

Third Session of the Assembly  
28-29 October 2019, Seoul

Agenda Item 3.1(a)

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**DECISION 24-III-19R**

**Policy on Ethics and Conflicts of Interest for the  
Executive Director of the AFoCO Secretariat**

The Assembly of the Asian Forest Cooperation Organization (AFoCO),

*Recognizing* the principles and ethical standards in connection with, or having a bearing upon, her/his status and the discharge of her/his responsibilities as the Executive Director of the AFoCO Secretariat; and

*Ensuring* that the Executive Director is entrusted with responsibilities as prescribed in the Agreement and relevant regulations and policies of the organization,

*Decides to:*

1. Adopt the Policy on Ethics and Conflicts of Interest for the Executive Director of the AFoCO Secretariat in document D-24-1, and
  2. Task the Secretariat to facilitate the necessary follow-up actions, including:
    - (a) Establishment of Ethics and Audit Committee; and
    - (b) Amendment/update of related institutional documents such as the Staff Regulations.
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# Policy on Ethics and Conflicts of Interest for the Executive Director of the AFoCO Secretariat

*Document No: D-24-1 (Decision 24-III-19R)*

## I Background

1. This Policy on Ethics and Conflicts of Interest for the Executive Director of the Secretariat of Asian Forest Cooperation Organization sets out principles and ethical standards in connection with, or having a bearing upon her/his status and the discharge of her/his responsibilities as the Executive Director of the AFoCO Secretariat.

## II Definitions

2. For the purposes of this Policy, the following terms shall have the meaning set out below:

- (a) "AFoCO" means the organization established under the Agreement on the Establishment of the Asian Forest Cooperation Organization.
- (b) "Agreement" means the Agreement on the Establishment of the Asian Forest Cooperation Organization.
- (c) "Assembly" means the Assembly of AFoCO.
- (d) "Dependent" means the Executive Director's spouse, partner under domestic legislation, child, mother, father, brother or sister or a persons who is primarily dependent on such an individual for financial support.
- (e) "Ethics and Audit Committee" means the committee of the Assembly to consider and provide guidance on issues of interest, confidentiality, ethics, financial management, procurement and other audit functions as they relate to the Assembly, particularly pursuant to the relevant policies on Information Disclosure; Anti-Money Laundering and Countering the Financing of Terrorism; and Ethics and Conflicts of Interest for the Assembly of AFoCO and the Executive Director of the Secretariat.
- (f) "Executive Director" means the Executive Director who is the head of the Secretariat and appointed by the Assembly.
- (g) "Gift" means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, honorarium, or other item having monetary value. These include services as well as gifts of training, transportation, local travel, lodgings, and meals, whether provided in-kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.
- (h) "Harassment" means unwelcome verbal or physical behavior that unreasonably interferes with work or creates an intimidating, hostile or offensive work environment.
- (i) "Headquarters Agreement" means the Headquarters Agreement between the Asian Forest Cooperation Organization and the Government of the Republic of Korea.
- (j) "Observer" means a signatory country which has signed the Agreement but has yet to

deposit its instrument of ratification, acceptance or approval; Asian country, or international non-governmental organization granted Observer status by the Assembly in accordance with Article 6 of the Agreement.

- (k) “Party” means a country which has signed the Agreement and has deposited its instrument of ratification, acceptance, or approval for which the Agreement has entered into force, or a country that has acceded to the Agreement.
- (l) “Policy” means this Policy on Ethics and Conflicts of Interest for the Executive Director of the Secretariat of Asian Forest Cooperation Organization.
- (m) “Secretariat” means the Secretariat of AFoCO referred to in Article 9 of the AFoCO Agreement.

### **III Purpose and Scope**

3. The purpose of this Policy is to ensure that the Executive Director is entrusted with responsibilities as prescribed in the Agreement and relevant regulations and policies of the organization. The Executive Director’s personal and professional conduct of must be consistent with the standards and procedures set forth herein.

4. This Policy is in furtherance of the general principles set out in the Agreement that the organization shall operate in a transparent and accountable manner guided by efficiency and effectiveness.

5. If the Executive Director has any doubt in regards to her/his proper course of action in any matter related to this Policy, s/he shall seek the advice and guidance of the Ethics and Audit Committee. The terms of reference for the Ethics and Audit Committee is found in **Annex-1**.

6. This Policy also sets forth the procedures for handling allegations of misconduct in **Annex-2**.

### **IV Basic Standard of Conduct**

7. The Executive Director shall carry out her/his responsibilities as prescribed in the terms of reference for her/his post, her/his contract with AFoCO, and relevant decisions and policies of AFoCO, to the best of her/his ability and judgment. The Executive Director shall maintain the highest standards of integrity in her/his personal and professional conduct and observe principles of good governance.

8. In view of the high office that the Executive Director holds, s/he shall at all times conduct her/himself in keeping with the dignity of that office. The terms of her/his employment contract with AFoCO shall be consistent with this Policy.

9. The Executive Director shall not interfere in the political affairs of any country. In the discharge of her/his office, the Executive Director shall not seek or receive instructions from any government or authority otherwise than in conformity with the Agreement.

10. In the discharge of her/his office, the Executive Director owes a duty entirely to AFoCO and no other authority. In implementing decisions of AFoCO, the Executive Director will only take into account considerations relevant to AFoCO's purpose, functions and operations. Her/his considerations shall be taken impartially in order to achieve and carry out the purpose and functions of AFoCO as set out in the AFoCO Agreement and/or determined by the Assembly.

11. In the performance of her/his functions the Executive Director shall act with tolerance, sensitivity and respect for cultural differences and must show respect for different cultures, beliefs, and backgrounds. S/he must avoid behavior that constitutes harassment, bullying or behavior that can be perceived by others as harassment or bullying.

12. The privileges, immunities, exemptions, and facilities which the Executive Director enjoys under the Headquarters Agreement and any other agreement entered into between AFoCO and governments of other countries are granted in the interest of AFoCO and not for the personal benefit of the Executive Director.

13. These privileges, immunities, exemptions, and facilities offer no excuse for non-performance of private obligations or failure to observe domestic laws and regulations. The Executive Director is expected to satisfy in good faith her/his obligations as a resident of the host country of AFoCO, including all applicable personal obligations outside AFoCO, the non-fulfilment of which could reflect unfavorably upon her/his position as the Executive Director or could affect the efficient performance of her/his duties.

## **V Local Laws**

14. The Executive Director shall observe the laws of each jurisdiction in which s/he is present pursuant to her/his duties so as not to be perceived as abusing the privileges and immunities conferred upon AFoCO and upon her/him. This does not abrogate or waive any of the privileges or immunities which s/he enjoys.

## **VI Conflicts of Interest**

15. A conflict of interest arises when the personal interests of then Executive Director interfere in any way with her/his public duty or with the interests of AFoCO. A conflict of interest may arise when the Executive Director takes actions or has interests that make it difficult to perform her/his work objectively and effectively, or when the Executive Director takes actions that intentionally result in reception of improper benefits for her/himself, dependents or other persons or entities.

16. An actual conflict of interest involves a conflict between the official duties of the Executive Director and her/his personal interests that improperly influences the performance of those official duties. An apparent conflict of interest arises when it could reasonably be perceived that the Executive Director's personal interests could improperly influence the performance of her/his official duties even if this is not in fact the case.

17. In performing her/his duties, the Executive Director shall carry out her/his responsibilities to the exclusion of any personal advantage.

18. The Executive Director shall endeavor to avoid any situation involving an actual conflict, or the appearance of a conflict, between her/his personal interests and the performance of her/his official duties. If an actual conflict arises, the Executive Director shall promptly refer the matter in writing to the Chair of the Ethics and Audit Committee and shall withdraw from attendance or participation in deliberations or decision-making connected with that matter pending guidance from the Ethics and Audit Committee.

19. If the appearance of a conflict arises, or if there is doubt whether a conflict, actual or apparent, exists, the Executive Director shall promptly refer the matter in writing to the Chair of the Ethics and Audit Committee for guidance.

### **6.1 Personal Financial Affairs**

20. During her/his employment with AFoCO, the Executive Director or her/his Dependents shall avoid having any financial interest in transactions of AFoCO or in projects or enterprises involving AFoCO. The Executive Director shall not use any information not generally available to the public to further her/his private interests or those of any other person or entity.

21. The Executive Director shall seek guidance of the Ethics and Audit Committee prior to undertaking financial transactions that may be restricted by provisions of this Policy.

### **6.2 Disclosure of Financial and Business Interests**

22. The Executive Director shall promptly disclose to the Ethics and Audit Committee any financial or business interest that s/he or an immediate family member has, which might reflect unfavorably on AFoCO or which might be in actual or perceived conflict with her/his duties. Upon such disclosure, the Executive Director shall refrain from taking any action as Executive Director that might affect such interest, except as otherwise directed by the Assembly.

### **6.3 Outside Activities and Other Employment**

23. The Executive Director shall devote her/himself to the activities of AFoCO on a full-time basis and dissociate from any other public or private position that s/he may hold upon joining the Secretariat.

24. The Executive Director shall not, without the prior written approval of the Assembly, accept any position or obligation or have any interest directly or indirectly in any activity which may interfere with the discharge of her/his duties as the Executive Director.

25. The Executive Director shall not be personally involved in an organizational transaction involving a former employer other than a government or international organization, as:

- (a) A recipient or beneficiary of AFoCO's financing, investments, or guarantees;
- (b) A guarantor of any such financing; or
- (c) A supplier of goods or services to AFoCO, except as authorized by the Assembly.

26. When seeking, negotiating for, or entering into an arrangement concerning, prospective employment outside AFoCO for her/himself or for Dependents, the Executive Director shall not allow such circumstances to influence the performance of her/his duties.

27. The Executive Director may not, within one and a half years after her/his separation from AFoCO, seek, apply, or take up appointment as a staff member, engagement as a consultant, or any other work remunerated by AFoCO.

28. The Assembly may waive this provision in paragraph 26 upon recommendation from the Ethics and Audit Committee. A request for such a waiver must be submitted to the Ethics and Audit Committee before s/he applies for employment to the Secretariat. The Secretariat shall not take action on or accept an application for employment from a previous Executive Director unless a waiver has been granted by the Assembly.

#### **6.4 Political and External Activities and Interests**

29. The Executive Director may exercise her/his political rights, but shall refrain from participation in political activities that may interfere or conflict with her/his duties or status as Executive Director.

30. The Executive Director must resign her/his position immediately if s/he becomes a candidate for any national public office of a political character or accepts a nomination for such an office.

### **VII Transparency and Disclosure of Information**

31. The Executive Director shall at all times observe the applicable policies of AFoCO regarding information disclosure.

32. The Executive Director shall protect the security of any information s/he obtained in the performance of her/his duties that is not otherwise available to the public and, except as required to perform her/his duties, the Executive Director shall not use such information or disclose it to others who s/he knows or should know are not authorized by AFoCO to receive such information. The provisions of this paragraph shall continue to apply to the Executive Director after her/his term of service has expired.

33. The Executive Director shall not use, or allow the use of, unpublished and/or confidential information known to her/him by reason of her/his official position with AFoCO for private advantage, directly or indirectly, or for any interest contrary to the interests of AFoCO.

## **VIII Gifts and Awards**

34. The Executive Director and her/his Dependents are prohibited from accepting gifts under circumstances where it could reasonably be construed that the gift is motivated by her/his position in relation to AFoCO or interests that could be substantially affected by AFoCO, except when such gifts are allowable under the provisions referred to in paragraph 35 below.

35. The Executive Director and her/his Dependents are prohibited from giving gifts where it could reasonably be construed that the gift is intended to affect the policies or practices of AFoCO or any of the programs it funds.

36. The Executive Director may accept unsolicited gifts when refusal to do so would embarrass the gift provider or AFoCO or otherwise not be in the interest of AFoCO, such as when a refusal to accept would be considered as culturally insensitive, provided that such gifts over US \$100 shall be reported to the Ethics and Audit Committee. Except when impractical (such as in the case of meals), gifts accepted on behalf of AFoCO will be turned over to the Secretariat.

37. Considering the international character of the position of the Executive Director, s/he may not accept, without authorization by the Assembly, any honors, decorations or favors from any government, or from any other authority or person external to AFoCO in connection with services rendered during her/his term of office with AFoCO.

## **IX Conduct within the Institution**

38. The Executive Director shall treat her/his colleagues and staff with courtesy and respect.

39. The Executive Director shall exercise adequate control and supervision over matters for which s/he is individually responsible and the resources for which s/he is entrusted, and shall know and observe the budgetary standards and restrictions prescribed under the relevant policies of AFoCO.

40. The Executive Director shall ensure that property and services of AFoCO are used by her/himself and persons in her/his office only for the official business of AFoCO.

## **X Amendment to the Policy**

41. The provisions of this Policy may be supplemented or amended upon proposal by the Executive Director in consultation with the Ethics and Audit Committee and subsequent approval by the Assembly.

## **XI Report and Review**

42. The Assembly and the Ethics and Audit Committee shall keep this Policy under regular review to ensure that the highest ethical standards are applied to the Executive Director.

43. The Ethics and Audit Committee shall report on the status of implementation and the progress of this Policy to the Assembly every three (3) years after the adoption of the Policy.

## **XII Effective Date of Application**

44. This Policy shall come into effect upon adoption by the Assembly and shall remain in effect until amended or superseded by the Assembly.

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## **Annex-1. Terms of Reference of the Ethics and Audit Committee**

### **I Role and Functions**

1. The role of the Ethics and Audit Committee is to consider and provide guidance on issues of conflict of interest, confidentiality, ethics, financial management, procurement, and other audit functions as they relate to the Assembly, particularly pursuant to the relevant policies on: Information Disclosure; Anti-Money Laundering and Countering the Financing of Terrorism; and, Ethics and Conflicts of Interest for the Assembly of AFoCO and the Executive Director of the Secretariat.

2. The Executive Director shall put in place guidelines that considers and provides guidance on issues of conflict of interest, confidentiality, ethics, financial management, procurement, and other audit functions as they relate to the Secretariat.

3. In fulfilling this role, the Ethics and Audit Committee shall:

- (a) Oversee the development of a draft policy on transparency, ethics, and conflict of interest, including the issue of confidentiality, for consideration by the Assembly;
- (b) Oversee the implementation of, and compliance with, the Policy on Ethics and Conflict of Interest, including by providing recommendations on any breaches of the policy;
- (c) Provide guidance on the development and review implementation of, and compliance with, the organization's Policy on Information Disclosure;
- (d) Provide recommendations for the establishment of AFoCO's redress (grievance review) mechanism;
- (e) Provide advice to the Assembly on policy and strategy matters relating to financial reporting and audit requirements for the organization;
- (f) Review and make recommendations to the Assembly on audits of the administrative budget, as necessary;
- (g) Review and make recommendations to the Assembly on external audit reports; and,
- (h) Consider any other matters the Assembly deems appropriate.

4. If the Ethics and Audit Committee, in the course of its work, uncovers potential misconduct by a staff member of the AFoCO Secretariat, or potential fraud or corruption by a contractor or consultant in a project financed or executed by AFoCO, it shall refer the matter to the Assembly.

### **II Membership**

5. The Ethics and Audit Committee will comprise of three Representatives of the Parties, assigned by the President of the Assembly.

6. The President of the Assembly may reassign a committee member as it deems necessary or as requested by the Assembly.

### **III Chair of the Committee**

7. The Chair will be appointed by the members of the Committee upon unanimous consent.
8. The Chair's term will be three (3) years and not be extended.

### **IV Duration**

9. The Ethics and Audit Committee shall be a standing committee of the Assembly.

### **V Guidelines for Operation**

10. Provisions shall be put into place to manage actual and potential conflicts of interest.
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## **Annex-2. Procedures for Handling Allegations of Misconduct**

1. Any allegation of misconduct and/or breach of this Policy made by another AFoCO official or by any individual or entity against the Executive Director or her/his Dependents, shall be submitted in writing and in confidence to the Chair of the Ethics and Audit Committee who shall bring any such allegation to the attention of the Ethics and Audit Committee for its consideration in accordance with the procedures set forth in this Policy.
2. The Executive Director shall not be presumed to have engaged in alleged misconduct until such time as the Ethics and Audit Committee determines that there is sufficient evidence to establish, on a balance of probabilities, that the alleged misconduct did occur.
3. The Ethics and Audit Committee shall review the allegation and determine whether it is credible and determine whether it is appropriate to take action. If the Ethics and Audit Committee determines that the allegation does not appear to be credible and does not warrant further investigation, it will decide to take no further action.
4. If the Ethics and Audit Committee determines that the allegation of misconduct is credible and warrants a further investigation, it will conduct such investigation and inform the Assembly through a confidential document thereof. Based on the findings of the investigation, the Ethics and Audit Committee shall prepare and submit a confidential report to the Assembly, with a determination as to whether the facts indicate that misconduct occurred, and if so, recommend what action may be appropriately taken by the Assembly.
5. The Ethics and Audit Committee may also appoint an outside investigator of high professional standing and experience to assist the Committee in gathering facts and evidence after informing the Assembly. Any outside investigator appointed by the Ethics and Audit Committee shall comply with the Policy on Information Disclosure. Any outside investigator shall have access to all pertinent records, documents and officials of AFoCO, as necessary to perform the investigation.
6. Based on the findings of the Ethics and Audit Committee and after having heard and duly considering representations from the Executive Director, the Assembly will decide what action should be taken with respect to the Executive Director.
7. Appropriate measures may include written censure, suspension from duties pending investigation, termination of employment, or any other appropriate action by the Assembly including but not limited to referral to the relevant authorities.
8. The Executive Director shall be provided immediately with notice of any allegation of misconduct. The Executive Director shall also be provided with all relevant documentation and be given the opportunity to present her/his views regarding the allegations to the Ethics and Audit Committee before it makes its determination and to the Assembly, before it takes any decisions, as set out in these procedures, as to:
  - (a) Whether to conduct an investigation; or
  - (b) Whether the facts indicate that misconduct occurred, and if so, what action may be appropriately taken by the Assembly.

9. The Executive Director, if alleged to have committed misconduct, shall have the duty to cooperate fully with the Assembly, the Ethics and Audit Committee, and any outside investigator appointed by the Ethics and Audit Committee at all stages of the consideration and investigation of the allegation of misconduct. The Executive Director shall be allowed to be accompanied by up to two advisers of her/his choice from within or outside of AFoCO.

10. Upon initiation of an investigation, the Executive Director shall follow such recusal or other measures directly related to the alleged misconduct as the Ethics and Audit Committee may determine, on a temporary basis, as necessary to prevent irreparable harm to AFoCO.

11. The Executive Director may submit an appeal to the Assembly with respect to any action taken by the Ethics and Audit Committee against her/him, which shall be decided promptly, and may seek further consideration by the Ethics and Audit Committee against any decision taken by the Assembly against her/him.

12. The process and internal deliberations of the Ethics and Audit Committee and the Assembly involving an allegation of misconduct by the Executive Director shall be kept strictly confidential, consistent with the Headquarters Agreement between the AFoCO and the Government of the Republic of Korea.

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