

INTERNATIONAL RENEWABLE ENERGY AGENCY

Fourth meeting of the Council

Abu Dhabi, 12 – 13 November 2012

**Report of the Ethics Officer on the Implementation of the
Policy on Ethics and Conflict of Interest**

Note of the Director-General

1. The Assembly, in its decision A/2/DC/7 of 15 January 2012, adopted the Policy on Ethics and Conflict of Interest to ensure that conflicts of interest are identified and managed in a way that ensures broad public trust and confidence in the decision-making and operations of IRENA, and the highest standard of ethical conduct in IRENA's affairs and the protection of the reputation and integrity of the Agency.
2. Pursuant to paragraph 9.1 of the Policy on Ethics and Conflict of Interest, the Ethics Officer prepares a report on the implementation of this Policy on an annual basis. The report is given to the Director-General to comment upon before delivery to the Assembly.
3. The report of the Ethics Officer, which is set out in the annex to the present note, covers the implementation of the Policy on Ethics and Conflict of Interest and the launch of the Disclosure of Interest reporting for the period from the promulgation of the revised Code of Conduct and the Disclosure of Interest Form on 28 May 2012 to 30 September 2012.
4. The Director-General would like to commend the successful start of the Disclosure of Interest procedure and the activities commenced with respect to organizing future training on ethics issues in the Agency. The Director-General further extends full support to the Ethics Officer in achieving his objectives and concurs with the recommendations made in this report.

5. The Director-General submits the report of the Ethics Officer to the Council for its consideration and onward transmission to the Assembly.

**Report of the Ethics Officer on the Implementation of
the Policy on Ethics and Conflict of Interest**

I. Introduction

1. The Policy on Ethics and Conflict of Interest (“the Policy”) adopted by the Assembly in its decision A/2/DC/7 was promulgated on 14 February 2012 by directive ST/Directive/2012/4.
2. The Director-General on 28 May 2012 promulgated directive ST/DC/2012/11, the Disclosure of Interest Form, to implement staff regulation 2.7(b) and to implement the revised Code of Conduct promulgated by directive ST/DC/2012/10.
3. In the interoffice memorandum DG/OM/2012/H/2777 of 28 May 2012 regarding the implementation of the Policy on Ethics and Conflict of Interest, the Director-General appointed Ms. Kim H. Yap from the Human Resources Section as Ethics Officer. Mr. Armands Cakss, Chief Finance Officer, was later appointed on 30 August 2012 as Ethics Officer as per DG/OM/2012/H/3245, replacing Ms. Yap who left the Agency at the end of August 2012.

II. Areas of Responsibilities of the Ethics Officer

4. The areas of responsibility of the Ethics Officer are as follows:
 - a. Developing standards, training, and education on ethics issues, in coordination with the Office of Human Resources and other offices as appropriate, including ensuring periodic ethics training for all Covered Individuals¹;
 - b. Providing confidential advice and guidance to Covered Individuals on ethical issues (such as conflicts of interest), including administering an ethics “helpline”;
 - c. Administering the Disclosure of Interest procedure of the Agency;
 - d. Undertaking responsibilities as assigned under the Agency’s provisions for the protection of Covered Individuals against retaliation for reporting misconduct or for cooperating with duly authorized audits or investigations;
 - e. Preparing on an annual basis a report on the implementation of the Policy on Ethics and Conflict of Interest for submission to the Assembly.

¹ Covered Individual means any individual subject to the Staff Regulations of IRENA, A/2/13, paragraph 2.1.

5. In assisting the Director-General, the Ethics Officer functions as a guardian of the standards of conduct for the Covered Individuals of the Agency. In that capacity, the Ethics Officer provides information and develops content for training on these standards.
6. The Ethics Officer is responsible for providing a secure confidential environment in which Covered Individuals can feel free to consult on ethical issues and to seek protection against retaliation for the reporting of misconduct in good faith. To protect the confidentiality of sensitive information, the Ethics Officer has adopted stringent procedures for managing information and has developed a secure filing and tracing system for matters brought to the attention of the Ethics Officer, including Disclosure of Interest forms.
7. The present report provides an overview of operations of the disclosure of interest reporting, as well as an initial assessment of implementation of the Policy.

III. Establishment of the Ethics Advisory Board

8. An important component of the Policy on Ethics and Conflict of Interest is the role played by the Ethics Advisory Board in the implementation of the Policy.
9. Paragraph 2.6 of the Policy defines the Ethics Advisory Board as “the standing board, composed of three members of the Council appointed by the Council for two-year terms, established to assist with the implementation of this Policy on Ethics and Conflict of Interest. The Ethics Advisory Board will assist in ethics matters involving the Director-General and on any matter that the Ethics Officer submits to it.”
10. The Council at its third session appointed France, Senegal and the United States of America as members of the Ethics Advisory Board with the understanding that, subject to the concurrence of the Assembly at its third session, the Council, at its first meeting after the third session of the Assembly, would appoint members of the Ethics Advisory Board for a two-year term.
11. The Policy gives specific mandate to the Ethics Advisory Board to act in the following situations:
 - a. Inspect Disclosure of Interest forms submitted in accordance with the Policy and maintained by the Ethics Officer, only as strictly necessary to administer the Policy (paragraph 4.3 of the Policy);

- b. Be available for consultation if requested by the Ethics Officer or by the Director-General concerning the existence of an actual or potential conflict of interest, or appearance thereof, under the circumstances specified in paragraph 5.2 of the Policy. Following such consultation, should there be a continuing disagreement on the existence of a conflict of interest or appearance thereof, the Ethics Advisory Board shall resolve the matter (paragraph 5.2 of the Policy);
- c. Be available for consultation if requested by the Ethics Officer or by the Director-General concerning whether or in what form a waiver should be issued for individual participating in a matter giving rise to an actual or potential conflict of interest, under the circumstances specified in paragraph 5.3 of the Policy. Following such consultation, should there be a continuing disagreement on whether or in what form a waiver should be issued, the Ethics Advisory Board shall resolve the matter (paragraph 5.3 of the Policy);
- d. Be available for consultation if requested by the Director-General concerning whether a waiver should be granted to the prohibition against acceptance of gifts, in circumstances where the Director-General and the Ethics Officer cannot agree whether to grant the waiver (paragraph 6.1 of the Policy);
- e. Be available for consultation if requested by the Director-General concerning whether a Covered Individual should be authorized to engage in an outside activity, when both the Director-General and the Ethics Officer deem it appropriate to consult with the Ethics Advisory Board (paragraph 7.2 of the Policy).

IV. Operations and activities

A. Implementation of the Policy on Ethics and Conflict of Interest

- 12. In the interim phase of the implementation of the Policy from the appointment of the Ethics Officer on 28 May 2012 until 30 September 2012, the Ethics Officer did not receive any requests for advice from Covered Individuals on ethical issues, nor any reports requesting protection against retaliation for reporting misconduct.
- 13. No training activity on ethics issues has been carried out in the reporting period. The Ethics Officer has established contacts with the ethics functions in other international organisations to learn from their experience in this area. One international organisation has offered its support in implementing ethics training.

B. Implementation of Disclosure of Interest Procedure

14. The Disclosure of Interest procedure is an important component of the Director-General's mission to maintain and enhance public trust in the integrity of the Agency. This exercise commenced when the first Ethics Officer was appointed in May 2012.
15. The Ethics Officer with the consultation of the Office of Human Resources has identified those Covered Individuals who were required to file the Disclosure of Interest form and subsequently notified them individually on the deadline of submission.
16. For individuals included in the scope of application defined by Section 1 of ST/Directive/2012/11, the completed form must be submitted within 60 days from the date of issuance of that directive, while for individuals who enter on duty after the date of issuance of ST/Directive/2012/11 and are included in the scope of application of Section 1 of that directive, the completed form must be submitted within 60 days of the date of entry on duty, as specified in Section 3.
17. A total of 15 Covered Individuals were required to file the Disclosure of Interest form by 28 July 2012. One individual who entered on duty after the date of issuance of ST/Directive/2012/11 was required to file the disclosure of interest form before 30 September 2012. By the respective submission deadlines, 10 Covered Individuals submitted their disclosure of interest forms. The Ethics Officer followed up with the six Covered Individuals who did not submit their Disclosure of Interest forms on time. By the date of this report, all Covered Individuals have complied with the filing requirement. Review of the filed Disclosure of Interest forms did not reveal any actual or apparent conflicts of interest with the Agency.
18. The Ethics Officer also identified nine Covered Individuals at any level whose functions could lead to actual or apparent conflict of interest with the Agency. A few of them are already required to file the Disclosure of Interest form. Following consultations with the Director-General, these individuals will be requested to file the Disclosure of Interest form in the next reporting period.

V. Conclusions and Recommendations**A. Implementation of the Policy on Ethics and Conflict of Interest**

19. At this early stage of the Policy implementation, it is envisaged that the Ethics Officer should undergo appropriate training to ensure accurate interpretation of policies and

procedures, efficient discharging of functions, and proper provision of ethics advice to all staff.

20. The absence of requests for advice on ethical issues suggests relatively low awareness about matters that may constitute conflicts of interest in accordance with the Policy and the Code of Conduct. The Ethics Officer therefore believes that training of Covered Individuals on ethics issues is a priority activity for the effective implementation of the Policy on Ethics and Conflict of Interest.

B. Implementation of Disclosure of Interest Procedure

21. At present, there is no in-depth verification mechanism in place to review the completed Disclosure of Interest forms due to the limited size of the Agency, as well as the relatively high number of Covered Individuals mandated to undertake the exercise. It is recommended that for the verification process the Ethics Officer is assisted in selective review of the Disclosure of Interest forms by the Internal Auditor as soon as the vacancy is filled.