



Phone +41 44 444 35 55
Fax +41 44 444 35 35
www.bdo.ch

BDO Ltd
Fabrikstrasse 50
8031 Zurich

Annual Report

February 13, 2017

From: Franco Monti

To: Mr. Bishar Abdirahman Hussein, Director General, UPU

Concerns: Annual Report of the Ethics Office to the Director General of UPU

Confidential

1. Introduction

The annual report of the Ethics Officer covers all activities and recommendations in 2016 of the Ethics Office at UPU. All activities and this report are in accordance with “Agreement for the provision of services related to the Ethics Officer” as agreed and signed by UPU and BDO AG, November 13, 2015.

2. Services Provided by the UPU Ethics Office

- 2.1. In 2015 UPU has decided to externalize the role of its Ethics Officer to an external service provider. The position is foreseen to provide the services rendered in accordance with the former ITU-T mandate with UPU. Following this decision, the International Bureau (IB) of UPU mandated BDO for reasons of neutrality and independence to provide the function of the Ethics Officer to UPU based on a restricted call for tenders. The aim of the Ethics Office is to help the Director General ensure that UPU staff act in accordance with their mission and carry out their duties in compliance with the highest standards of competence and integrity established in the United Nations Charter.
- 2.2. Under the agreement between UPU and BDO, the Ethics Office provides ethics services to IB personnel. These services include among others:
 - Direct the management of the International Bureau so that the rules, policies, procedures and practices of the Union reinforce and promote the qualities of integrity prescribed in the United Nations Charter
 - Provide staff with confidential advice and guidance on matters of ethics (e.g. conflicts of interest)

- In close cooperation with the supervisory and human resource services, act as reference body in efforts to make staff members aware of ethical standards and the conduct expected of them, and of the policies, strategies and programmes established for human resources development
- Specifically, for 2016 it was foreseen to roll-out a newly created training programme and awareness campaigns on ethics including the training of International Bureau staff in this area, in coordination with the Human Resources and Social Affairs Directorate and, where appropriate, with the other Directorates.

2.3. These services are provided in the following administrative contexts:

- 2.3.1. **UN Charter** as the foundation of all UNO, and hence, UPU staff to secure the highest standard of efficiency, competence and integrity
- 2.3.2. **UPU staff regulations and staff rules**, which provide the rules which govern the conditions of service and the rights and obligations of staff members of the International Bureau of UPU
- 2.3.3. **Code of Conduct** which reflects the traditions of public administration that have grown up in member States: competence, integrity, impartiality, independence and discretion
- 2.3.4. **Administrative Instruction No. 34** "Conflict resolution mechanisms related to discrimination, abuse of authority and harassment" as foreseen in its Section 6.6
- 2.3.5. **Administrative Instruction No. 35** "Protection of individuals who report misconduct and cooperate with duly authorized audits or investigations"
- 2.3.6. **Administrative Instruction No. 36** "Outside activities", supporting the Director General of IB as foreseen in section VI

The mandate for 2016 did not include the Financial Disclosure Program.

3. Administrative Matters Related to the Implementation of the Service Contract

- 3.1. Following the launch of the mandate for the Ethics Officer program the IB sent an announcement to the staff of UPU to communicate the new setup of the Ethics Office, the duties of the Ethics Officer and the importance to follow the rules, codes and administrative instructions related to ethical behaviour at UPU.

4. Activities of the Ethics Officer

- 4.1. In February 2016, the Ethics Officer participated on meetings with the General Director and senior staff of the IB to discuss the timeline to establish the ethics office in the new arrangement during 2016. It was decided to emphasize this year's activities on refreshing the knowledge of the UPU Staff on existing ethics regulations and administrative instructions.
- 4.2. During the Town Hall Meeting on March 29, the General Directorate introduced the newly appointed Ethics Officer to the staff of the IB at UPU. The General Director emphasized during that meeting the importance for all staff of the IB to keep highest ethical standards and independence in accordance with the UN charter, codes of conduct and administrative instructions at UPU. In that respect, he explained the role of the Ethics Officer and let him personally introduce to the staff.
- 4.3. On May 12, 2016, the Ethic Officer introduced his concept of "Ethics 2.0 for UPU" to the General Director and senior staff. The concept contains the corner points of the agreed definition for ethics

at UPU, distinguished between good and bad ethics and set the priorities of the ethics training and awareness program for 2016. The General Director asked the Ethics Officer, supported by HR, to elaborate a training for the entire UPU staff which shall be based on the concept “Ethics 2.0 for UPU”.

- 4.4. Between May and June, the Ethic Officer established a detailed training module which was targeted for all staff and the management of the IB at UPU. The training consisted of a formal part where all relevant regulations have been reiterated and a practical part during which the staff of IB worked in smaller break-out-teams on resolving a real-life case shown by a video before. The purpose of the training, as decided by the general directorate, should as well provide all staff the opportunity to discuss key elements of ethics at UPU and to engage actively during the training.
- 4.5. The pilot for the training was conducted on July 8 with the management of the IB at UPU which provided a perfect feedback to fine-tune the training for roll-out to the staff at UPU. It was as well decided to conduct two different trainings, one provided in English and a second one held in French, to best address the large quantity francophone staff at UPU.
- 4.6. On August 31, the ethic officer was invited to participate during the review of the management and administration at UPU conducted by the The Joint Inspection Unit of the United Nations system (JIU), Inspector Ms. Gönke Roscher. The purpose was to assess the mandates, structure and responsibilities of the governing bodies, the respective roles of the governing bodies and the secretariat, the ethics and accountability frameworks, as well as the policies, rules and regulations and their implementation at UPU.
- 4.7. During the period of November 1, 2 and 3 the ethic officer conducted the staff meeting as foreseen in English and French trainings to the staff of IB at UPU. Key topics where an increased interest could be observed, based on the discussions held during the training, where gift policy, mobbing, whistleblowing, conflicted independence and intercultural exchange and communication.

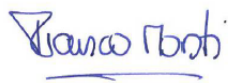
5. Ethical Incidents during the Period of 2016

- 5.1. During 2016 the Ethics Office did not open any ethical case at UPU. The Ethics Office was not aware of any ethical case happening at UPU in the period reported. The Ethics Office was contacted twice to provide confidential advice in personal issues of staff members. None of the incidents reported were related to issues which trigger an ethic case. Both cases consisted of operational issues between stakeholders at UPU which could be handled by the manager in charge or HR.

6. Challenges and Recommendations

- 6.1. Based on the discussions the Ethics Officer had with the staff of UPU during the training sessions it became evident to continuously and systematically reiterate the importance of our ethical frameworks during the interaction of the General Directorate with the staff. By that UPU has the opportunity to keep the ethical discussion up and running in the full awareness of its staff.
- 6.2. The Ethics Office gained the impression during the training, that there is a need to deepen the discussion with the UPU staff about existing rules in respect to accepting gifts. The hypothesis is that the duty to declare gifts during the annual financial review has been mixed up with the policy about not accepting any gift and to keep highest ethical standards of independence. It is recommended to the General Directorate to take appropriate measures next to assure clarification.
- 6.3. The Ethics Office experienced in certain circumstances difficulties for the UPU staff to understand how a potential ethical case in concrete terms would develop inside UPU and what exactly had to be done in such a situation. It seems that the administrative regulations at UPU need a hands-on, practical guide in addition to exemplify exactly the steps foreseen in the organization to engage the Ethics Office in case of an incident.

- 6.4. Given experiences gained during 2016, there is an opportunity for UPU to provide its member states with an in-depth foundation about ethical behaviour. This might turn into a value-added service for UPU towards its member states to offer training and technical expertise in reassuring understanding of the ethical duties of local staff. It is recommended to discuss this opportunity with the General Directorate of UPU to decide accordingly about next steps.

A handwritten signature in blue ink that reads 'Franco Monti'. The signature is written in a cursive style and is underlined.

Franco Monti, Ethics Officer UPU