

# The Ethics Office

INTERNATIONAL MONETARY FUND

Annual Report 2013

## Core Values: Taking Action



# Core Values: Taking Action

“The final forming of a person’s character lies in their own hands.” —Anne Frank



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## **Mission Statement**

The Ethics Office provides independent ethics advice to the Fund and its staff; promotes ethical awareness through outreach and training; and conducts preliminary inquiries and investigations into allegations of unethical behavior and misconduct.

The office is headed by the Ethics Advisor who reports directly to the Managing Director under a limited term appointment not to exceed five years.

Information disclosed by staff to the Ethics Office will be handled confidentially unless it involves possible past misconduct or raises a potential threat of physical harm. In such cases, information may be disclosed to other IMF officials on a need-to-know basis.

If you have an ethics question, please contact this office at ext. 39665, visit our office in HQ2-4A-112 or send us an email at [ethics@imf.org](mailto:ethics@imf.org). You may also seek advice or report concerns about potential misconduct to the Ethics Office anonymously via the Integrity Hotline at 1-800-548-5384 or [www.integrity-helpline.com/imf.jsp](http://www.integrity-helpline.com/imf.jsp).

## Core Values: Taking Action

**Integrity, Respect, Impartiality, and Honesty** represent the Core Values the Fund strives to embrace and nurture. The challenge for Management and staff is to consistently give meaning to each of these words as we carry out our daily work lives through the choices and actions that define us individually and the Fund as a whole.

**Awareness** - Ethics programs and resource tools are critical in helping us understand what is expected of us and in giving us the external, supportive resources to act accordingly. But to truly embody a set of values we must look within ourselves and be aware of the consequences of our actions. Am I being impartial and respectful? Am I being honest? Will my actions impugn the integrity of the Fund? These are questions we should constantly ask ourselves when confronted with the many situations that challenge us in our interactions with others. The Ethics Office is dedicated to increasing awareness in this regard.

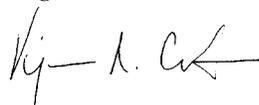
**Analysis** - The opportunity to reflect both positively and negatively about the effective application of Fund policies in our working situations is key. Mandatory training sessions in which policies are discussed offer such opportunities. In addition, staff surveys such as the one taken in 2013 have helped identify concerns that may require greater attention and targeted outreach to managers as well as staff. For example, although the Fund's position against retaliation is clearly and strongly stated, the 2013 Staff Survey revealed a lingering hesitancy to report certain types of misconduct.

**Action** - Fear of retaliation is not unique to the Fund but it must be overcome to more effectively address workplace problems as they arise. Our goal is to create an environment of trust so staff possess the confidence and tools that will empower them to take action whenever they encounter a situation that is inconsistent with the Fund's values. Recent studies by ethics experts have shown that when individuals can clearly articulate an institution's core values they are able to speak out with greater confidence when these values are being compromised. The Ethics Office is also introducing a new approach, "Giving Voice to Values (GVV)," authored by Mary Gentile, a professor at Babson College. This approach assumes that people want to act when confronted with unethical conduct but acknowledges that there are pressures, both internal and external, not to act. To overcome these pressures, we are introducing key GVV steps of anticipating situations, developing an action plan and strategy, and actually scripting and practicing a response to the offending party. Through these steps issues can be addressed meaningfully at the earliest opportunity before they rise to the level of misconduct.

**Accountability** - The Fund's ethics program continues to become more robust each year by developing and updating policies on key ethics issues. These issues have included the new financial disclosure framework; implementing mandatory training for overseas staff and specialized training for Departments to help educate and empower staff to deal with harassment and other workplace fairness issues; engaging in on-going awareness campaigns to promote the Fund's Core Values, the Integrity Hotline and other ethics initiatives; and vigorously investigating allegations of misconduct with appropriate regard for due process. While these basic building blocks are necessary to secure a solid ethics foundation, by themselves they are not enough to guarantee the integrity of an organization. When confronted with perceived misconduct it is incumbent on the individual staff member to take action in some way so that the wrongful activity is addressed, and it is incumbent on the organization to hold the wrongdoer accountable through appropriate disciplinary action.

The Fund's excellent reputation confirms that its Core Values are more than just words. The Ethics Office looks forward in 2014 to working with you to further enrich the Fund and our daily lives by making the principles of **Integrity, Respect, Impartiality** and **Honesty** our constant guideposts.

Virginia R. Canter



Ethics Advisor  
International Monetary Fund



**Integrity** — “Action springs not from thought, but from a readiness for responsibility.”

—Dietrich Bonhoeffer

Section

# 1

## 2013 Activities and Operations

The following section provides 2013 data illustrating the range of ethics issues on which the Ethics Office was contacted directly for advice and about allegations of possible misconduct. All of the matters brought to the attention of the Ethics Office are responded to and many are resolved through advisory consultations. Others require investigative action.

Revised this year, the tables and charts in this section assist the Ethics Office and Management in identifying issues that may require targeted attention. The tables for Advice and Allegations by Category now show a three-year review of data in order to give a more comprehensive picture. Information reported in this section should also be viewed in conjunction with the Integrity Hotline statistics reported in Section 2 of this Report, which also includes a multi-year review of data. Taken together, the information provides helpful indicators of how programs designed to develop greater awareness of and adherence to the Fund's ethical standards are being used, as well as indicators of their effectiveness.



Fund Ethics Website: Key Ethics Issues

<http://www-intranet.imf.org/sites/ethics/ethicsissues/Pages/default.aspx>

## Categories of Advice and Allegations

Conflicts of Interest	Workplace Fairness
Obligations as an International Civil Servant Financial Conflicts of Interest Personal Conflicts of Interest Gifts Political Activities Post-Fund Employment External Activities	Discrimination Harassment Retaliation Unfair Preferential Treatment/Bias
Resources & Information	External Compliance
Publications & Public Statements Misuse of Resources & Non-Public Info	Household Obligations (e.g. G4/G5, taxes and domestic relations disputes)

## Caseload: Advice and Allegations

The Advice and Allegations categories correspond to the twelve Key Ethics Issues of primary concern to the Fund. Detailed guidance on these issues, as well as on other ethics issues, can be found on the Ethics Office website under, “Key Ethics Issues.” The information provided on the Ethics Office website includes links to relevant provisions of the Fund’s Code of Conduct, GAOs, Staff Bulletins and Policy Statements, as well as helpful intranet articles and other resources.

The Ethics Office responded to a total of 250 cases in calendar year 2013. Of these cases, 204 were requests for advice and 46 pertained to allegations of misconduct. The total number of cases for 2013 is approximately the same as the 251 cases received in calendar year 2012. This may indicate staff continue to be aware of potential ethics issues, in addition to being aware of the Ethics Office as a resource.

### ETO Work Load – 2003 to 2013



## Advisory Matters by Topic Groups – 2003 to 2013



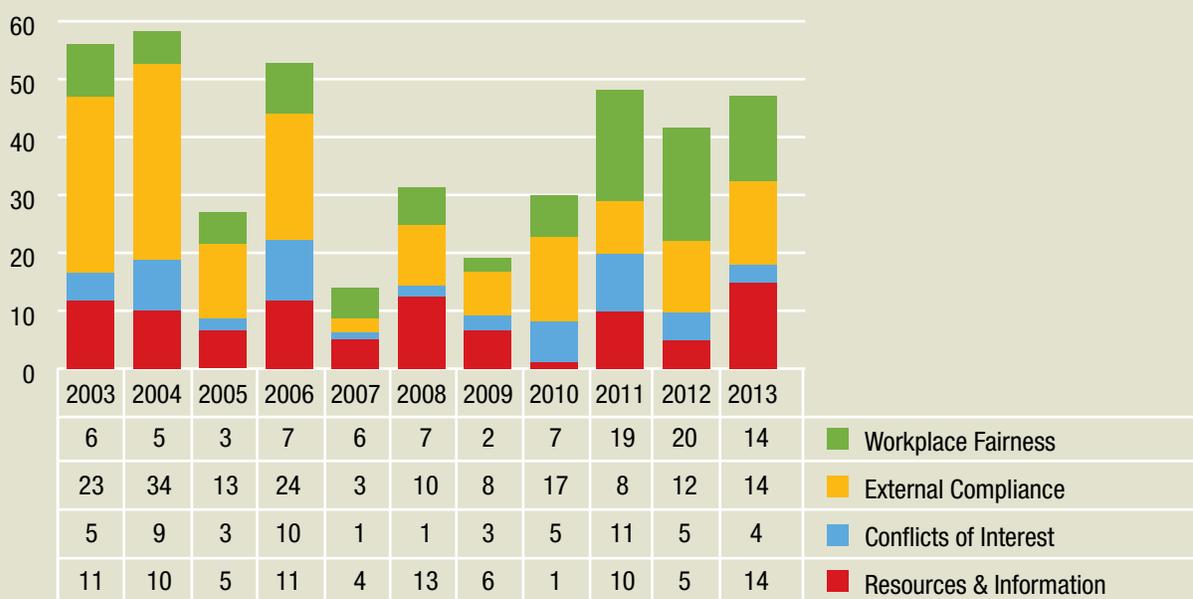
## Advisory Cases

In 2013 the Ethics Office received 204 requests for advice, compared with 209 requests for advice in 2012 and 143 in 2011. While External Activities, Personal Conflicts of Interest and Gifts continued to constitute the subjects of most requests for advice, requests for advice on Financial Conflicts of Interest rose markedly this past year. This increase is likely due to the introduction of a new framework for the Financial Disclosure Program. Requests for advice concerning Harassment saw a decline from 2012, and there were no requests for advice about Discrimination or Unfair Preferential Treatment. A decrease may be due to the availability of additional informal dispute resolution options. The decrease in requests for advice concerning Political Activities may be linked to the fact that 2013 was not an election year in the U.S.

Advice	2011	2012	2013
Obligations as an International Civil Servant	1	1	4
Financial Conflicts of Interest	7	6	16
Personal Conflicts of Interest	19	31	29
Gifts	25	36	22
Political Activities	1	5	0
Post-Fund Employment	2	6	9
External Activities	52	82	87
Publications & Public Statements	2	2	4
Misuse of Resources & Non-Public Information	13	12	12
Discrimination	0	1	0
Harassment	5	20	13
Household Obligations	16	5	7
Retaliation*	N/A	0	1
Unfair Preferential Treatment/Bias*	N/A	2	0
<b>TOTAL</b>	<b>143</b>	<b>209</b>	<b>204</b>

\*“Retaliation” and “Unfair Preferential Treatment/Bias” were added as separate categories in 2012.

## Allegations by Topic Groups – 2003 to 2013



## Allegations

Forty-six allegations of misconduct were received in 2013 as compared with 42 received in 2012 and 48 in 2011. Misuse of Resources & Non-Public Information and Household Obligations constituted the subjects of most allegations received in 2013. The number of allegations in the category previously receiving the most allegations – Harassment – declined in 2013. As noted above, a decrease may be due to the availability of additional informal dispute resolution options.

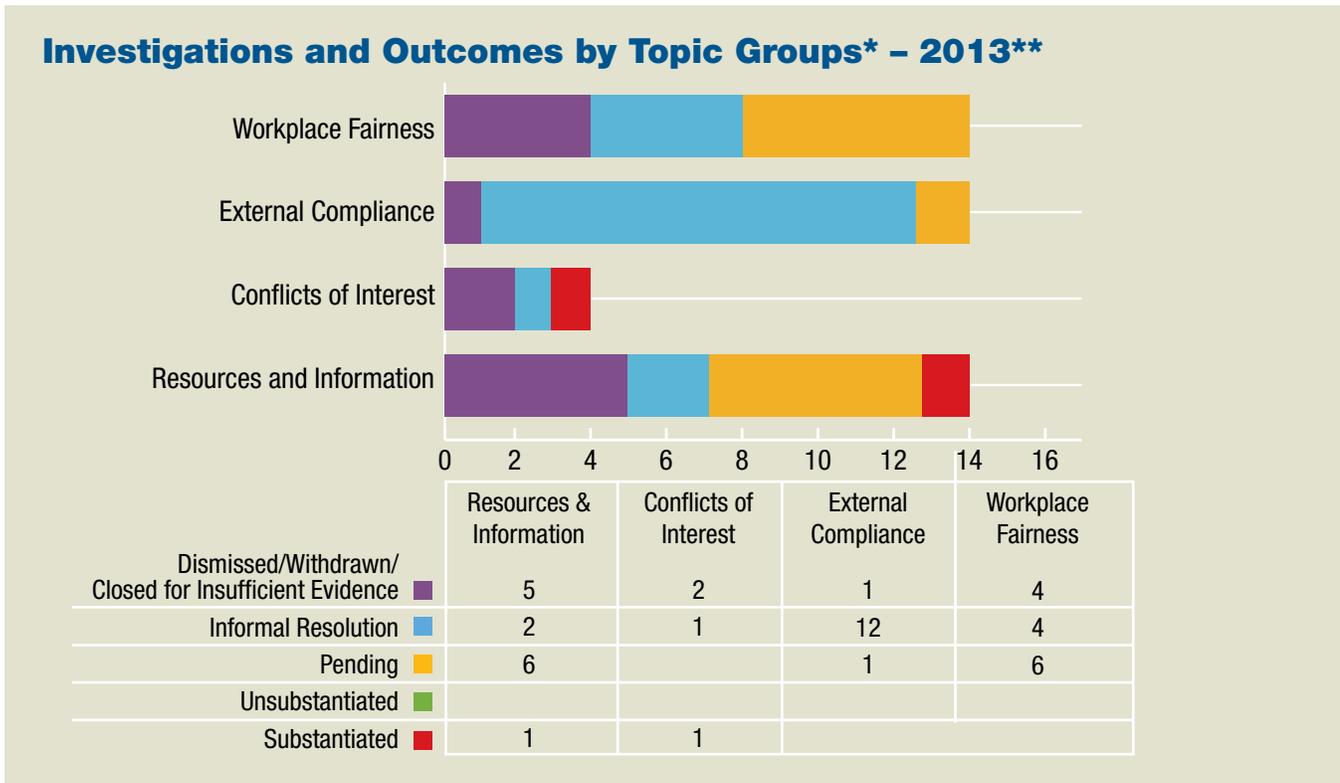
Allegations	2011	2012	2013
Obligations as an International Civil Servant	0	3	2
Financial Conflicts of Interest	6	0	0
Personal Conflicts of Interest	2	2	0
Gifts	0	0	0
Political Activities	0	0	0
Post-Fund Employment	0	0	0
External Activities	0	0	1
Publications & Public Statements	0	0	2
Misuse of Resources & Non-Public Information	11	5	14
Discrimination	2	0	1
Harassment	19	17	10
Household Obligations	8	12	14
Retaliation*	N/A	1	2
Unfair Preferential Treatment/Bias*	N/A	2	0
<b>TOTAL</b>	<b>48</b>	<b>42</b>	<b>46</b>

\*“Retaliation” and “Unfair Preferential Treatment/Bias” were added as separate categories in 2012.

## Investigations and Outcomes

The Ethics Office carefully reviews all allegations of misconduct. If warranted the Ethics Office conducts a preliminary inquiry and, if there is a credible basis to do so, seeks authorization to investigate from either HRD in cases involving A-level staff or OMD for B-level staff. In other cases, HRD or OMD may ask the Ethics Office to initiate a preliminary inquiry or investigation. All investigations are guided by the principles of thoroughness, fairness, confidentiality and freedom from retaliation in order to provide due process to all stakeholders. The Ethics Office does not make decisions regarding disciplinary action. The Ethics Office submits Reports of Investigation to the Director of HRD or to the Managing Director who decides whether any disciplinary measures should be taken. For an overview of the Ethics Office’s investigative process, see chart on Page 10.

All Fund staff are held to the highest standards of ethical conduct. In 2013, the Ethics Office submitted thirteen Reports of Investigation to HRD and/or Management resulting in findings of violations of Fund rules by seven individuals. Of these seven, three findings involved B-level staff and four involved A-level staff or contractual employees both in the field and at headquarters.



\*Some of the investigations fell under more than one category. If so, they were listed under the primary allegation.

\*\*Of the eight matters pending from 2012, six were unsubstantiated, closed for insufficient evidence or informally resolved. Allegations pending from 2012 were substantiated in two investigations (one of which involved multiple individuals) relating to the topic of Resources & Non-Public Information. Of the seven matters pending from 2011, four were unsubstantiated or closed based on insufficient evidence and one matter is still pending. Certain allegations pending from 2011 were substantiated in two investigations filed by separate complainants against the same individual involving the topics of Resources & Information and Workplace Fairness.

## 2011

Seven allegations were pending from 2011. Three were closed at the preliminary inquiry stage for insufficient evidence. Three led to investigations of staff misconduct. One was closed based on a determination that the allegations were unsubstantiated. In two investigations involving separate complaints for a hostile work environment and improper disclosure of confidential information against the same individual, disciplinary action was taken in the form of salary reduction. One preliminary inquiry was pending at the time this Report was issued.

## 2012

Of the eight allegations pending from 2012, three were informally resolved at the preliminary inquiry stage and one was closed for insufficient evidence. Four others resulted in investigations, two of which involved allegations against multiple individuals and the issuance of eight separate Reports of Investigation. One investigation was closed for insufficient evidence following informal resolution. One investigation was closed based on a determination that the allegations were unsubstantiated. One investigation resulted in a finding of misconduct for which disciplinary action was taken: termination of employment for misappropriation of funds and falsification of records in connection with education and education travel allowance benefits. Following the completion of the disciplinary process, a case finding a technical violation of the rules governing unauthorized disclosure of non-public information resulted in a determination that it did not constitute misconduct for which disciplinary action was warranted due to mitigating circumstances. A staff member and a contractual employee resigned prior to the completion of the disciplinary process in an investigation finding violations of the rules governing unauthorized disclosure of non-public information.

## 2013

Forty-six allegations were received in 2013. Twelve were dismissed, withdrawn or closed for insufficient evidence at the preliminary inquiry stage. Nineteen were closed based on informal resolution. Five of the 46 allegations led to investigations of staff misconduct. Two investigations resulted in a finding of misconduct for which disciplinary actions were taken: termination of employment for the misappropriation of funds and falsification of records; and a salary reduction, ineligibility for promotion for one year, and a written warning in a case involving unauthorized external activities. Three investigations and ten preliminary inquiries were pending at the time this Report was issued.

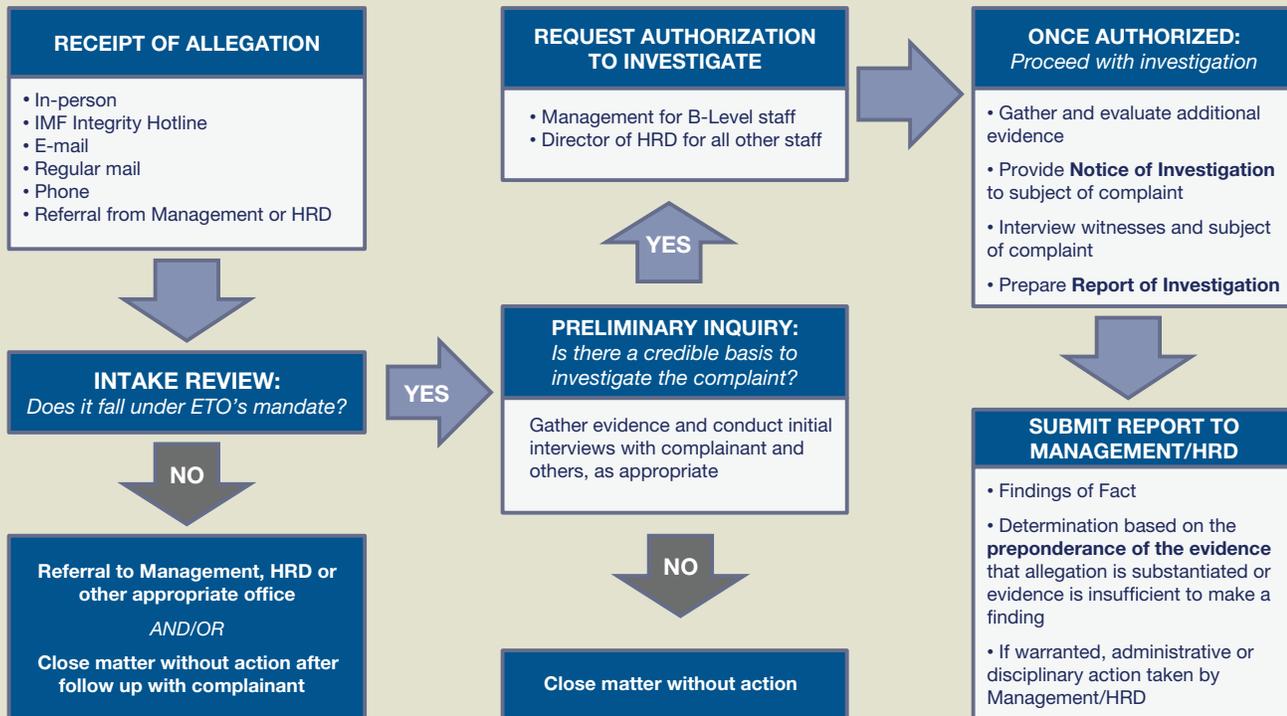
### ***SOMETHING TO THINK ABOUT. . .***

#### **NOTE ON MISUSE OF RESOURCES AND NON-PUBLIC INFORMATION**

Each year, the Ethics Office receives a number of allegations concerning misuse of resources and non-public information, including allegations of leaks of non-public information to persons outside the Fund, often resulting in disclosure to the press. Allegations involving leaks of non-public information are treated as preliminary inquiries unless and until a potential subject is identified and authorization is received from Management or HRD to investigate. The Fund takes these allegations very seriously and has committed its resources to thoroughly investigating these matters and taking disciplinary action when misconduct is substantiated.

The Ethics Office would like to remind staff that they have a responsibility to protect the security of any non-public information provided to, or generated by, the Fund. To avoid any unauthorized disclosure, staff must be careful how they handle non-public information. Non-public information may be communicated among staff only in accordance with the rules and guidelines on document classification and must not be communicated to persons outside the Fund without express authorization.

## Misconduct: The Investigative Process



### The Investigative process is guided by the principles of:

- Confidentiality\*
- Due Process
- Objectivity
- Impartiality
- Protection from Retaliation
- Anonymity\*\*

\*Inquiries will always be treated confidentially until you are ready to bring a formal complaint unless there is an indication that you have engaged in past misconduct or there is a safety issue, which may need to be disclosed to Management on a need-to-know basis.

\*\*Anonymous allegations are accepted, but must be corroborated to serve as a basis for disciplinary action.

## Something to Think About... —“Bullying does not belong here and it will not be tolerated.”

– Madame Lagarde, Managing Director

### **SOMETHING TO THINK ABOUT. . .** **NOTE ON HARASSMENT**

It is often useful for staff to first discuss concerns about harassment including bullying and intimidation with the Ombudsperson, the Mediator or another third party, such as a supervisor, SPM, ASPM or HR advisor. Staff in such situations should also familiarize themselves with the Fund’s Harassment Policy (GAO No. 33, Annex 2) and document the harassing behavior by creating a written record of all pertinent facts (e.g. when it started, if it was repetitive, what they did, if anything, in response), including the names of witnesses.

### **SOMETHING TO THINK ABOUT. . .** **NOTE ON TAKING ACTION**

It is incumbent on all Fund staff to do their part and take action when harassment, bullying, intimidation, retaliation or other misconduct is in the workplace. Fund staff can choose an informal approach to deal with harassment. The informal approach may involve speaking with the individual whose behavior is offensive. Consistent with this, Section 3 of this Report discusses “Giving Voice to Values (‘GVV’),” a new approach addressing offensive workplace behavior. As an alternative, staff may ask the Ombudsperson, a supervisor, SPM, ASPM or HR advisor to speak with the offending staff member, either alone or in their presence. The services of the Mediator may also be used to attempt to resolve the matter informally. The formal approach, involves filing a harassment complaint with the Ethics Office and provides an opportunity to have allegations investigated. Where allegations have been substantiated, administrative or disciplinary action may be imposed. Managers are expected to create an atmosphere where staff feel free to use the Fund’s reporting channels with confidence that their concerns will be acted upon in an appropriate manner and without fear of retaliation.

### **SOMETHING TO THINK ABOUT. . .** **NOTE ON RETALIATION**

Staff members play a critical role in raising ethical concerns and reporting suspected misconduct, which helps the Fund better identify, address and ultimately deter misconduct. The Fund has in place a Retaliation Policy to create an atmosphere in which staff will feel free to speak up without fear of reprisal. Retaliation itself is considered a form of misconduct, and every allegation of retaliation brought to the attention of the Ethics Office is carefully assessed and taken seriously. If you feel you are a victim of retaliation you should notify the Ethics Office or any of the other resources of the Fund’s Dispute Resolution System immediately.

**Respect** — “When we respect everybody around us, we are in peace with everybody around us.”

— Miguel Angel Ruiz

## Section 2

### Report on the Integrity Hotline



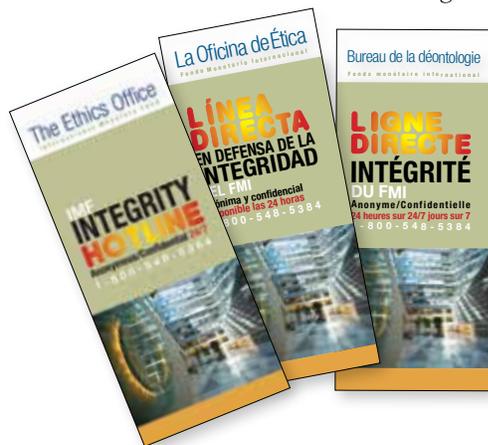
Since its inception in 2008, the Integrity Hotline has helped root the Fund’s ethics culture firmly in the Fund’s Core Values of Integrity, Respect, Impartiality, and Honesty. It is available 24/7 through a toll-free number in North America or via the Internet anywhere in the world. It enables a caller to report allegations of possible misconduct or to raise concerns through confidential or completely anonymous reporting.

Protection for staff from any form of retaliation through the Fund’s strong policy against retaliation adds to the Integrity Hotline’s usefulness and desirability as an option for speaking up.

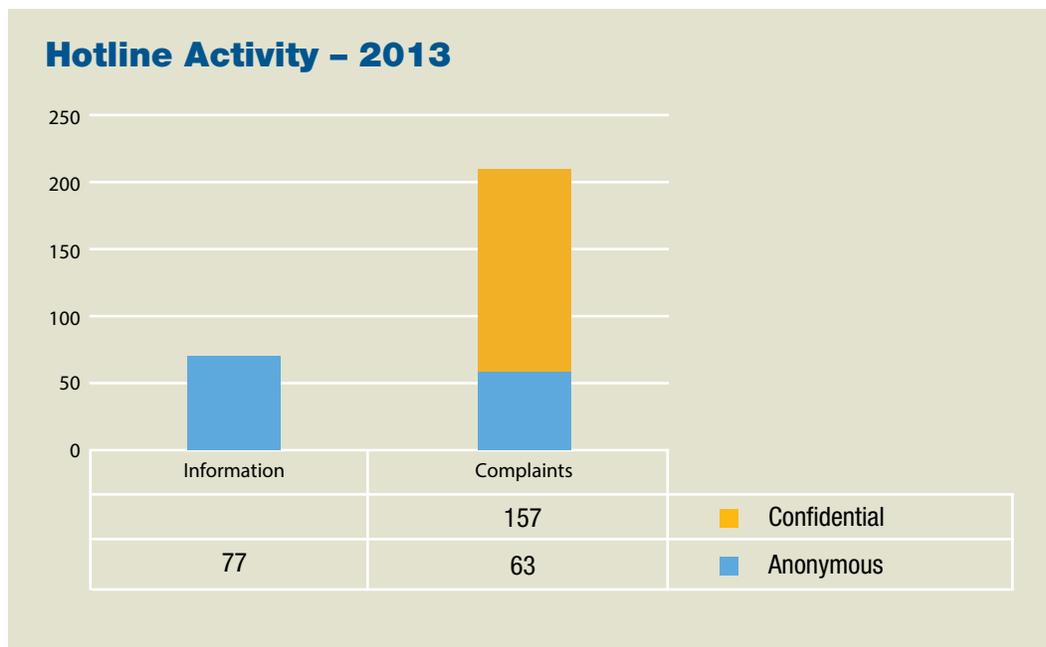
In 2013 there was a total of 297 reports received via the Integrity Hotline versus 267 received in 2012, or an 11.2% increase in the number of reports overall. The biggest increases came in two categories: Requests for Information, which increased to 77 from 57 received in 2012; and Complaints relating to Email Scams, which increased to 190 from 162 received in 2012. Substantive reports decreased slightly to 14, compared to 18 for 2012. The number of reports in the Other category also decreased, to 16 from 30 in 2012.

#### Outreach

Promotion of the Integrity Hotline continued in 2013 through the prominent placement and distribution of posters and brochures, including electronic posters, and highlighted discussions during ethics training sessions and Intranet interviews. These efforts will continue in 2014.



- The Integrity Hotline Awareness campaign, which began in 2010, continued throughout 2013 to ensure staff are familiar with this reporting mechanism for alleged misconduct. The Hotline’s distinctive logo is displayed on all Ethics Office publications and posters, including the new brochure on the Fund’s Core Values and the Ethics Office, as well as on the Intranet.
- The Integrity Hotline brochure continues to be available in English, Spanish and French versions and distributed widely at headquarters, including at the mandatory G4/G5 orientation sessions, as well as to overseas offices.
- The Integrity Hotline receives targeted attention during Mandatory Ethics Training, which is offered once a month for new HQ staff, as well as during briefings for Resident Representatives, new staff onboarding sessions, long-term expert orientations and other outreach efforts.
- Looking ahead, the Integrity Hotline will receive attention during new training being developed by the Ethics Office in 2014 to respond to 2013 Staff Survey results and to meet more specific Departmental needs, and will be included in revised Mandatory Ethics Training, which will take place during 2015 for all Fund staff (see Section 4: Going Forward).



## 2013 Hotline Activity

In 2013, 297 calls or web reports were made to the Integrity Hotline. Navex Global initially categorizes calls and web reports to the Integrity Hotline as (1) information referrals or (2) initial reports. These contacts are then separated by the Ethics Office into the following categories: requests for information, email scams, substantive reports or “other” reports. Calls or web reports are made either on a confidential or an anonymous basis. It should be noted that Integrity Hotline reports are tracked separately from allegations and advisory matters that are reported directly to the Ethics Office.

There were 77 requests for information and 220 complaints received in 2013, as compared with 57 requests for information and 210 complaints received in 2012. Of the calls and reports received, alleged email scams—which use the Fund’s name to appear authentic—continue to constitute the majority. One hundred and ninety email scams were received in 2013 and comprised 64% of all reports. This represents a 17.3% increase in email scams received over the 162 email scams received in 2012. There is no way for the Fund to prevent scammers from using the Fund’s name. Instead, the Fund warns the public against such scams with a press release posted on its external website as well as information on the Integrity Hotline website. All of the reports of email scams came from persons outside the Fund.

The reports of greatest concern are substantive reports. Fourteen substantive reports were received in 2013, comprising 4.7% of all reports. These allegations pertained to a range of issues including alleged Unfair Preferential Treatment/Bias, Harassment, Obligations as an International Civil Servant and Misuse of Fund Resources. After careful review and follow up, twelve of these matters were closed due to informal resolution, no finding of ethical misconduct, referral to another office, the caller’s request that no action be taken or insufficient information. The two matters open at the time of the Ethics Office 2012 Annual Report were similarly closed in 2013. Two matters received in 2013 remain pending at the time this Report was issued.

In addition, 16 reports in the “other” category were received, comprising 5.4% of all reports in 2013. All calls were responded to and when applicable referred to the appropriate office. Calls included questions about the Fund’s conflict of interest policy, the availability of Fund buildings for non-Fund events, the rate of pay for a G5 employee, a TGS contract for IT services, SDRs and other matters not under the jurisdiction of the Ethics Office.

In 2014, the Ethics Office will continue to promote the Integrity Hotline and welcomes suggestions as to its usefulness and functionality.

<b>Substantive Reports to the Hotline</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Obligations as an International Civil Servant	1	2	2
Financial Conflicts of Interest	0	0	0
Personal Conflicts of Interest	1	3	0
Gifts	0	0	0
Political Activities	0	0	0
Post-Fund Employment	0	0	0
External Activities	1	0	0
Publications & Public Statements	0	0	0
Misuse of Resources & Non-Public Information	5	2	2
Discrimination	4	1	0
Harassment	5	4	4
Household Obligations	2	3	0
Retaliation*	N/A	0	0
Unfair Preferential Treatment/Bias*	N/A	0	6
<b>TOTAL</b>	<b>19</b>	<b>18</b>	<b>14</b>

\*“Retaliation” and “Unfair Preferential Treatment/Bias” were added as separate categories in 2012.

**Impartiality** — “Give no decision till both sides thou’st heard.”

—Phocylides

## Section 3

## Major Developments

### Core Values Campaign

**Integrity, Respect, Impartiality, and Honesty** — the Fund’s Core Values – serve as the cornerstone upon which the Fund’s reputation rests. To underscore the importance of conducting ourselves in accordance with these key guiding principles, the Ethics Office launched a Core Values Awareness Campaign in 2013. The campaign is centered on the Fund’s Core Values, which are highlighted in a new brochure describing the Ethics Office’s functions and other promotional materials. The Fund’s Core Values have been featured in all Mandatory Ethics Training and specialized training sessions, which stress the importance of taking action when confronted with unethical conduct.



### “Giving Voice to Values”

Last year, following the results of the 2013 Staff Survey, several Departments asked the Ethics Office to conduct specialized training on the prevention of bullying and harassment. This training introduces a new approach, “Giving Voice to Values (‘GVV’),” authored by Mary Gentile, a professor at Babson College, which assumes that people want to act when confronted with unethical conduct but that there are pressures, both internal and external, not to act. Using case studies that describe workplace behavior that is clearly objectionable, staff are asked to think about how they can address the offensive conduct. Key GVV steps include anticipating situations, developing an action plan and strategy, and scripting and practicing a response to the offending party. Also addressed are the common rationalizations for not taking action, including the fear of retaliation, as well as concerns – both personal and organizational – that might outweigh those rationalizations. Finally, staff are asked to consider whether the conduct being described is aligned with the Fund’s Core Values to encourage discussion about whether or not staff should and can act. The Ethics Office believes GVV can be a dynamic tool in preventing offensive conduct from rising to the level of bullying or harassment. Giving staff the skills necessary to responsibly, without fear of retaliation, act when confronted with such conduct will be an integral component of Mandatory Ethics Training, as discussed in the next section of this report, “Going Forward.”

## Financial Disclosure Framework and Program

As part of the review of the Fund's Standards of Conduct that has been ongoing for the past several years, the Ethics Office, together with HRD and LEG, worked to put forth a new Framework on Financial Disclosure and Financial Conflicts of Interest, effective May 2013, and to strengthen the Financial Disclosure Program. These changes help the Fund ensure it has effective internal controls to prevent conflicts of interest.

The goal of the new Framework was straightforward – to help staff better understand and meet their obligations. It carried this out by combining in one easy-to-reference document both the rules and standards of conduct relevant to financial disclosure and the review of reporting, identification, and management of financial conflicts of interest. In this way the Framework provides clear guidance to staff on how to avoid conflicts of interest in their personal financial transactions and provides a clear and transparent framework for the analysis of financial data reported by staff.

The Financial Disclosure Program involves annual disclosure by certain staff of personal financial information to, and review by, an independent third party. The program was strengthened this year in several ways. First, the introduction of electronic filing, a change from the paper forms required to be submitted in previous years, streamlined this collection and analysis. It was carried out by the new External Compliance Advisor, KPMG LLP, the U.S. audit, tax and advisory firm. Second, consistent with other Fund policies on conflicts of interest, the requirement to file financial disclosure forms was extended to include staff at the A15 level in area departments, COM, LEG, MCM and SPR, in addition to all B-level staff and A-level staff within TGS, FIN and INV, as identified by each respective department (e.g., staff involved in procurement or investment of Fund or retirement assets). Other steps to strengthen the Framework included additional reporting requirements, as well as a general exemption from reporting of funds that meet the definition of a Diversified Investment Fund. Annual certification by all staff that they have read the Framework on financial conflicts of interest and that they are in compliance with it rounds out the Program.

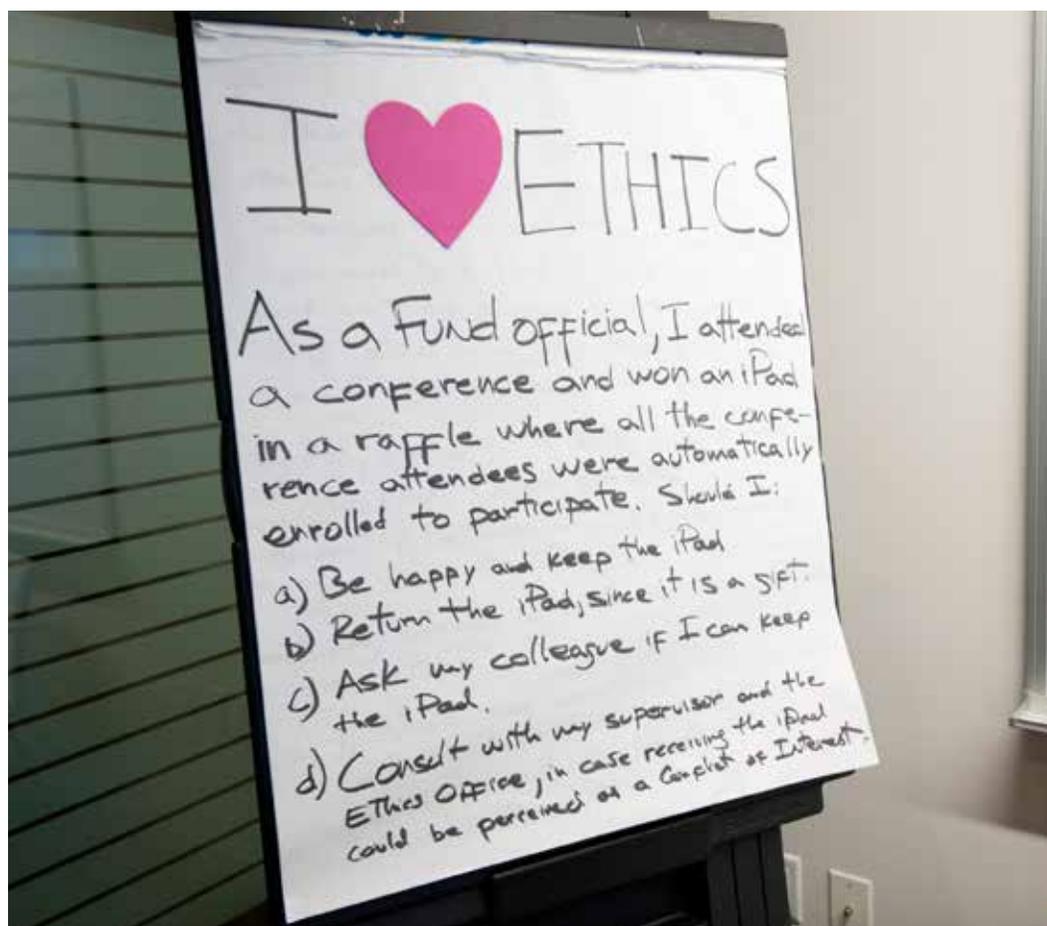
## Conflicts of Interest Guidance on Close Personal and Other Relationships

Additional guidance on conflicts of interest based on personal and other relationships was made available in the form of an "Ethics Challenge" on the Training page of the Ethics Office website. The Ethics Challenge presents short scenarios describing different types of relationships among staff, including close personal relationships of an intimate nature between a staff member and his/her supervisor, which must be reported by the supervisor under the Fund's revised policy on close personal relationships. The Ethics Challenge also addresses other types of relationships, and discusses various ways in which all of these conflicts can be resolved.

## Mandatory Ethics Training Update

The first mandatory three-year training cycle began at the end of 2011 and through a phased-in approach has resulted in reaching approximately 4,000 headquarters-based staff, contractuales, and overseas staff. Ethics training provides staff with the knowledge and tools they need to internalize rules and policies as well as to take action. In 2013, as part of Phase IV of the Mandatory Ethics Training, the Ethics Office fully launched the e-learning course, *Ethics & Integrity*, for staff in overseas offices. Some follow-up will continue in 2014 for those overseas staff not yet trained, including staff without IT access or who are unable to take the course in English. This effort stems from Management's June 2011 mandate that all Fund staff, including Fund leadership, receive ethics training every three years. As reported in the Ethics Office 2012 Annual Report, Phase I of the Mandatory Ethics Training reached key HQ personnel in-person from October to December 2011; Phase II provided in-person and e-learning training to other HQ staff from January to June 2012; and Phase III has provided monthly in-person sessions for new HQ staff from July 2012 onward. As addressed in the next section, "Going Forward," the three-year training cycle will begin again in 2015.

Ethics briefings continue to be provided in one-on-one sessions with Resident Representatives, and an introduction to ethics issues continues to be included in new staff onboarding sessions as well as during orientations for G4 and G5 employees, and other sessions upon request.



**Honesty** — “As I have said, the first thing is to be honest with yourself. Great peacemakers are all people of integrity, of honesty, but humility.”

—Nelson Mandela

# 4

Section

## Going Forward

Priority activities in 2014 will continue to underscore the importance of bringing the Fund’s Core Values to life through the choices we make every day. Other efforts will include:

- **Preparation for New Mandatory Training Cycle in 2015.** The next cycle will begin in 2015 and will again be mandatory for all Management, staff and contractual employees at headquarters and overseas. The Ethics Office will revise and update the current training curriculum to include the “Giving Voice to Values (“GVV)” approach (discussed in Section 3 of this Report), and will try to make training more interactive through use of survey response tools. In addition, the Ethics Office will continue to provide focused discussions/workshops centering on harassment and retaliation in response to requests received from Departments.



- **Streamlining and Consolidating the Fund's Standards of Conduct.** Consistent with the Fund's recent emphasis on consolidating Fund rules and policies, the Ethics Office continues to work with LEG and HRD to streamline and consolidate the Fund's Standards of Conduct. In the upcoming year, review will focus on the remaining provisions of the Fund's Code of Conduct, including those relating to gifts, personal conflicts of interest and use and disclosure of confidential information to determine how they may be similarly incorporated into GAO No. 33. Separate review will focus on the Fund's policies on leave without pay in the interest of the Fund to work in the private sector, as well as measures taken to address conflicts of interest when staff separate from the Fund.
- **Investigations Brochure.** Building on progress made in 2013, the Ethics Office intends to publish a stand-alone brochure designed to effectively communicate the investigation process at the Fund to complainants, witnesses and subjects of complaints.
- **Enhancements to the Ethics Website and Other Outreach.** The Ethics website continues to play a prominent role in the Fund's ethics program. Additional content is planned, including regular updates to the "Ethics Challenge" feature, to enhance staff's knowledge and understanding of the Fund's ethics program. The Ethics Office also plans on hosting "open house" gatherings for Fund staff who wish to learn more about the role of the office. The first such gathering was held in mid-February 2014 and featured the "I ♥ Ethics" game. This allowed attendees to test their knowledge of and engage in discussion about the Fund's ethics rules and challenge the Ethics Office staff by asking their own questions.

The Ethics Office welcomes your comments and suggestions regarding any of its programs and activities.

## The Fund's Core Values

### Integrity

We do what is right for our members, our communities, the Fund, and each other. We make hard decisions and tough choices. We do not compromise our values.

### Respect

We treat our colleagues, whether supervisors, peers, or subordinates, with courtesy and respect, without harassment, or physical or verbal abuse.

### Impartiality

We are objective, neutral, and impartial in providing advice and in discharging our professional obligations. Our professional judgment is not influenced by partisan politics, outside authorities or personal bias. We are responsible to our members and earn their trust and confidence every day.

### Honesty

We tell the truth. We are straightforward in our actions and honest in our relationships. When we say we will do something, we follow through and honor our commitments.





**We work together** to the highest professional standards for the collective good of our global membership. Always.

**We are guided by** the core values of integrity, respect, impartiality and honesty. We have both a right to expect, and a responsibility to uphold, a professional, diverse, and friendly workplace.

#### What do we want to achieve together?

- An intellectually open atmosphere that seeks diverse views to develop the best solutions.
- Best management practices that support all of us in making our best contribution, through opportunities for professional development and recognition of achievements.
- A healthy work-life balance.
- Fair, transparent rules, equitably applied and avenues to help us seek recourse, without stigma, if we are wrongly treated.
- A workplace free of all types of discrimination.

#### What is your responsibility?

- Fulfill the mandate of the Fund, in a rapidly changing world through intellectual excellence.
- Observing the highest ethical standards in carrying out your duties.
- Embracing teamwork as our way to achieve goals.
- Acting with sensitivity, respect, and impartiality toward other cultures, beliefs, backgrounds and attributes, such as gender and sexual orientation.
- Accountability for our work – individually and collectively.

#### What can people expect of us/the Fund?

- The highest quality policy advice, tailored to national circumstances and to global needs, delivered in an evenhanded manner.
- A committed, responsive, and candid partner in making and implementing economic policy.



