

# FY 14 ANNUAL REPORT



**WORLD BANK GROUP**  
Office of Ethics & Business Conduct

## OFFICE OF ETHICS AND BUSINESS CONDUCT

The Office of Ethics and Business Conduct (EBC) of the World Bank Group promotes the development and application of high standards of conduct by staff in the performance of their duties based on the Core Values of the World Bank Group (WBG) through:

- Providing guidance in managing conflict of interest risks
- Reviewing and investigating allegations of misconduct
- Engaging in business ethics-related outreach.

EBC is an independent vice presidency within the World Bank Group that reports directly to the president.

Cover photograph: Manorama Rani, Office of Ethics and Business Conduct.

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Photo: Eugenio Salazar

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## ABBREVIATIONS

<b>COI</b>	conflict of interest
<b>CY</b>	calendar year
<b>DOI</b>	Declaration of Interests
<b>EBC</b>	Office of Ethics and Business Conduct
<b>FY</b>	fiscal year
<b>GEF</b>	Global Environment Facility
<b>HR</b>	Human Resources
<b>HRDVP</b>	Office of the Vice President of Human Resources
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>IDA</b>	International Development Association
<b>IFC</b>	International Finance Corporation
<b>IJS</b>	Internal Justice System
<b>INT</b>	Integrity Vice Presidency
<b>LOV</b>	Living Our Values
<b>MOU</b>	memorandum of understanding
<b>MIGA</b>	Multilateral Investment Guarantee Agency
<b>OIC</b>	Outside Interests Committee
<b>SMT</b>	senior management team
<b>VP</b>	vice president
<b>WBG</b>	World Bank Group

# LETTER FROM THE VICE PRESIDENT AND CHIEF ETHICS OFFICER



Fiscal Year 2014 was a year of significant organizational change for the World Bank Group. It also was both a productive and an eventful year for the Office of Ethics and Business Conduct (EBC). Significant progress was made on a number of fronts. Playing a constructive role in the change effort has been extremely important, and EBC did so through participation in the Bank Group's Leadership Values and Culture working group. Proposals from this group were strongly endorsed by the senior management team and are being implemented.

Additionally, through EBC's advisory work on conflicts of interest and its investigations, we identified and brought to the attention of the president six areas of ethics-related risks. They are:

1. Addressing the fear of reprisal among WBG staff, as seen in results from the WBG's 2013 Employee Engagement Survey
2. Preventing and addressing sexual harassment
3. Eliminating abuse of G5 domestic workers employed by WBG staff members
4. Mitigating the risk of noncompliance by US staff members with their US tax obligations
5. Addressing complex situations that can arise when WBG partnerships, funded by trust funds, may be out of alignment with WBG staff rules
6. Clarifying the issues that can arise in the context of the differing ethics frameworks that apply to staff and WBG board officials.

Not addressing any of these areas could carry high costs for the WBG, including significant reputational risk. In light of the president's strong endorsement, EBC dedicated resources to these initiatives, as described in this report. Of particular note, progress was made in implementing action steps to address staff members' fears of reprisal. Steps included related communications and the delivery of a pilot of mandatory manager training, as well as the engagement of senior management in efforts to send the right tone from the top.

On the conflict of interest risk management front, EBC's administration of the two Declaration of Interests Programs was extremely efficient. More than 2200 staff members completed their submissions. Moreover, we achieved full compliance in record time, reflecting the implementation of a more filer-friendly approach.

On the investigations side, EBC managed a high case load of complaints in FY14 and streamlined internal processes, resulting in a significant reduction in turnaround time—from 62 days in FY13 to 52 days in FY14 for non-tax matters. Moreover, in 2014 the lessons learned from EBC's investigations of a range of misconduct matters translated to substantive follow-up actions to address areas of ethical risks, as can be seen in the initiatives described above. Education and

outreach on misconduct and other topics were ongoing throughout the year, including a successful effort to foster ethics conversations with staff using humorous ethics videos.

All told, Fiscal Year 2014 was a productive year. I deeply appreciate the efforts of the EBC staff members and our partners who enabled us to achieve these results. The year ahead certainly will bring its challenges as the organizational change process continues to unfold. We hope and expect that staff will turn to EBC with their concerns, and I believe we are well positioned to address them effectively. Additionally, EBC will focus on some of the subtle and informal cultural issues, such as fostering a “speak-up” culture, that are very much on the minds of staff members and have implications for success in achieving the WBG’s future goals.

A handwritten signature in black ink, appearing to read 'Xian Zhu', written in a cursive style.

**Xian Zhu**

*Vice President and Chief Ethics Office*



# EXECUTIVE SUMMARY

## ADDRESSING CONFLICT OF INTEREST RISK

World Bank Group staff members frequently reach out to the Office of Ethics and Business Conduct (EBC) to seek advice and guidance on conflicts of interest. In FY14 EBC responded to 744 conflict of interest (COI) queries. EBC responded within 2 calendar days to more than 70 percent of these queries. Less than 10 percent required more than 1 week, reflecting more complex personal and operational COI questions.

EBC administers the WBG's two mandatory Declaration of Interests (DOI) Programs. They are designed to proactively identify possible conflicts of interest, to manage the associated risks, and to promote transparent behavior by staff members. For the first time, EBC was able to achieve full compliance with both the Staff Program (2250 filers) and the Senior Management/Vice Presidents (SMT/VP) Program without the need to impose, or threaten to impose, fines.

## INVESTIGATIONS

EBC reviews allegations of staff misconduct such as harassment, abuse of authority, fraud involving WBG benefits, and staff noncompliance with personal legal obligations. In FY14 EBC handled 230 complaints. Of these, 115 resulted in an initial review, and 36 resulted in a formal investigation. EBC opens a file for every complaint received, and matters that do not fall within EBC's mandate are referred promptly to other appropriate units. For matters that fall within its jurisdiction, EBC conducts an initial review to determine whether the evidentiary basis is sufficient to proceed with an investigation.

The top 3 categories of complaints, or two-thirds of the complaints closed during the fiscal year, related to harassment (28 percent), noncompliance with staff rules (24 percent), and abuse of authority (16 percent). The number of substantiated cases submitted by EBC

to the Office of the Vice President for Human Resources (HRDVP) for disciplinary action or a determination of whether misconduct had occurred increased from 14 in FY13 to 16 in FY14.

## SIX AREAS OF FOCUS

EBC highlighted for senior management's attention the ethics and reputational risks associated with six areas and recommended action items to mitigate these risks. These areas are:

1. Addressing staff fears of reprisal for reporting unethical conduct
2. Preventing and addressing sexual harassment
3. Reducing risks of abuse associated with the WBG's G5 visa program
4. Strengthening the compliance mechanism for US citizens regarding payment of their US tax obligations
5. Addressing situations that can arise involving WBG partnerships
6. Clarifying the ethics frameworks and processes that apply when matters arise that involve staff members and board officials.

EBC's proposals were endorsed by the president, who approved mandatory manager training to address fear of reprisal and sexual harassment in the workplace. Key elements of these two initiatives were put into place in FY14, with deployment planned for FY15.

## ETHICS OUTREACH, TRAINING, AND STAFF ENGAGEMENT

In 2014 EBC offered a spectrum of outreach, training, and communications aimed at fostering dialogues with staff members on a range of workplace-ethics-related concerns. EBC licensed the use of a series of humorous

short videos on ethics, which proved very effective in opening conversations on topics ranging from conflicts of interest to retaliation and reprisal. EBC also continued its popular “Ethics-at-Work Learning Series,” offering two well-received programs during the year. Globally, at the request of WBG internal client groups, EBC also delivered a number of workshops for regional staff and key audiences such as staff who interact with local financial markets.

## LOOKING AHEAD

Looking ahead, through increased internal outreach, EBC seeks to engage directly with staff on ethics-relevant topics including sexual harassment and fear of reprisal. Externally, EBC will reach out to exchange knowledge with ethics professionals in the private sector and in other international organizations.

# ADDRESSING CONFLICT OF INTEREST RISKS

EBC aims to provide timely and actionable advice and guidance to address queries related to both personal and WBG operational conflict of interest (COI) matters.

In FY14 EBC received 744 requests for advice, down from 844 in FY13. In particular, requests concerning gifts, entertainment, medals, and honors were significantly lower than in FY13 (table 1).

Slightly more than one-third of the requests for advice were related to outside activities that staff members wish to perform in addition to their WBG work. These activities included teaching, lecturing, writing, and contributing to nonprofit organizations. Most of these activities do not require authorization—provided they are permissible by law, are unconnected with the WBG, and do not reflect negatively on the institution. However, other activities do require authorization by the Outside Interests Committee (OIC), as described below.

Approximately 20 percent of the advisory requests received by EBC in FY14 related to pre-/post-WBG-employment situations, in which staff members had or have professional dealings with either a former or a prospective future employer. EBC assists staff in managing

such relationships to ensure that the associated conflict of interest risks are addressed.

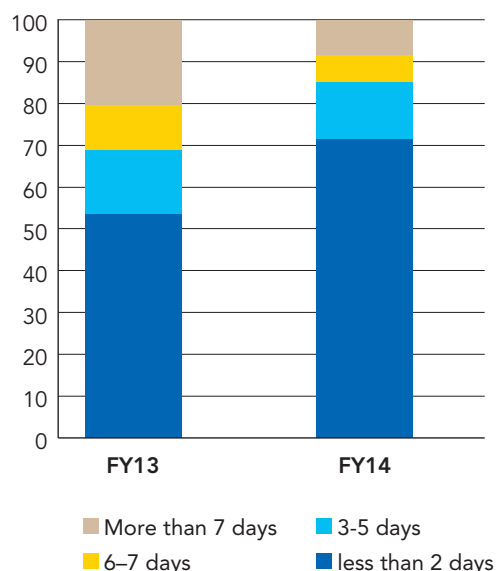
An additional category in which EBC provides guidance concerns situations in which a staff member is in professional contact with close relatives or spouses (15 percent, or 109 queries, in FY14). These situations frequently are referred to EBC, which identifies appropriate risk mitigation measures. EBC also handles personal conflict of interest queries related to the receipt of gifts or awards or to procurement activities; and specific conflict of interest issues such as speeches to be delivered by staff members outside the WBG.

Due in part to the reduction in queries, EBC's response time continued to improve. More than two-thirds of the queries were answered within two business days (figure 1).

**TABLE 1. CONFLICT OF INTEREST CONSULTATIONS BY CATEGORY, FY12–FY14**

Category	FY12	FY13	FY14
Outside activities	261	286	265
Future or former employment	128	131	124
Vendor procurement	66	41	37
Operational	51	25	22
Close relatives/relationships	108	102	109
External service	59	41	38
Gifts, medals, honors	58	76	52
Personal financial interests	33	37	35
Public statements	40	41	39
Other	44	55	23
<b>Total</b>	<b>848</b>	<b>835</b>	<b>744</b>
% change from prior fiscal year	(5)	0.4	(11.8)

**FIGURE 1. COI QUERY RESPONSE TIME IN CALENDAR DAYS, FY13–FY14 (%)**



**TABLE 2.** WBG DECLARATION OF INTERESTS (DOI) PROGRAMS

SMT/VP Program	The 40 most senior individuals in the organization, including the WBG president, must complete a declaration that is summarized and posted publicly on the internet.
Staff Program	Senior-level staff members (GH and above), and designated staff in other sensitive roles, such as staff in the Office of Ethics and Business Conduct, the Integrity Vice Presidency, and corporate procurement, are required to file annual declarations.
Board Program	An independent program for board officials is run by the Corporate Secretariat.

## WBG DECLARATION OF INTEREST PROGRAMS

EBC manages two separate Declaration of Interests (DOI) programs: one for the senior management team and vice presidents (SMT/VP Program) and a separate Staff Program.

Program participants complete a confidential DOI that is reviewed by EBC and external consultants to identify risks of possible conflicts of interest. Participants must disclose any special treatment that they may have received from their personal or financial activities, including gifts, medals, decorations, or honors, that could give rise to perceptions of divided loyalties. Participants also must declare their financial holdings above \$10,000 per asset, real estate holdings, and outside positions that they—and their immediate family members—may hold. These positions include professional and quasi-professional activities such as board memberships in for-profit or nonprofit organizations.

### STAFF DOI PROGRAM

During the 2013 calendar year Declaration of Interests Program, launched in FY14, 2250 staff members were required to file a declaration of interest. In prior years, financial penalties (“fines”) had been imposed on late filers. Significantly, in the 2014 program, more than 90 percent of staff members filed by the May 5 deadline. Instead of immediately imposing fines, as was done in past years, for the 2014 program, EBC adopted a change in approach. Prior to the deadline, EBC staff communicated directly and proactively with individuals who had not complied and offered direct assistance if needed. In a small minority of cases, EBC staff members requested the support of the filer’s senior manager to bring the filer into compliance. The program achieved 100 percent compliance by June 20.

Moreover, EBC modified the conflict of interest review process so that EBC staff directly handled matters in which possible COI were identified. As a result, program fees to the external consulting firm were reduced by 15 percent, and the process was streamlined: 86 percent of filings were analyzed and closed by June 30—a historic high.

Due to the calendar year period used for the WBG’s DOI programs, the 2012 Program reviews were completed during FY14. Seventy-four of the 2202 participants in the 2012 Program, or 3.4 percent, had COI that required mitigation measures. Some individuals had more than one conflict of interest. Of the 74 individuals, 34 were from IBRD/IDA (of 1473 total IBRD/IDA filers), 38 from IFC (of 700 total IFC filers), and 2 from MIGA (of 20 total filers). Nine additional filers participated from the Global Environment Facility (GEF).

COI matters identified for the 2012 Program included:

- 97 financial conflicts of interest
- 35 outside interest issues.

In the majority of cases, the only necessary follow-up measure was disclosure to a senior manager. Divestment was required in only 4 cases. This very low total reflects a generally high level of awareness among filers of the necessity to take into account COI risk when making personal investment decisions.

### WBG SENIOR MANAGEMENT TEAM AND VICE PRESIDENTS DOI PROGRAM

The summaries of declarations filed by SMT/VP members during the 2012 program period were reviewed by an independent firm in FY14 and posted on the internet prior to the 2013 WBG Annual Meetings. Declarations for the 2013 year program, received in FY14, were posted publicly prior to the 2014 Annual Meetings.

## OUTSIDE INTERESTS COMMITTEE

To carry out certain outside activities in their personal capacities, staff members are required by WBG Staff Rules to seek prior approval by the Outside Interests Committee (OIC). EBC chairs the OIC, which includes members from the Office of the Vice President of Human Resources (HRDVP), Legal Vice Presidency, Staff Association, and staff members at large. Membership was updated in FY14, and new members received an orientation.

In FY14 the OIC reviewed 20 petitions—more than a 3-fold increase over FY13. Thirteen petitions related to providing services for a for-profit endeavor; 3 involved services to government bodies; and 2 petitions concerned nominally paid activities in support of community and artistic initiatives. The remaining two petitions concerned a candidacy for local public office and unpaid service to a nonprofit that had a business relationship with the WBG. In all, 17 petitions were approved; 3 were not approved.

## STAFF RULE UPDATES

As part of efforts to streamline operations, EBC periodically reviews relevant Staff Rules to ensure that

they provide the necessary safeguards without creating undue burdens on staff members. Staff Rule 3.02 requires staff members to divest from companies that have a relationship with the WBG, a broad requirement that often resulted in divestitures and recusals in instances that posed low COI risk. EBC proposed a change to this rule that took effect on July 1, 2014. The change allows EBC to grant exceptions to this requirement unless:

- The staff member's professional decisions could materially impact the value of the company
- The staff member could receive, through professional contacts, information that would be confidential yet relevant for the staff member's private investment strategy
- The staff member holds confidential information learned through her/his WBG work that would be valuable to the company if disclosed
- As part of his/her WBG work, the staff member publishes market analysis and analyzes the company, among others.

The rule change also gives EBC more discretion in the choice of mitigating measures.



# INVESTIGATIONS

EBC aims to expeditiously and thoroughly investigate allegations of staff misconduct while respecting the due process rights of all parties. (box 1)

## MATTERS HANDLED BY EBC

EBC reviews allegations of staff misconduct related to workplace grievances such as harassment, sexual harassment, discrimination, hostile work environment, and abuse of authority. In addition, EBC handles allegations of fraud related to benefits or allowances; failure to meet personal legal obligations (such as tax payments or court-ordered spousal or child support); retaliation; and other violations of WBG rules, policies, and Principles of Staff Employment. A detailed description of EBC’s investigative process can be found in the “Guide to EBC’s Investigative Process.”

### BOX 1 GUIDING PRINCIPLES OF EBC’S INVESTIGATIVE FUNCTION

- Staff members are treated fairly and respectfully.
- There is a presumption of innocence until the Human Resources Vice President determines that misconduct has occurred.
- A staff member who is the subject of an investigation has the right to respond to allegations raised against him or her.
- Investigations are handled with discretion and need-to-know confidentiality.
- Investigations are conducted in a timely manner.

TABLE 3. OVERVIEW OF EBC’S CASELOAD, FY12–FY14

	FY12		FY13		FY14	
	Number	Percent	Number	Percent	Number	Percent
Carried over from previous year	60	n.a.	34	n.a.	28	n.a.
Total opened	250	n.a.	256	n.a.	251	n.a.
Closed after assessment	102	38	83	32	79	34
Closed after initial review	114	41	136	52	115	50
Closed after investigation	34	12	28	11	20	9
Referred to HRDVP for disciplinary action <sup>a</sup>	26	9	14	5	16	7
Total closed	276	n.a.	261	n.a.	230	n.a.
Carried forward to following year	34	n.a.	29	n.a.	49	n.a.

a. Includes substantiated cases closed by options letter and memorandum of understanding.  
n.a. = not applicable.

## OVERVIEW OF OUTCOMES

In FY14 EBC addressed 230 complaints. Approximately one-third were closed at the assessment stage (table 3). Matters closed at this stage generally do not fall within EBC’s mandate or are referred to another office within the WBG in which they would be handled more

appropriately. Approximately one-half of FY14 complaints were closed at the point of initial review because either the evidence was insufficient to proceed with a full investigation or the allegations were unfounded.

In FY14, in addition to 28 complaints carried forward from FY13, 251 new complaints were received. Of the 279 complaints, 230 were closed during FY14, and

**TABLE 4.** MATTERS CLOSED BY CATEGORY, FY12–FY14

Category	FY12		FY13		FY14	
	Number	Percent	Number	Percent	Number	Percent
Personal legal obligations <sup>a</sup>	78	28	36	14	24	10
Harassment <sup>b</sup>	50	18	48	19	66	28
Abuse of authority	32	12	43	17	36	16
Misuse of WBG assets or resources <sup>c</sup>	23	9	24	9	18	8
Benefit fraud, misrepresentation, or false reporting	9	3	11	4	*	*
Conflict of interest	9	3	1	—	*	*
Data or information breach	7	2	4	1	*	*
Retaliation <sup>d</sup>	8	3	5	2	13	6
Employment and assignment issues or management skills and behavior	4	1	5	2	*	*
Unprofessional conduct	33	12	77	30	*	*
Noncompliance with Staff Rules	*	*	*	*	55	24
Discrimination	*	*	*	*	7	3
G5 Domestic	*	*	*	*	11	5
Other <sup>e</sup>	25	9	7	2	*	*
<b>Total</b>	<b>278</b>	<b>100</b>	<b>261</b>	<b>100</b>	<b>230</b>	<b>100</b>

Note: In FY14 EBC revised its classification system for cases to present more precise data on specific issue areas as well as to eliminate the “other” category that was used previously. Additionally, certain categories used in the past, such as “conflict of interest and fraud” (related to benefits, petty cash), were reclassified as “noncompliance with Staff Rules.”

- “Personal obligations” includes tax and nontax personal legal obligations and G4/G5 employee issues for FY12–13. Starting in FY14, G5 matters are classified separately.
- In FY12–13 “harassment” included harassment, sexual harassment, hostile work environment, discrimination, and interpersonal conflicts. Starting in FY14, discrimination is presented separately.
- “Misuse of assets or resources” includes misuse of assets and WBG resources and theft.
- “Retaliation” includes whistleblower retaliation under Staff Rule 8.02 as well as retaliation as described in Staff Rule 3.00.
- “Other” includes absence from duty, conviction for criminal actions, domestic abuse, and policy questions. In FY14 this category was eliminated.

49 were carried forward into FY15. EBC completed 36 formal investigations in FY14, 16 of which resulted in a finding of misconduct—a substantiation rate of 44 percent.

The largest category (28 percent) of cases handled by EBC during FY14 was harassment (table 4).

As a result of EBC’s investigations, 16 cases were referred to HRDVP for a decision on misconduct and disciplinary action, and 2 cases resulted in memoranda of understanding (MOUs). A MOU is a letter by which a staff member enters into mutual agreement with the Bank Group. Of the 16 cases, HRDVP determined that misconduct did not occur in 1 case that alleged retaliation. Decisions are pending on 3 FY13 cases. The follow-up actions taken by HRDVP for these years can be seen in tables 5 and 6.

Below are examples of substantiated allegations of misconduct that were referred to HRDVP in FY14. In each of these examples, HRDVP took disciplinary action.

- A staff member sexually harassed a short-term consultant.
- A staff member falsified medical invoices and fraudulently obtained medical insurance reimbursements.
- A staff member engaged in behavior that created a hostile work environment.
- A staff member sexually harassed an extended-term consultant.
- A staff member misused his rental allowance.
- A staff member repeatedly viewed pornography on a WBG computer.



**TABLE 5.** SUBSTANTIATED CASES BY CATEGORY, ACTIONS TAKEN, AND SUBJECT’S GRADE, FY13

Number of Cases	Category of Misconduct	Actions Taken	Subject's Grade
1	Personal legal obligations: Washington	Memorandum of understanding	GH
6	Benefits fraud, misrepresentation, false reporting: Washington (3), country office (3)	No misconduct determination by HR (1) Mutual separation agreement and letter of intent withdrawn (1) Options letter (subject staff member resigned) (1) Bar to rehire and restriction of access to Bank buildings (1) Bar to rehire(1) Decision pending (1)	UC STC GH GG GF GA
1	Harassment: Washington	Demotion and temporary conditional restriction on employment	GG
1	Failure to perform duties: Washington	No finding of misconduct by HR	GH
4	Unprofessional conduct, negligence: Washington (1), country office (3)	Decision pending (2)  Written censure (in file for one year) (1) Written censure (in file for three years) (1)	ETC UC GC GG
1	Misuse of Bank resources; medical fraud: country office (1)	Bar to rehire and restriction of access to Bank buildings	GC

Note: ETC = extended-term consultant; STC = short-term consultant; UC = ungraded staff.

**TABLE 6.** SUBSTANTIATED CASES BY CATEGORY, ACTIONS TAKEN, AND SUBJECT’S GRADE, FY14

Number of cases	Category of misconduct	Actions taken	Subject's grade
3	Misuse of Bank resources (benefits, travel, and Bank assets): Washington (3)	Bar to rehire and restriction of access to Bank buildings (1) Payment of restitution and written censure (in file for 3 years) (1) Bar to rehire (1)	GD GI GB
5	Noncompliance with Staff Rules: Washington (3), country office (2)	Bar to rehire and restriction of access to Bank buildings (2) Demotion and temporary conditional restriction on employment (1) Options letter (2)	GE, UA GE GA, GB
6	Harassment: Washington (5), country office (1)	Written censure (in file for two years; and indefinitely) (3) Bar to rehire and restriction of access to Bank buildings (1) Termination, bar to rehire, and letter in file indefinitely (2)	GF, UC, GI GF GE, GF
1	Retaliation: Washington	No finding of misconduct by HR	GH
1	Personal legal obligations: Washington	Written censure (in file until obligation is fulfilled)	GC

Note: UA = ungraded staff; UC = ungraded staff.

## PERSONAL TAX OBLIGATIONS

The World Bank Group pays a “tax allowance” to US nationals employed by it for their federal and state taxes. The purpose of the tax allowance is to place US staff members on par with non-US staff members whose salaries are nontaxable in the US. US nationals are personally responsible for complying with their tax obligations. While 98 percent of US staff pay their

tax obligations on time, the monetary value of cases handled by EBC since FY10 for noncompliant individuals is substantial, totaling approximately \$3 million in taxes owed. To address institutional vulnerabilities in the area of tax compliance, in FY14 EBC completed a benchmarking exercise across similar organizations, including the United Nations and the International Monetary Fund. These organizations handle the issue of tax compliance differently from the WBG.

In FY14, in partnership with other internal stakeholders, EBC put forward a series of recommendations to senior management to mitigate institutional risks. These recommendations are:

1. To re-evaluate onboarding and tax training sessions to focus less on details and to emphasize the obligations and responsibilities of staff.
2. To require that all individuals who receive a tax allowance upload in a timely manner proof that they have paid the tax authorities.
3. To shift away from misconduct investigations to a compliance approach to tax cases. If it is established that a staff member has not used the tax allowance for its intended purpose, EBC first will try to bring the staff member into compliance by entering into a memorandum of understanding with the staff member, who then needs to cooperate actively with the tax authorities.

EBC's work in this area continues in FY15, in collaboration with other WBG units.

## WORLD BANK GROUP G5 VISA PROGRAM

The WBG's G5 domestic employee program allows staff members holding G4 visas to hire employees to work in their homes as nannies and elder care providers. The domestic employees enter and work in the US on G5 visas. Allegations against G4 staff members of non-compliance with the G4/G5 Code of Conduct, as well as unfair treatment of G5 employees, may expose staff members to criminal liability and can create significant reputational risk for the WBG.

In FY14 EBC recommended a series of measures to help address these risks and improve the G5 program. Some of these measures, such as outsourcing oversight of the G5 program to an external vendor, are being implemented by HR. Additionally, EBC produced a new user-friendly brochure on G4/G5 obligations, which is distributed at both G5 orientations and spouse/partner orientations.

## TURNAROUND TIME

EBC has implemented service standards and strives to complete its investigations within three months (see "Guide to EBC's Investigative Process"). In FY14 the average processing time for case closure, excluding tax matters, was 52 days, a reduction from 62 days in FY13. The processing time for tax matters also dropped significantly from 103 days in FY13 to 76 days in FY14. Overall, EBC's case processing time was well within the 6-month maximum recommended by the 2007 Volcker Panel Review of the Integrity Vice Presidency (INT) for handling workplace conflicts.

# CONTRIBUTING TO POSITIVE CULTURAL CHANGE

EBC engages in outreach, communications, and training activities to foster awareness of the WBG’s expectations for professional conduct and to address areas of ethics-related risks.

### OVERVIEW OF ACTIVITIES

EBC’s activities and communication products focus largely on addressing conflict of interest risks and areas of misconduct. In FY14 EBC placed particular emphasis on risks associated with staff fear of reprisal and sexual harassment (detailed below). Starting in FY14, EBC partnered with the Integrity Vice Presidency (INT) to co-present a successful series of quarterly brown-bag lunch sessions, as well as globally accessible webinars, focused on helping staff to better understand the WBG’s investigative processes.

Also in FY14, EBC delivered face-to-face workshops or presentations to over 1000 staff, including more than 400 in South Asia. These offerings were customized to address the ethics-related pressures experienced by participants. In particular, EBC’s country office outreach resulted in the generation of useful insights and bolstered country office staff awareness of the services of both EBC and other offices within the Internal Justice System (IJS).

Training was offered based on client requests as well as from EBC’s strategic efforts to reach key audiences, such as managers. For example, a number of units requested that EBC conduct ethics sessions to

address fear of reprisal, which had surfaced in the 2013 Employee Engagement Survey; or to make staff aware of their ethical obligations as well as EBC’s role following an investigation. EBC also designed customized training for the General Services Department facilities, procurement, and Africa resource management staff. These interactive offerings were rated highly by staff, based on post-session survey evaluations.

### ADDRESSING FEAR OF RETALIATION AND REPRISAL

One of the most troubling results from the WBG’s 2013 Employee Engagement Survey was the finding that many staff would not come forward to report unethical behavior for fear of reprisal. An additional reason that individuals do not come forward to report perceived wrongdoing—also evident in the findings from other WBG surveys in recent years—is that many staff do not trust the system or believe that there are consequences for wrongdoing.

To substantively address this concern, in FY14 EBC recommended a series of measures to the Office of the President. These recommendations were to implement mandatory training for managers to promote a retaliation-free workplace, and specific suggestions on setting the appropriate “tone from the top” with respect to reprisal behaviors. EBC’s recommendations were endorsed by the president, and a pilot of the manager training occurred in late FY14, with deployment planned for FY15.

**TABLE 7.** EBC OUTREACH AND TRAINING, FY14

Type	No. Participants
Onboarding/orientations (incl. staff, spouses/partners, G5s, interns)	1099
Code of Conduct e-learning	2069
Outreach (open house, learning series, movie series)	806
Joint activities with partners (INT, IJS, HR)	424
Face-to-face training	1084
<b>Total</b>	<b>5482</b>

### PREVENTING AND ADDRESSING SEXUAL HARASSMENT

Sexual harassment poses high reputational risk, and the experience of EBC and other IJS offices suggests that the problem is under-reported in the WBG. Based on the cases that have been brought forward in recent years, EBC recommended to senior management that the Bank Group implement (1) a WBG-wide awareness campaign about sexual harassment, and (2) mandatory face-to-face

training for managers on preventing and addressing it in the workplace. The WBG last required managers to attend sexual harassment-related training in 2005. Deployment of the new training is planned for FY15.

### **ETHICS MATTERS INVOLVING STAFF MEMBERS AND BOARD OFFICIALS**

Separate ethics frameworks apply to WBG staff members and board officials. EBC's mandate concerns staff conduct matters. However, issues periodically arise when WBG staff members and board officials work in close proximity. In FY15 EBC will be working with the Corporate Secretariat to address these sensitive matters. Initial collaboration took the form of a joint EBC/Corporate Secretariat presentation in March 2014, the "Onboarding Program for New Board Officials and Staff on Ethics." The presentation was well received by participants, and future sessions are planned for FY15.

### **ETHICS MATTERS INVOLVING WBG PARTNERSHIPS**

Cooperation with WBG donors and partners takes many forms, ranging from the direct involvement of staff members from different countries, to the establishment of common joint ventures. In all cases, WBG staff members continue to be bound by WBG ethics-related rules and expectations, and they also may be subject to the specific rules contained in the joint-venture or cooperation agreement. Similarly, staff who are seconded by other institutions to work on cooperation projects on the WBG premises are subject to both the code of conduct of their administration of origin, and that of the

#### **BOX 2** NEW IN FY14: "ETHICS AT THE MOVIES"

In 2014 EBC licensed use of a series of short videos on ethics that use humor to illustrate a broad range of workplace issues. After piloting the videos with representative groups of WBG staff in Washington and country offices, EBC determined that, notwithstanding differences in culture and individual senses of humor, the videos could be an effective tool for opening serious discussions in an engaging and somewhat lighthearted manner. Given the success of this approach, EBC is exploring the development of a series of WBG-specific videos for use in future outreach and training.

#### **BOX 3** "ETHICS-AT-WORK" LEARNING SERIES

EBC continued its popular "Ethics-at-Work Learning Series" to raise awareness of business ethics among WBG staff members for a second year. Two well-attended sessions were featured in FY14:

- "The Righteous Mind: An Overview of Moral Psychology and Its Influence on Policy Making," presented by Jonathan Haidt, Professor, New York University
- "Uncovering the Culture of the Secret Leaders: The Quiets, the Introverts, and the Cooperators in Institutions," presented by Joseph Badaracco, Professor, Harvard Business School.

WBG. EBC is engaged with internal partners in a review to address the potential conflicts that can arise.

### **COMMUNITY OF PRACTICE AMONG WASHINGTON MULTILATERALS**

In FY14 EBC established a local online community of practice with the ethics offices of the International Monetary Fund, the Inter-American Development Bank, and the Pan-American Health Organization. The objective of this community of practice is to facilitate the exchange of knowledge among these three Washington-based international organizations concerning the functions of the ethics office and to facilitate benchmarking. The local community of practice met twice during FY14. In FY15 EBC agreed to expand the online community to include the additional approximately 20 international organizations that comprise the membership of the United Nations' Ethics Network of Multilateral Organizations (ENMO).

# LOOKING AHEAD

**F**Y15 promises to be a very active year. In addition to EBC's advisory, investigatory, and training functions, the Office will be engaging intensively with staff and collaborating with institutional partners to foster a dialogue on the subtle issues that contribute to our culture and have broader implications for success of the WBG in achieving its goals. Upcoming initiatives include:

- Deployment of mandatory training for all WBG managers on (1) creating a nonretaliatory workplace in which staff feel comfortable voicing differences, and (2) preventing and addressing sexual harassment
- Development and deployment of e-learning modules accessible to all staff on the aforementioned two topics
- Launch of a new and improved user-friendly website
- Expanding the online local ethics community of practice from 4 members to 24 multilateral

organizations to broaden exchanges of knowledge, experience, and best practices.

This list is not exhaustive. Efforts will continue on other fronts, as EBC streamlines its processes to more efficiently investigate allegations, implement conflict-of-interest risk management solutions, and provide advice and guidance to address ethics concerns. Effectively reaching country office staff with timely and relevant information on ethics matters also will remain a high priority in the year ahead. Finally, EBC seeks to explore ways of more deeply integrating ethics in WBG operations and contributing more directly to the WBG's mission.

# CONTACTING EBC

## REPORTING ALLEGATIONS OF MISCONDUCT

### REPORTING OBLIGATIONS

Staff are encouraged to report alleged staff misconduct either to their managers or to EBC; managers have an obligation to report such allegations to EBC.

### DUE PROCESS

All individuals involved in the investigative process—including those reporting alleged misconduct, witnesses, and subject staff members—are afforded due process by EBC (see “Guide to EBC’s Investigative Process”).

### CONFIDENTIALITY

Information about an investigation and the identity of staff involved are disclosed only to individuals who have a legitimate need to know, consistent with Staff Rules.

## SEEKING CONFLICT OF INTEREST ADVICE AND GUIDANCE

Staff with questions relating to personal COIs (for example, questions on outside activities, gifts, post-WBG employment) or Bank business COIs are encouraged to write to the ethics helpline: [ethics\\_helpline@worldbank.org](mailto:ethics_helpline@worldbank.org).

Conflict of interest advice will be kept confidential between the COI advisory team and the staff member and may be shared with others who have a legitimate need to know.

Information that has been shared with EBC’s COI advisory staff may be shared with EBC investigators if there is reason to believe that misconduct may have occurred. Staff are encouraged to approach EBC early, so that any COI concerns can be addressed promptly and managed effectively.

Due process protections are afforded to all staff who contact EBC.

### RETALIATION

Retaliation or threat of retaliation by a staff member against any person who reports suspected misconduct, or who cooperates or provides information in connection with an investigation, is prohibited. Retaliation or threat of retaliation constitutes misconduct in itself and may be investigated as such by EBC.

### ANONYMOUS REPORTING

Staff have the option of reporting misconduct anonymously. However, no finding of misconduct can be made based on anonymous allegations unless the allegation of misconduct is independently corroborated.



# FY 14 ANNUAL REPORT



## OFFICE OF ETHICS AND BUSINESS CONDUCT

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