Increasing Transparency: Conflicts of Interest Disclosures

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What is a conflict of interest?

2003 OECD Guidelines for Managing Conflicts of Interest

“a conflict between the public duty and the private interest of a public official, in which a public official’s private-capacity interest could improperly influence the performance of their (sic) official duties and responsibilities”
Why is the concept important?

- public interest is fundamental to public office
- public duties should be conducted in a fair and impartial manner
- but public officials can improperly carry out their functions for private advantage
- conflicts-of-interest lead to a breakdown of trust in public institution
Conflicts of Interest Situations

- **Actual:** current or past, leading to improper performance of duties is an abuse of power and corruption

- **Apparent:** appears that private interests could improperly influence performance of public function but is not the case

- **Potential:** the existence of private interests where a conflict of interests would arise if the public official were to take on relevant official responsibilities in the future
Principles for managing conflicts of interest?

- Serving the public interest
- Supporting transparency and scrutiny
- Promoting individual responsibility and personal example
- Engendering an organizational culture which is intolerant of conflicts of interest
Policy framework for conflicts of interest?

- Definition of conflict of interest situations
- Identification of specific occurrences
- Leadership and commitment to implement policy
- Awareness in order to comply and anticipation of risk areas
- Appropriate disclosure and effective management
- Partnerships with contractors, clients, sponsor and community
- Assessment and evaluation of policy
- Redevelopment and adjustments of policy
Why disclose conflicts of interests?

- take preventive measures
- allows public scrutiny judge
- protects public officials from unfair accusations
What to disclose?

- Financial disclosure and assets declaration (monitor illicit enrichment)
- Additional employment
- Inside information
- Contracts
- Gifts and other benefits
- Family and community expectations
- Outside appointments
- Business or NGO activity upon leaving office
Conclusion

- Disclosures of potential conflicts of interest:
  - Allow preventive measures for actual conflicts of interest
  - Protect public officials in cases of apparent conflicts of interest
  - Permit a systematic way of managing conflicts of interest
  - Increases transparency and public confidence in public institutions
  - Safeguards public interest, central to democratic governance
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