. All such programmes protect organizations against conflicts of interest and various organizational risks relating to the outside activities and financial engagements of staff members.

120. For the purpose of implementing the relevant staff regulations and in accordance with the ICSC standards of conduct, the financial disclosure programme (FDP) administered by the United Nations Ethics Office was launched in 2006 and covers the Secretariat and some 13 other United Nations entities and organizations.⁵⁷ Under this programme, selected staff members are required to disclose annually their assets and liabilities, outside activities and affiliations. The following staff members are obliged to file annual financial disclosure statements: all staff members at the D-1 or L-6 level and above; all staff members who are procurement officers or whose principal occupational duties are the procurement of goods and services for the United Nations; all staff members whose principal occupational duties relate to the investment of the assets of the United Nations, the United Nations Joint Staff Pension Fund or of any accounts for which the United Nations has fiduciary or custodial responsibility; other staff members whose direct access to confidential procurement or investment information warrants the filing of a financial disclosure statement; and all staff members serving in the United Nations Ethics Office.

⁵⁶ See JIU/REP/2010/3, box 1.

⁵⁷ They include the following JIU participating organizations: UNCTAD, UNEP, UN-Habitat, UNODC, ITC, UNHCR, UNOPS, UNRWA, UN-Women.

121. The current Secretary-General made a good start as he was the first Secretary-General in the history of the United Nations to complete a pre-appointment declaration of interest and be vetted prior to taking office. He also made a voluntary public disclosure statement in the first year of his tenure, although he was not obliged to do so. The Ethics Office considers this act as a benchmark, which is indicative of the tone at the top and the importance the Secretary-General attaches to ethics and integrity. The United Nations Ethics Office, during the ethics induction briefings provided to senior officials upon their assumption of duties and during every cycle, advises and encourages all senior officials to participate in the voluntary public disclosure initiative. The Secretary-General also encourages his senior officials (at the grade of Under-Secretary-General and Assistant Secretary-General) to make public, on a voluntary basis, a summary of their confidential financial disclosure or declaration of interest statements. This tradition began in 2007, when both the then Secretary-General and Deputy Secretary-General made public a summary of their financial disclosure statements.

122. FDP submissions – as most organizations’ submissions in the context of financial disclosure programmes – are made online. All UNIDO participants submit their financial declarations and declaration of interest statements to the Senior Ethics Officer in sealed envelopes. Details about filing, in particular frequency and methods of submission under the United Nations Secretariat’s and the remaining financial disclosure programmes of the United Nations system organizations are set out in attachment II to the present report.

123. Most organizations designate as participants of their respective financial disclosure programmes individuals who meet criteria similar to the criteria contained in the financial disclosure policy of the United Nations and are required to disclose confidentially assets, relationships, outside activities etc. on an annual basis in an effort to identify potential or actual conflicts of interest and either issue controls to mitigate the situation or require the individual to remove themselves from the conflicting scenario. The Inspector noted that the UNDP programme has expanded also to non-staff since 2002, by including personnel on service contracts, and is followed closely by the Ethics Office, with the support of the human resources function, in order to decide who should participate in it.

124. The UNICEF conflict of interest and financial disclosure programme has been in place since 2009. As in other organizations with field operations, in addition to the standard participants and designated functions indicatively mentioned in the United Nations FDP, the UNICEF programme names and includes, irrespective of category and level, all Representatives and Deputy Representatives, all heads of sub-offices and the most senior Operations Officers in each country office. The UNESCO programme, which was introduced in 2013, opened up to a broader range of participants, as it now includes all fixed-term employees at the P-5 level or above.⁵⁸ Similarly, the UNOPS and UNIDO policies for financial disclosure and declaration of interests, promulgated in 2010 following the United Nations Secretariat model, include P-5 staff.⁵⁹

125. Given the profile of some United Nations system organizations and the large amounts spent on procuring items, such as pharmaceuticals, to fulfil their mandates, special attention should be paid to the intentions of the requisitioners or programme managers. The organizations have the duty to verify whether a new product is introduced for innovation or by interest, in particular because in many cases a product may be produced by only one company having a monopoly in the global market.

126. For proper verification of interests, for example, UNFPA technical programme managers and other personnel involved in technical evaluation should be subject to financial disclosure as well, to mitigate the risk of having on board shareholders of commercial companies who would include their products in the UNFPA corporate catalogue. The UNFPA Ethics Office is considering, among other changes, modifying the list of persons concerned to include all programme officers. The

⁵⁸ UNESCO administrative circular AC/HR/20 of 19 April 2013.

⁵⁹ See, for example, UNIDO/DGB/(M).118.

International Maritime Organization financial disclosure programme, introduced in 2015, was extended to include the Technical Cooperation Division staff owing to their possible involvement in a procurement or financial role. At WHO, the secretariat, in addition to the staff members in designated employment categories, requires external experts or advisers, who are invited by the technical departments to participate in working groups or provide expert opinions on public health-related issues, to sign declarations of interest.

127. In some other organizations, such as the IDB Group, all its approximately 2,000 staff members participate in the financial disclosure programme that is run by the Ethics Office. Consultants in focused functions are also obliged to participate in it. The IDB financial disclosure programme comes in two versions, as the top management submit more detailed statements. By contrast, the World Bank Group administers four separate financial disclosure programmes, shaped according to their respective participants.

128. UNDP reported that by the end of March 2017, a 100 per cent compliance with the programme had been achieved, as all 1,311 participants had submitted their statements. In cases of delay in submission the Ethics Office would notify the heads of offices of the participants, extending the deadline to a future date and would then follow up. Personnel on long-term leave, including for reasons of disability, are excused. Although the Ethics Office has only two members and is supported occasionally by a third officer,⁶⁰ it manages to review more than 1,300 financial disclosure statements without outsourcing any part of the review process. The World Bank Group Ethics Office indicated similar scores concerning its management of the workload with minimal resources: three staff review the annual submissions made in the framework of the four parallel WBG financial disclosure programmes. Each staff member of the Ethics Office reviews about 1,000 statements each year.

129. The United Nations Ethics Office has completely outsourced the review of all submissions under the FDP that it administers for the United Nations Secretariat and other 13 entities. The external service provider⁶¹ reviews almost 5,500 financial disclosure statements submitted for the United Nations programme and verifies 5 per cent of them in each submission cycle. For example, UNHCR, which falls under the United Nations FDP, spends over \$500,000 for its participation in the programme, as it requires the financial disclosure statements of 1,500 participants to be reviewed. UNHCR reported that the percentage of participants who had problems was less than 1 per cent and only in the area of conflict of interest (and not in the financial part of the form).

130. The participants in the financial disclosure programmes of the United Nations can reach up to 25 per cent of the total number of staff, as is the case for UNICEF. At UNESCO approximately 400 questionnaires are completed each year by 15 March in respect of the period from 1 January to 31 December of the previous year. Any individual who is offered an appointment of at least 12 months to a post which falls within the scope of the programme must complete an initial questionnaire within the first three months of their appointment, in respect of the immediately preceding 12-month period. The UNESCO Ethics Office confidentially reviews all the questionnaires, except those that are completed by its own staff, which are reviewed by the Internal Oversight Service. With regard to the submission of the Director-General, the Ethics Office is responsible for reviewing and analysing the information, and making recommendations to address any conflict of interest accordingly. If the conflict of interest has not been resolved in favour of the interests of the organization, the Ethics Office will submit a report to the Executive Board.

131. The UNFPA Ethics Office has reported that for the past three years, following the review of the financial disclosure, it additionally proceeded to their verification, subjecting a random sample of the entire filing population, diversified by location, grade and function, to relevant checks. In 2016, 84 responses out of 384 completed questionnaires, were identified as “possible conflict of interest” and double-checked by the UNESCO Ethics Adviser. However, no verification takes place.

⁶⁰ A Junior Professional Officer (JPO) until a United Nations Volunteer (UNV) would join in July 2017.

⁶¹ KPMG.

At UNIDO, financial disclosure statements are reviewed by the Ethics Office on a selective basis, in such a manner that a review takes place for each person filing a statement at least once every five years. The UNIDO policy for financial disclosure and declaration of interests does not include a verification process.

132. The IAEA Division of Human Resources and the Ethics Adviser are in charge of the review of annual declarations of interest. The purpose of the review of the completed declarations is to ensure compliance with the obligations relating to conflict of interest and acceptance of honours and gifts, as well as any other issues that could potentially lead to a conflict of interest. Given that IAEA does not use the extensive financial statements, no external verification is carried out.

International Public Sector Accounting Standards 20 requirement on related party disclosures⁶²

133. As UN-Women participates in the FDP administered by the United Nations Ethics Office, all its staff members who are FDP participants and are required to disclose their assets and liabilities, outside activities, and affiliations on an annual basis do so with direct submissions to the external service provider. Under International Public Sector Accounting Standards (IPSAS) 20, all key management staff are required in the context of the annual financial statements of UN-Women to disclose the name(s) of any close relative(s) who receive(s) any remuneration or compensation from UN-Women.⁶³ These submissions are sent to and reviewed by the Chief of Accounts, Finance Section, and retained for review by the United Nations Board of Auditors. At WIPO, a financial disclosure form is available, with additional elements that cover the requirements of IPSAS 20. UNAIDS and UNFPA reported the same. Such disclosures concern only the key management personnel.

134. By contrast, the IMF financial disclosure programme has more than 800 participants and it applies in the same way to all, including elected officials, and is not public. The programme is outsourced to an external service provider⁶⁴ and is based on an online tool. The service provider reviews flagged areas in the annual statements, namely holdings in countries and time frames. The rule is that staff should not be active in locations where IMF has interests. During one full cycle, only 10 matters out of 800 submissions were referred.

135. In the opinion of most Ethics Officers of the United Nations system interviewed for the present report, the financial disclosure programme presents two main flaws. First, it is unclear in terms of how efficient it is at detecting small disclosures and secondly, it should target a smaller group of participants. Furthermore, there are no or only rare and random compliance checks in terms of the accuracy of the information provided. In general, the organizations using such programmes rely on the integrity of employees, who must certify that the information disclosed is true, correct and complete to the best of their knowledge and belief, and to acknowledge that incomplete or incorrect completion of the questionnaires could be considered misconduct. The direction for the future is to have a conflict of interest declaration for everyone before they are hired and an annual self-declaration thereafter. Ethics Officers would only look at those declarations to check against certain actions, which is an important procedure before recruitment.

136. Participants of the financial disclosure programmes are placed on an honour-based system, and are expected to provide truthful and complete information. The UNDP and UNESCO Ethics Officers stressed that their current financial disclosure programmes were based on an honour system. Despite their financial focus, they do not target the unjust and illicit enrichment of the participant, unless such screening is required because of suspicions of wrongdoing. UNIDO views it as a measure to mitigate the risk for organizations and increase the possibility for staff to be held

⁶² International Public Sector Accounting Standards (IPSAS) are issued by the International Public Sector Accounting Standards Board.

⁶³ The staff concerned are those at the level of Under-Secretary-General/Executive Director, Assistant Secretary-General/ Deputy Executive Director and all officials at the D-2 level.

⁶⁴ KPMG.

accountable if they engage in fraud or other misconduct. The IMF Ethics Officer is also of the view that the organization has to make sure that the financial disclosure programme remains relevant. Its purpose is to identify conflicts of interest in order to resolve them. It was not built to be a fraud catcher. Bearing in mind how fast the world develops, Ethics Offices should make sure that adequate and pertinent questions are asked, so that conflicts of interest can be identified in a fast-changing environment.

137. The World Bank Group financial disclosure system is based on trust, as it is a transparency-based system. It can be effective for one objective and ineffective for another. The Bank reminds its staff annually that they need to declare conflicts of interest, in case they have failed to do so. According to the Bank it is effective if seen as a “pedagogical exercise”. However, it is ineffective as an anti-corruption tool, as there is no verification process. It may have an impact on the prevention of corruption, but it cannot be utilized for the identification of corruption given that nowadays it is easy not to declare an asset, as assets can be invisible.⁶⁵ Fraud schemes cannot be spotted by declarations of interest. Only bank transfers could indicate the existence of hidden bank accounts. Identifying conflicts of interest is the difficult part, as the right questions have to be asked. The EBRD Chief Compliance Officer admits that the programme relies on the truthfulness and responsibility of participants in the programme. Although lying on the form constitutes a breach that can lead to disciplinary action, the intention of the whole exercise is not to catch the liars. In the opinion of the interviewees, recording information on the bank accounts and assets that officials have disclosed in their statements does not help even in the context of an investigation.

138. The UNICEF financial disclosure programme has now reached its eighth year of operation and continues to be seen as an important tool for fostering a culture of integrity. However, officials of the Office of Internal Audit and Investigation stated that the programme should be fine-tuned. They should rethink who should participate, what level should be included and how the best results could be achieved. The present UNFPA programme is influenced by the IDB programme, in which reviews are tailored to disclosure of assets pertaining to its mandate.

139. In some United Nations system organizations, the confidential statements or declarations may be shared only if the participant allows it. In the opinion of an Ethics Officer it would better serve the organization if it was left to the discretion of the ethics function to judge whether there was a legitimate need for statements to be shared or not. The UNESCO declarations, which are considered official documents, may become available upon request for the purposes of an investigation. The interviewees from the Internal Oversight Office described the current programme as a non-invasive one, given the nature of the organization. The participants of the UNESCO programme have to declare only those assets related to conflict of interest, while in multilateral financial organizations, such as the World Bank, the financial aspects covered by such declarations are broader and require much more detailed information.

140. The UNESCO Ethics Adviser stated that the focused approach taken by other United Nations specialized agencies could not be implemented in UNESCO, as it required follow-up that the Organization could not afford owing to lack of resources. Furthermore, to her knowledge, outsourcing the verification of such declarations costs on average \$300 per declaration and only about 3 per cent of the declarations are verified. In her opinion, it is both a matter of both proportionality and cost, as the expenses of the programme go beyond reasonable limits. The verification results do not justify such an expense, as the examination indicates a potential conflict of interest in only 25 per cent of the cases examined. The UNFPA Ethics Office is reviewing the financial disclosure programme and policy to ensure it continues to be fit for purpose.

141. Although it was stated that it was important to get recommendations on the programme, because there are a lot of questions on how the process works and other technical issues, the present review had a much broader scope on conflict of interest. The financial disclosure programme is under discussion at both the Ethics Panel of the United Nations and the Ethics Network of

⁶⁵ For example, registered in fiscal havens as the property of off-shore companies.

Multilateral Organizations. Both forums involve the top experts on the topic and should take decisions based on results and conclusions from their empirical experience. The Inspector took note of the soft recommendation in the 2016 JIU report on fraud that recommended a review of the programme.⁶⁶

142. The implementation of the following recommendation is expected to enhance effectiveness:

Recommendation 3

The governing bodies of the United Nations system organizations should request the executive heads of the organizations to prepare a detailed report on existing financial disclosure programmes and propose any changes to the rationale and scope of those programmes that are needed to increase their effectiveness.

D. Awareness of trends of sanctions

143. The Office of Legal Affairs represents the Secretary-General in all cases before the United Nations Appeals Tribunal, including those in which the disciplinary sanctions imposed by the Secretary-General for misconduct involving conflict of interest are contested. The unit within the Office that is primarily responsible for providing legal services regarding conflict of interest is the General Legal Division. They also advise on complicated cases, where the line between legal and ethical is “blurred” and the United Nations Ethics Office cannot handle them by itself.

144. The jurisprudence on conflict of interest of the United Nations Dispute Tribunal and the United Nations Appeal Tribunal is too amorphous: thus, tracking cases related to conflict of interest and relevant issues as a separate category of cases is not automatic. However, when the United Nations OIOS investigates such cases, it identifies them as a separate category and maintains relevant statistical data. The United Nations administration deals with tracking systemic issues, including conflicts of interest. The management evaluation unit that is in charge of management evaluation reviews, as an autonomous part of the United Nations Department of Management, studies patterns and trends in bad management decision-making, compiling and publishing a collection of lessons learned that also tracks conflicts of interest and related cases. The Administrative Law Section of the Office of Human Resources Management is in charge of putting together the report of the Secretary-General on the practice of the Secretariat in disciplinary cases, which is seen as a deterrence tool, as it is a showcase of the sanctions that are imposed on certain types of conduct. Its Appeals Unit is responsible for both preparing and managing the disciplinary cases brought by staff against the Secretary-General before the Dispute Tribunal. In general, all officials view conflict of interest as a seed or an offspring of fraud and corruption cases.

145. Many United Nations organizations publish an annual report on how they handle the sanctioning of wrongdoing and although they are not specifically dedicated to conflicts of interest, they include relevant cases and allegations that have been investigated and resulted in sanctions. The relevant UNFPA circular is made available internally and externally on the UNFPA website.⁶⁷ The annual circular published by the UNDP Administrator on cases of allegations of misconduct, includes conflict of interest involving staff members, non-staff personnel, vendors and partners. When it comes to conflicts of interest, according to the Ethics Officer, people do not see the obvious facts. Conflicts of interest may appear in myriad situations: they may concern honorariums, hospitality, publishing, teaching, etc.

146. The human resources function at UNHCR, as at many other organizations, issues an annual report updating all staff members at headquarters and in the field on disciplinary matters, including on conflict of interest cases. According to one Ethics Officer interviewed, many people do not

⁶⁶ JIU/REP/2016/4.

⁶⁷ See www.unfpa.org/admin-resource/practice-unfpa-cases-allegations-misconduct.

declare their interests. Of the 237 requests for advice received by her office in 2016, more than half of them (141 requests) concerned conflict of interest. WFP reported that the misconduct cases that concerned conflict of interest represented 20 per cent of the overall caseload, in relation to which WFP imposed disciplinary sanctions in 2016.

147. The UNIDO Office of Legal Affairs has dealt with a couple of disciplinary cases involving procurement staff. The Legal Officer interviewed for the present report referred to a judgment of the ILO Administrative Tribunal as a good example of how UNIDO decides on projects and which legal arguments it uses when staff members do not disclose close relationships. In the specific case, a staff member was dismissed for having omitted to disclose beforehand a relationship in a procurement case.

148. WIPO provides information to its staff on disciplinary matters. An information circular is issued every year, which specifies the disciplinary measures that were applied to staff in the previous year and provides a summary of each case. In addition, a general report is also issued on all cases processed through the internal justice system, which provides information on the number of disciplinary cases opened and closed in the previous year.

Other initiatives

149. The CEB recommendation for establishment of independent confidential ethics advisory services, as mentioned in paragraph 56, emerged after the completion of the report issued in the framework of the institutional integrity initiative launched in 2012, led by UNODC, aimed at examining how the integrity rules and regulations of the members of CEB could be aligned with the principles of UNCAC,⁶⁸ so that the United Nations system organizations send the signal that all of them strive to abide by the same standards that their member States had set for themselves. The United Nations responded by introducing the anti-fraud and anti-corruption framework.⁶⁹

150. When the anti-fraud and anti-corruption framework was introduced,⁷⁰ a synergy between the Ethics Office and OIOS, with the collaboration of the Department of Management led to the development of a guide on fraud awareness and prevention entitled “The 2016 leadership dialogue guide”.⁷¹ This publication provides guidance and preparatory material for both leaders and participants engaging in an interactive dialogue on the theme “Fraud awareness and prevention: how do I fit in?” The guide explains the role that the disclosure of conflict of interest plays in preventing fraud, as one of the six prevention measures for fraudulent acts foreseen in the new framework.

151. At UNHCR, there is also a global interactive dialogue on ethics through a mandatory annual code of conduct session; officers go on a retreat to review the code with workshop facilitators. An annual theme is decided after collaboration between various actors. The 2016 theme was fraud and also covered conflict of interest. The annual workshop is a joint effort: the UNHCR ethics office connects with the UNHCR learning centre in Budapest, the diversity adviser, the staff welfare section and workplace advisers with an ethics agenda. The UNHCR code of conduct came into force in 2004 and the Ethics Office was created in 2008; the Legal Affairs Service was already involved in refresher sessions on the code of conduct. There are surveys on what staff members think about the annual quotes and themes. This process implies that the survey is not just a “box ticking

⁶⁸ The Institutional Integrity Initiative: Practicing what we preach: The relevance of the United Nations Convention against Corruption to the UN System (2015).

⁶⁹ See the illustrative example of the Australian Independent Commission against Corruption toolkit, “Managing conflicts of interest in the public sector” (2004), available on www.integrity.qld.gov.au/assets/document/catalogue/icac_info_sheets/Managing_conflicts_of_interest_in_the_public_sector_-_toolkit.pdf.

⁷⁰ See ST/IC/2016/25.

⁷¹ The “leadership dialogue” programme is an annual one-hour manager-led discussion about ethics and integrity issues, which has been running since 2013 in all duty stations of the United Nations Secretariat.

exercise”, but the participants are actively engaged and involved in the selection of the ethical question to be discussed at the next session.

152. At IAEA, the oversight office started inserting questions on ethics, including conflict of interest, when assessing candidates for posts. The replies on the ethical part of the assessment play an important role in the selection process for candidates. The Office of Audit and Investigation Services of UNFPA introduced the same practice in 2012.

V. POLICIES

153. As explained in chapter III on the landscape of programmes, policies are issued to guide staff members in detail on how they should behave when undertaking particular activities. Policies are developed to enable staff members to detect, avoid and/or remedy by themselves the most usual and easily detectable situations of conflict of interest, or provide information about where staff members should look for assistance.

Approval of parallel employment or outside activities

154. The United Nations organizations encourage officials to acquire new skills and knowledge that are of benefit both to the officials themselves and to the institution. However, engaging in commitments in parallel to the commitment vis-à-vis their organizations, staff members risk facing a conflict of commitments that may be further converted into a conflict of interest. All relevant policies reviewed echo the specific provisions of the ICSC standards of conduct for the international civil service.

155. The image and reputation of United Nations system organizations depends on the conduct of its personnel. Staff members, in particular, are expected to devote their time and energy to the work of their organizations. Engagement in employment and activities outside the Organization, paid or unpaid, may interfere with that expectation. More importantly, such external activities may be incompatible with the status of officials of the United Nations system, or in conflict with the interests or objectives of the respective organization. For these reasons, outside activities are not permitted unless prior approval is given by the administrator or a designated representative.

156. At UNDP, staff members must first submit to the Ethics Office a form requesting approval of an outside activity, including as much detail as possible about the proposed activity. The Ethics Officer reviews and vets the form submitted for approval of the activity. The request for approval of an outside activity should be submitted to the Ethics Office well in advance of the proposed activity. That is especially critical when a request requires consideration and a review of material to be published. As the Ethics Office may not have the necessary expertise in the subject matter concerned to conduct a technical review of the material, it may need to be referred to an expert in that subject matter at UNDP for proper review. The Ethics Office will vet the outside activity for potential conflicts of interest and provide a recommendation for approval or denial, along with applicable advice and controls. If approval is recommended, the staff member must then submit the form, together with the guidance provided by the Ethics Office, through his or her supervisor to the Director of Human Resources. The supervisor must always be informed of, and concur with, the proposed activity. In accordance with their obligations not to be involved in any activities that are incompatible with their UNDP status, or that could reflect adversely on the United Nations, service contract holders, United Nations Volunteers and other non-staff personnel are also required to seek and obtain approval prior to engaging in outside activities.

157. The UNFPA Division of Human Resources makes decisions on outside activity requests, in particular with a view to determining whether undertaking the requested activity would constitute a conflict of interest. According to the UNFPA Legal Officer, the review carried out by the Director of Human Resources is twofold: looking both at the legality of the activity and the interest of the organization. In its assessment before approval of the activity, the Division of Human Resources relies on the Ethics Office, which also reviews such requests. The Ethics Adviser is open-minded regarding activities outside UNFPA. The key element when staff undertake an outside activity is about not being “seen as biased”. For example, when a staff member gets an invitation to teach unpaid at a university, it should be checked if the university is interested in the staff member’s work or has other interests, for example, a university that gets funding from UNFPA as an implementing partner may seek to influence the staff member in its favour through such an invitation, in order to keep the funding.

158. The IAEA Ethics Adviser reviews requests for advice by staff members regarding their undertaking of outside activities, including participation in conferences, especially those organized

by private sector service providers. The key element for assessing such requests is to balance the interests of the Agency and that of the staff members, given their seven-year career limitation. The Ethics Adviser takes into consideration that the staff members need to stay in touch with their milieu to remain employable when their term ends and they leave the Agency. The criterion for allowing an outside activity is whether it will benefit the Agency and keep staff members up to date with relevant knowledge.⁷²

159. Staff representatives stated that they needed role models demonstrating ethical behaviour and the absence of conflicts of interest at the top. They mentioned the case of senior officials campaigning for political posts with their Governments while serving with their respective organization or vice versa. Devoting time and energy in a campaign takes time away from normal duties. Executive heads and top managers should therefore resign from office once they get involved in a national or supranational election campaign of any kind. Some staff representatives argued that such outside or political activities of top management should be pursued in the same way that staff members are pursued for activities in parallel to their duties that may compromise them.

Handling gifts, honours, awards, favours or remuneration

160. The acceptance of an honour, decoration, favour, gift or remuneration in connection with official duties may give rise to a real or potential conflict of interest, as it may be seen to create an obligation. As a rule, staff members cannot accept such benefits from any governmental sources. However, when the rejection of a gift offered by a Government would be seen as embarrassing to the organization, its staff members may accept it, but must entrust it to an official designated by the executive head of the organization, so that it becomes its property, either to be retained or disposed of. Likewise, staff members cannot receive honours, gifts or benefits from non-governmental sources without prior approval. Small gifts of a social or customary nature from non-governmental sources are normally acceptable, but must be reported to the designated representative. Even after receiving approval, staff members should always be mindful not to create an impression that a benefit could improperly influence their professional actions or decisions. However, most organizations have a complete prohibition of even de minimis gifts from vendors and partners and those who are seeking to become vendors.

161. The United Nations Office at Vienna has established an electronic official gift registry accessible by all staff members, who may immediately register any gifts received. The head of the General Services Section is the custodian of the gifts, which are kept in the gifts safe room, as staff members are not allowed to keep them. The gifts are auctioned through a lottery and the funds raised go to the United Nations Memorial and Recognition Fund, which similar to the practice at United Nations Headquarters. WFP has maintained a gift registry through the Ethics Office since 2009. In 2017, it created an online gift registry accessible by WFP employees organization-wide through the portal. WFP does not have a de minimis amount for reporting or retaining gifts.

162. Due to the absence of a gift registry or a clear policy on the value of gifts allowed, this issue has become a source of concern for UNESCO. Gifts exceeding a nominal value of 100 Euros are not permitted. The human resources unit is the primary office dealing with gifts. After the introduction of the code of ethics in 2008–2009, human resources noticed an increase in requests for advice on the receipt of gifts. Staff members did not understand that they should decline gifts on the basis of the staff rules and regulations. If they accepted gifts, they should do so on behalf of the organization, but if they wished to keep the gift they could buy it from the organization. The code of conduct and the training course on ethics offer examples regarding the receipt of gifts and awards, whether monetary or honorary.

163. The common practice at IMO of accepting gifts from external parties led to the human resources function keeping a registry of gifts. Interviewees reported that the new policy on gifts that was introduced in 2016 did not mention any values regarding gifts. Even the 2012 procurement

⁷² In accordance with the provisions of IAEA Staff Rule 1.05.2 (A) (2).

manual was not clear on the subject because, when it was drafted, there was no ethics function at IMO. This point will be taken into consideration in the upcoming revision of the manual. At IMO, personal awards should be turned down.

Favouritism and nepotism

164. As international civil servants, staff members of United Nations system organizations should be impartial and objective in carrying out their duties. Officials should not use their office or knowledge gained from their work to favour family members or friends. Nor should they prejudice the position of those colleagues or clients whom they may dislike. In recruiting staff or consultants, they should always seek the candidates best suited for the job. They must not hire or supervise immediate family members, though the organization permits the hiring of spouses in another separate work unit. They must also exercise special care in any decision-making or selection process involving friends or others with whom they have a close relationship that may bias their judgment. Disclosure and recusal in such situations will help staff avoid giving the impression or practicing favouritism and nepotism.

Post-employment and the “revolving doors” phenomenon

165. Post-employment restrictions concern specific categories or level of staff. Heading functions such as ethics, inspection, and oversight is term-bound – at Director level – to avoid conflicts of interest during the service in promise of future gain.

166. At UNICEF, the supply code of conduct contains a specific provision on the post-employment restriction and obligatory two-year cooling off period of separated procurement staff before joining a UNICEF supplier. The suppliers are made aware of the relevant restriction, as it is part of the standard supplier contract, and it is stressed at all meetings/briefings for suppliers organized by the procurement function. Nevertheless, in both the UNICEF human resources manual and the UNICEF employment contract template no mention is made of this obligation. There have been a few cases in country offices where companies were disqualified when it was discovered that they had hired former UNICEF staff members without respecting this restriction.

167. The UNFPA policy on post-employment restrictions that applies to all staff participating in the procurement process is in line with that of the Secretariat.⁷³ The rationale is to ensure independence of action and judgment on the part of staff. The specific restriction on the Directors of the Evaluation Office and the Office of Audit and Investigation Services (time-bound tenure and barred from working for the organization in any capacity thereafter) is included in the oversight policy, the evaluation policy and the charter of the Office of Audit and Investigation Services).

168. UNESCO applies the relevant ICSC standards of conduct, which stipulate that after leaving service with organizations of the United Nations system, international civil servants should not take improper advantage of their former official functions and positions; nor should they attempt to unduly influence decisions of the organization in the interest or at the request of third parties. Moreover, two administrative circulars, published in 2009 and 2017 respectively, set out general conditions for the employment of retired staff members and update the provisions concerning the hiring and remuneration of those in receipt of a pension benefit from the United Nations Joint Staff Pension Fund, taking into account the practices within the United Nations common system.⁷⁴

169. The Director of the Office of Procurement Services at IAEA reported that her office and staff avoid every perception of conflict of interest. For example, when procuring consultants, they would never hire a person previously employed by a supplier company to evaluate that same company on behalf of IAEA within the first year following the end of his or her employment with the company under evaluation. Likewise, a former IAEA staff member cannot be hired by a vendor that operates in the same technical area, within the first two-year period following the end of his or her

⁷³ See ST/SGB/2006/15.

⁷⁴ UNESCO N. 2333 (2009) supplemented by UNESCO AC/HR/57 (14 June 2017).

employment with the Agency. While respecting the right to employment of former staff members, this regulation aims to avoid creating a competitive advantage for companies. The two-year “cooling off” period is also required of former IAEA staff starting up a privately-owned company and planning to participate in procurement actions with IAEA.

170. Staff who participate in the procurement process are restricted in certain types of activities when they leave the United Nations employment. That includes staff who resign, retire, or whose contracts are terminated. The Secretary-General’s bulletin lists activities that constitute “participating in the procurement process”, including, inter alia, identifying potential contractors and vendors, and involvement in the contracting process.⁷⁵ WIPO does not foresee any restriction of employment for former consultants. There is an example of a former WIPO consultant working for a vendor, who not being subject to the staff rules and regulations as a contractor did not breach any of them by accepting the work after he completed his consultancy with WIPO. Furthermore, at WIPO there is no contractual clause that prohibits staff from working for a competitor.

171. Former United Nations staff members who have participated in the procurement process may not seek or accept employment with any United Nations contractor or vendor for a period of one year following separation from service. There are also restrictions on lobbying the United Nations for a period of two years for former staff members who took part in the procurement process. In-service staff members involved in the procurement process are additionally required to refrain from soliciting or accepting offers of future employment from any United Nations contractor or vendor. If such an offer is received, staff members are required to report the incident and recuse themselves from any further dealing with that contractor or vendor.

172. In general, according to the UNIDO procurement manual, separated staff members may not be part of companies involved in the UNIDO procurement process. For example, an expert who drafts the terms of reference of a project cannot be employed by a bidding company. In addition, the procurement service makes presentations to evaluation groups and beneficiaries at which the issue of conflict of interest is stressed. The topic is included in all instructions given and briefings addressed to suppliers before they start working with UNIDO.

173. The conclusion of the ICSC standards of conduct reads: “For their part, member States are expected, through their allegiance to the Charter and other constituent instruments, to preserve the independence and impartiality of the international civil service.” Recent research on public administration that includes the situation of staff in international organizations argues that a specific type of such conflict, the one between national and supranational interests, represents a substantive issue nowadays.⁷⁶ The research voiced concerns among both practitioners and scholars about the ability of international organizations to remain neutral playing fields with a homogenous administrative body, namely the International Civil Service. The phenomenon of “revolving doors” (namely the easy passage of staff from national and/or international public sector positions to jobs in the lobbying world and the private sector and vice versa) has been examined by OECD and some leading non-governmental organizations (NGOs) over the last decade.⁷⁷ In the context of organizations in the United Nations system, the issue is the potential for conflict of interest that arises when a delegate representing a member State on the governing body that is entrusted with the oversight of an organization becomes a staff member of the same organization. In UNESCO, a delegate that serves as a member of the governing body has to observe a cooling-off period of 24 months before becoming a staff member.

⁷⁵ ST/SGB/2006/15.

⁷⁶ Valentina Mele, Simon Anderfuhren-Biget and Frédéric Varone, “Conflicts of interest in international organizations: evidence from two United Nations humanitarian agencies” *Public Administration*, vol. 94, No. 2 (June 2016).

⁷⁷ OECD Expert Group on Conflict of Interest, *Revolving Doors, Accountability and Transparency - Emerging Regulatory Concerns and Policy Solutions in the Financial Crisis* and Transparency International Studies in EU.

174. The revolving doors phenomenon experienced by UNFPA involves the back and forth of individuals from UNFPA to NGOs that are engaged as UNFPA implementing partners. In the 1970s, the United Nations was the main player in the humanitarian and development fields, while nowadays there are many actors, including NGOs, and the mobility of personnel between these actors can raise the risk of situations of conflict of interest. For national officers, more dilemmas appear when they need to do the right thing, namely to properly implement the projects of their organization while under pressure (programmatic, political, and financial). There is a conflict of interest when individuals of this type of personnel expect to return to their national civil service. In some organizations, such as UNFPA, where Assistant Representatives of UNFPA country offices tend to be nationals of the host country where they operate, there is room for multiple conflicts.

175. The picture looks different in some organizations outside the United Nations system. In OECD, for instance, a cooling-off period of 12 months is required both for diplomats serving as members of the Council who want to join the Organization as staff and staff members wishing to sit on the Council as representatives of their Governments.

176. OECD also pointed out that, because of the nature of its mandate, the Organization operates in a field that needs constant renewal. However, there should be some limits to the excessive coming and going of some staff members to and from the private sector. Outside experts join the organization because they want to work on substantive issues to improve their skills and learn about confidential issues in their field of expertise, since OECD covers many sectors (justice, police, education, etc.). For the last two years, the human resources function has been working on an internal policy that will introduce a confidentiality provision, which will expand disciplinary measures to former staff members. OECD believes that this will put a limit on the constant exchange of roles.

177. Conflict of interest is considered to be a thorny issue in other international organizations as well. With regard to post-employment restrictions in particular, there is neither monitoring of any periods during which some or all types of employment are restricted (cooling-off periods) following a staff member's separation from an organization, nor are there consequences for former staff when such periods of restriction are not respected. Legal officers are aware that there is no legal basis for enforcing such restrictions upon former employees.

178. According to all the statements collected during the present review, no United Nations system organization currently has the legal power to enforce any post-employment restriction set out in the relevant policies. The organizations have no means of monitoring the activities of retirees or separated staff members, experts and consultants, once they are away from the organization. That lack of monitoring and enforcement of any prohibition results in the fact that there are no consequences for the retiree or separated staff or non-staff members who engage in prohibited activities before the expiry of the cooling-off period following their separation. Obliging staff and non-staff members to sign such a clause would give leverage to legal action against anyone found to have breached it.

179. The implementation of the following recommendation is expected to enhance the compliance and accountability of personnel across the United Nations system, at no cost.

Recommendation 4

Executive heads of the United Nations system organizations, who have not yet done so, in consultation with the Legal Network of the United Nations system organizations, should take the necessary steps to introduce, by December 2019, adequate legal clauses in contractual agreements with their staff and non-staff, as appropriate, binding them to the period of restriction set for their function that prohibits them from engaging in clearly defined post-employment activities for the duration of that period of time.

VI. TRAINING

Basic training courses on ethics: mandatory and optional

180. The literature suggests that workplace ethics training is highly recommended for fostering a trustworthy working environment. In both the private and public sectors, many employees have a general sense of right and wrong, but may not sufficiently understand the legal intricacies of their job to identify and not engage in unethical activities. Additionally, there is sometimes confusion about the often subtle differences between illegal and unethical behaviour. Proper training helps keep staff members informed, while hopefully preventing errors of judgment that cast a negative light on their organization. Ethics and compliance experts work on creating employee-focused interactive courses that teach employees how to recognize and avoid conflicts of interest in the workplace, whether they are personal, financial, or family-related interests.

181. A training programme on ethics helps to focus the attention of staff members on personal responsibility. They are taught that they are expected to deal fairly with everyone and to work to the best of their ability. The organization becomes more secure because staff members are reminded of their responsibility to treat colleagues, third parties and the assets of the organization with respect. Training staff members on professional ethics is an excellent way of setting standards of conduct and teaching staff the importance of integrity in the United Nations system. Moreover, ethics training constitutes an anti-fraud measure in line with an international study concluding that the main aim of ethics training programmes for public officials is to prevent corruption and to provide good public service.⁷⁸ That conclusion applies also to international public service officials, including United Nations system staff, promoting ethics training as an important element of the anti-fraud framework. In particular, training courses on conflict of interest aim to equip staff members with tools to deal with such situations, especially when facing an ethical dilemma while carrying out their routine duties.

182. In the last few years, in order to strongly encourage staff members to reflect on ethics upon practice and consider how ethics assimilates with the performance of their duties and role as international civil servants, most United Nations system organizations have opted to introduce mandatory training courses or to upgrade the already available basic training course on ethics in their organization from an optional to an obligatory one.

183. In 2014, in order to strengthen staff awareness of ethics and integrity, the Secretariat launched a new online training course entitled “Ethics and integrity at the United Nations” which became mandatory for all staff members. The new course, which was described as a refresher course, has in fact replaced both the online ethics training course and the instructor-led workshop, and is available through Inspira in English and French. However, completing the online course was proven to be challenging at the field level owing to a lack of stable and continuous internet connectivity and the lack of multilingualism of its modules.

184. In addition to the module on conflict of interest in the course, the United Nations Ethics Office took the lead in developing a new online training course entitled “Preventing fraud and corruption at the United Nations”, an online training course which also includes a section on preventing conflicts of interest and is expected to become mandatory in the future. This was done in recognition of the fact that the risk of fraud or corruption in the United Nations is increased when officials put their own personal interests ahead of the interests of the Organization and/or misuse their official United Nations authority. UNDP has developed a stand-alone online training module on avoiding conflict of interest that supplements the mandatory training course on ethics and integrity at UNDP and yet this module is voluntary.

⁷⁸ OECD Anti-Corruption Network for Eastern Europe and Central Asia and SIGMA, “Ethics training for public officials” (March 2013).

185. The Inspector also consulted multilateral organizations which are not participating organizations of JIU on their current practices in ethics training. For example, he learned that ethics is part of the OECD induction training that has been developed in-house and there is a follow-up every year. Likewise, the face-to-face course on ethics is part of the induction training of every staff member joining IMF and it has to be completed within the first 60 days of service. Its sessions take place monthly. Training at the World Bank Group has so far been conducted only face to face. A new, more elaborate and electronic version of the mandatory training course on ethics was planned for release at the end of 2017.

Best practice to increase attendance and compliance rates for mandatory training

186. Data concerning the completion of the training course on ethics and the respective certification in those United Nations organizations where staff members are required to successfully complete it as one of their obligations, indicate that the attendance and compliance rates may be quite uneven and differ significantly from one organization to the other. In the United Nations, although the mandatory online training course on ethics is self-administered and easily accessible for free to each and every staff member from his or her desk, wherever the Organization carries out its mandate and operations, at any time of the day, all year long, its attendance rate does not reach even 50 per cent of participation.

187. This low rate of non-completion of the mandatory course, despite the repeated reminders broadcasted on the United Nations intranet and distributed by email to each and every staff member all over the globe, is not followed up by the human resources services, which have been entrusted with rolling out the course. Interviewees from the competent departments commented that they saw no red flag when assessing the results of participation. Given that certification rates are as high as almost 100 per cent of the staff in other organizations of the United Nations system (see attachment III), the Inspector would like to alert the human resources functions of the Secretariat and draw their attention to the comparatively low rate of success of their course. The current attendance indicates that more than 50 per cent of United Nations staff members have neglected to be educated on how to detect, avoid and resolve situations of conflict of interest. The competent services need to plan how to create incentives for optimization of this primary awareness tool. The Inspector noted that motivating staff members to complete the course and monitoring the attendance scores could be easily done without incurring any additional expense.

188. Some staff representatives from the United Nations system consider that the online training course on ethics is not very efficient, as participants can skip the explanatory text and go straight to the test. They observed that the course could be completed without learning, by repeating the questions in the modules and taking note of or memorizing the correct replies to the multiple-choice questions just to pass it and obtain the certificate. In their view, the course should be designed in a way that prevents personnel from ignoring the substantive part of the course, which would result in just ticking off a box that they have passed, without having absorbed the required knowledge it offers. Staff representatives pointed out the language constraints, as online courses are not available in all official languages, resulting in local staff not fully comprehending the substance of the training material and remaining unaware of policies related to conflicts of interest.

189. The implementation of the following recommendation is expected to enhance the control, compliance and accountability of staff members across the system, at no cost.

Recommendation 5

Executive heads of the United Nations system organizations, who have not yet done so, should take the necessary steps, no later than the end of December 2019, to: (a) ensure that all staff members, irrespective of their level and grade, successfully complete the initial and periodic mandatory ethics training course and obtain the respective certification; (b) link certification of the required ethics training course to the annual staff performance appraisal cycle; (c) include ethics training in the induction training of non-staff, including refresher courses after service intervals, as appropriate.

Additional training courses on ethics

190. Several United Nations system organizations, including UNDP, UNFPA, UNHCR, UNICEF, UN-Women, UNESCO and UNIDO, offer additional ethics courses and workshops on ethics. The UNDP Ethics Office also offers an in-person workshop on ethics to about 1,300 staff and service contractors each year. The workshop addresses conflict of interest in great detail and opens up to a global audience, far beyond UNDP staff, including non-staff and attendees from other United Nations system organizations. In addition, the UNDP Ethics Office undertakes ethical leadership training in various UNDP business units and country offices, including staff in country offices of other United Nations agencies and external partners. Leadership training courses are tailor-made to train leaders in handling challenging ethical situations specific to their region and to mitigate or prevent identified risks. UNESCO has made this type of training compulsory for all its senior staff, as it includes specific training on conflicts of interest from a leadership perspective and the importance of the “tone at the top” in that regard.

191. The UNICEF Ethics Office provides training and outreach through a variety of means, such as mandatory online training, in person training and training over skype and webinars. Divisions at headquarters address prevention of conflicts of interest in training and guidance, specific to business areas, which set out the principles and standards staff members are expected to follow when undertaking UNICEF business. The UNHCR Ethics Office has developed plans to work in the future with staff members serving as “ambassadors of good practices”, based on a profile that they have developed, including requirements that staff members should fulfil in order to play such a role and facilitate refresher training courses. Those plans, in which staff from the internal innovation section were closely involved, exclude new manuals and focus on a more dynamic ongoing exchange, so that trainees can stop, pause, reflect and change certain habits.

Training on ethics in procurement

192. In its report on fraud, JIU noted that because of the risk-prone nature of their work, it is the practice in some organizations that staff involved in procurement and contract management receive regular and targeted anti-fraud training.⁷⁹ In response to the growing demand for customized training for staff at all levels who participate in the procurement process, in the first quarter of 2008, the Secretariat launched a workshop on the theme of “Ethics and integrity in procurement”. Managed and hosted by the Procurement Division, the workshop is an online training module that is mandatory for all Procurement Division staff members and is recommended for other staff with procurement-related functions and responsibilities. The course, which was developed in-house, has codified and consolidated all procurement instruments and definitions, as well as practical examples. It is available free of cost to all United Nations system organizations and their procurement practitioners. UNHCR has also developed an in-house supply chain training and certification programme, which includes a component on conflict of interest pertaining to procurement.

193. Admitting that some jobs are more prone to conflicts of interest than others, UNDP offers specialized procurement training and certification to staff from United Nations system organizations, non-governmental organizations, international financial institutions and their borrowers, and Governments. Those courses are aimed at, but are not exclusively for, UNDP procurement practitioners and those at other United Nations system organizations. The courses are accredited by the Chartered Institute of Procurement and Supply of the United Kingdom of Great Britain and Northern Ireland and offer content at introductory, advanced and diploma levels (levels 2, 3 and 4). The courses are tailored to reflect common United Nations and public procurement rules, policies and procedures, offering a unique qualification system customized to United Nations and public procurement requirements. A portion of the training acts as a learning programme on conflicts of interest pertaining to procurement. The cost of that course is \$11,200 per person and is funded from the regular budget of UNDP for its personnel, on a cost-recovery basis.

⁷⁹ See JIU/REP/2016/4, paras. 145–150.

194. Three member organizations of the Ethics Panel of the United Nations (the United Nations, UNDP and UN-Women) have harmonized their main training courses on ethics in procurement, obtaining certification at various levels from the Chartered Institute of Procurement and Supply, while two other members of the Panel (UNICEF and UNHCR) take a different view of that training programme. **The Inspector suggests that the head of procurement at UNDP bring this issue to the Procurement Network of the CEB High-Level Committee on Management. In consultation with the Panel, the Network should decide whether this training and certification, including the module on conflict of interest, correspond to the expectations of practitioners across the system; contribute to educating them in avoiding and resolving conflicts of interest; and should be adopted by all United Nations organizations to ensure they are working to the same ethical standards.**

VII. THE WAY FORWARD

195. Working for the United Nations system organizations is synonymous with accepting that the individual is there to serve exclusively the interests of the organizations and to put aside personal interests of any nature. Nevertheless, conflicts of interest are inherent in everyday life owing to the plethora of ties and networks that individuals build around them. Staff members may themselves recognize when a situation creates a conflict between their interests and those of the organizations they serve. However, there are situations that may not be clear-cut or when staff members need support in judging their gravity and looking for ways to deal with them. The organizations of the United Nations system put a number of tools at the service of staff members to assist them in managing perceived, actual or potential conflicts of interest.

196. The present review indicates that the United Nations system organizations possess a solid basic regulatory background for explaining and simultaneously preventing and combating the genesis of conflicts of interest. The implementation of anti-fraud and anti-corruption frameworks that foresee also the elimination of conflicts of interest – irrespective if they constitute separate fraudulent acts or contributing factors to the main act – will gradually reinforce the normative landscape.

197. Preferential treatment as a result of close relationships or in exchange for favours, has many faces and dimensions, as it may be exercised from the recruitment of junior staff to appointments at the highest echelons of an organization. Decision-making on issues that have an impact on all aspects of life, in particular human rights, including the health and well-being of millions of people across the globe, may be influenced by the biased attitudes of staff members and also of non-staff members and experts.

198. The present report seeks to provide recommendations to enhance the commitment of staff members and personnel, before and upon appointment, and during service with the organizations of the United Nations system. Mandatory signature of appropriate clauses and acknowledging comprehension of codes of conduct will provide leverage to future legal cases against personnel who breach the rules. Taking mandatory initial ethics courses and refresher courses that include modules on conflict of interest and related topics, achieving high rates of completion and certification, ensures that personnel are aware of their obligations, can recognize situations of conflict of interest when they arise, and identify possible solutions for resolving them. Constant education is pivotal, as in many cases competent ethics staff are not physically accessible to provide face-to-face advice and support.

199. Lessons learned should be drawn for management to understand the root causes of failures in conflict of interest mechanisms and for personnel to be informed about misjudgement of situations made by their peers and supervisors that led them to interfere and get sanctioned for interfering with conflicts of interest and related activities. Management supported by legal services could use the jurisprudence of the internal justice systems of the United Nations organizations on the topic, by p all the elements of conflicts of interest cases included in annual disciplinary reports and bulletins. In that way, staff members and other personnel would understand and be able to avoid similar situations of conflict of interest. On the other hand, management should learn from established patterns how to prevent such risky situations from reoccurring. The Inspector concludes that this would be a good initiative, in combination with a closer collaboration of all the main actors in the field of ethics across the United Nations system.

200. The present review and the research on which it is based should not be viewed as a comprehensive project covering all aspects of conflict of interest in the United Nations system. It should rather be considered as a modest foundation on which further research will build in the future. The world is changing, in all aspects of life, sometimes at a high speed. The United Nations system has no choice but to go along with those changes. Only a decade ago, there was no such thing in the United Nations system as an ethics office and very little attention was paid to the ethics function. Over the last five decades, JIU has addressed many issues relating to the inspection and evaluation of administrative, financial and integrity issues but very few of its reports addressed the ethics function and none of them specifically tackled conflict of interest in the United Nations

system. It is in this context that the present review should be considered. It represents only one small building block in the greater architecture of the integrity structure in the United Nations system.

201. The following recommendation is expected to enhance control and compliance.

Recommendation 6

The governing bodies of the United Nations system organizations should, in exercising their oversight role on the accountability framework of their respective organizations, regularly monitor conflict of interest issues, including updates to relevant policies, administrative instruments and mechanisms.

**Annex I: Overview of actions to be taken by participating organizations on the recommendations of the Joint Inspection Unit
JIU/REP/2017/9**

		Intended impact		United Nations, its funds and programmes									Other bodies and entities						Specialized agencies and IAEA													
			CEB	United Nations*	ITC	UNDP	UNEP	UNFPA	UN-Habitat	UNICEF	UNODC	WFP	UNAIDS**	UNCTAD	UNHCR	UNOPS	UNRWA	UN-Women	FAO	IAEA	ICAO	ILO	IMO	ITU	UNESCO	UNIDO	UNWTO	UPU	WHO	WIPO	WMO	
Report	For action		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
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Recommendation 1		d		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E		
Recommendation 2		a		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E		
Recommendation 3		f		L		L	L	L	L	L	L	L	L	L		L	L	L	L	L	L	L	L	L	L	L	L	L	L	L		
Recommendation 4		a		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E		
Recommendation 5		e		E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E		
Recommendation 6		e		L		L	L	L	L	L	L	L	L	L		L	L	L	L	L	L	L	L	L	L	L	L	L	L	L		

Legend: **L:** Recommendation for decision by legislative/governing organ **E:** Recommendation for action by executive head

■ : Recommendation does not require action by this organization

Intended impact: **a:** enhanced transparency and accountability **b:** dissemination of good/best practices **c:** enhanced coordination and cooperation **d:** strengthened coherence and harmonization **e:** enhanced control and compliance **f:** enhanced effectiveness
g: significant financial savings **h:** enhanced efficiency **i:** other.

* As listed in ST/SGB/2015/3.

** For UNAIDS, action on recommendations 3 and 6, to be taken by its Programme Coordinating Board (see JIU/ML/2016/23).