

# CONFLICTS OF INTEREST TOPIC GUIDE

Compiled by the Anti-Corruption Helpdesk

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Topic guides are a series of publications developed by the Anti-Corruption Helpdesk on key corruption and anti-corruption issues. They provide an overview of the current anti-corruption debate and a list of the most up to date and relevant studies and resources on a given topic.

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Date: 20 April 2015

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With support from the European Commission

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This topic guide provides an overview of conflicts of interest in public sector integrity, and a compilation of the most up to date and relevant studies and resources on the topic.

# CONFLICTS OF INTEREST

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## WHY REGULATE CONFLICTS OF INTEREST?

One of the central tenets of public service is the subordination of personal interests to public interests; the failure to do so is the underlying cause of most unethical behaviour in the public sector.<sup>1</sup> A conflict of interest arises in a situation in which “a public official has a private or other interest such as to influence, or appear to influence, the impartial and objective performance of his or her official duties”.<sup>2</sup> As noted in this formulation, the appearance alone of a conflict of interest is sufficient to damage an institution's reputation.

Despite this, it is important to note that conflicts of interest are themselves not evidence of wrongdoing; in fact, given that officials inherently occupy multiple social roles they are almost bound to occur.<sup>3</sup> With the right measures in place, conflicts of interests are quickly detected and easily defused – usually voluntarily – before any impropriety can take place.

However, if these situations are not identified promptly and managed adequately, opportunities materialise for public officials to take advantage of their position to pursue private advantage at the expense of the public interest.<sup>4</sup> This private advantage should be understood broadly to include not merely illicit financial gain but also attempts to curry favour with potential future benefactors or employers and the professional advancement of friends and family.

Thus, while an unambiguous legal definition of conflicts of interest is an essential part of any public sector integrity system, it is impossible to legislate for all possible conflicts of interest. It is therefore advisable for public officials to be able to seek guidance from an internal ethics commissioner or, better still, an external public ethics body.<sup>5</sup> Ethics training to educate public sector workers about conflict of interest legislation is also recommended.

## REGULATING CONFLICTS OF INTEREST

Measures to address conflicts of interest can take different forms, from legislation explicitly designed to deal with conflicts of interest, to more general codes of conduct and management guidelines. Indeed, alongside general civil service legislation, individual public bodies should draft their own specific behavioural standards. Conflict of interest provisions should also be included in officials' employment contracts to facilitate disciplinary proceedings where necessary. Whatever form they take, regulating conflicts of interest is essential to the development of accountable and scrupulous procedures in decision making.

Three major areas should be covered by conflict of interest regulation. Taken together, regulation of these areas, combined with effective oversight and enforcement minimises opportunities for impropriety in public office.

### Prohibition

Activities and positions deemed to be incompatible with the proper performance of public duties should be clearly stipulated and prohibited. Officials may be prohibited from:<sup>6</sup>

- holding another post in a different branch of government
- private sector employment (including consulting)
- any ownership stake in a private legal entity conducting business with government
- accepting certain kinds of employment within a specified time period after leaving office

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<sup>1</sup> Powers, G., 2009. [Handbook on parliamentary ethics and code: A guide for parliamentarians](#). GOPAC Global Task Force on Parliamentary Ethics. p.18

<sup>2</sup> Council of Europe, 2000. [Recommendation no. R 10 of the Council of Europe committee of ministers to member states on codes of conduct for public officials](#)

<sup>3</sup> <http://www.opengovguide.com/topics/assets-disclosureconflicts-of-interest/>

<sup>4</sup> OECD, 2005. [Fighting corruption and promoting integrity in public procurement](#).

<sup>5</sup> Reed, Q., 2008. [Sitting on the fence: Conflicts of interest and how to regulate them](#), U4 Issue 2008: 6

<sup>6</sup> Reed, Q., 2008. [Sitting on the fence: Conflicts of interest and how to regulate them](#), U4 Issue 2008: 6

The kinds of functions proscribed will need to be tailored to the specific role as the nature of interests likely to lead to improper behaviour differ for customs officials, parliamentarians, procurement officers, and so on.

## Interest disclosure

Certain officials and members of government should be obliged to regularly declare their past and present interests. As described in the following section on income and asset disclosure, a good disclosure regime will include both financial assets and other interests. These are quite distinct. Financial assets and income entail concrete financial benefit. Interests, on the other hand, encompass a range of benefits which, at the time of declaration, may not bestow any particular advantage to the official (for example, membership of business associations or boards), but which could exert influence on an individual's decision making.<sup>7</sup>

Currently, less than 30 per cent of countries oblige officials to declare private business activities such as board memberships, consultancies or government contracts.<sup>8</sup> Requirements for legislators to declare interests need to be carefully designed to reflect the fact that legislators are expected to represent constituents' specific interests, which may overlap considerably with their own interests.<sup>9</sup>

Finally, it is increasingly recognised that disclosure of interests must also include the interests, holdings and liabilities of officials' spouses and children, in addition to the officials' own interests. Particularly if immediate family members have ownership stakes in private legal entities conducting business with government, it is an essential requirement that this be disclosed.

## Resolution of conflicts of interests

Clear procedures for the resolution of conflicts of interest and disciplinary measures for dishonest activity should be laid out.<sup>10</sup> As outlined by the OECD, appropriate procedures to mitigate conflicts of interest could involve:<sup>11</sup>

- recusal: the voluntary or enforced abstinence of officials from decision making or participation in discussions in which they have a personal stake
- divestment or liquidation of a particular interest by the public official
- restriction of official's access to sensitive information
- transfer of public official to an alternative duty
- resignation of public official from the conflicting private-capacity function

Failure to manage conflicting interests appropriately should be dealt with by a competent agency and result in disciplinary action, up to and including dismissal. Criminal prosecution leading to fines and imprisonment should be a credible sanction for those contravening conflict of interest rules.<sup>12</sup> Any decisions or contracts subsequently found to have been affected by an undeclared conflict of interest should be retroactively cancelled, and the beneficiaries excluded from working with the public administration for a period of time.<sup>13</sup>

## Other areas covered by conflict of interest regulations

Bearing these three strands in mind, national legal frameworks on conflicts of interests should seek to regulate the following areas:

- **Secondary employment.** This is one of the most obvious conflicts of interest in public office, and undermines the independence and autonomy of administrative and regulative decision making.<sup>14</sup> It can also be prohibited most as it is relatively easy to monitor.
- **Procurement.** Conflicts of interest during procurement procedures can arise at various stages and threaten the integrity of the outcome because the most suitable service provider may not be selected. As well as the risk of outright bribery, officials responsible for making decisions- may have economic

<sup>7</sup> OECD, 2005. [Fighting corruption and promoting integrity in public procurement](#)

<sup>8</sup> World Bank Public Sector and Governance Group, 2013. [Financial disclosure systems declarations of interests, income, and assets](#)

<sup>9</sup> Carney, G., 1997. *Working paper. Conflict of interest: Legislators, ministers and public officials*, Transparency International

<sup>10</sup> Heggstad, M., et al., 2010. [The basics of integrity in procurement: A guidebook](#), U4 Anti-Corruption Resource Centre

<sup>11</sup> OECD, 2004. [Managing conflict of interest in the public service: OECD guidelines and country experiences](#)

<sup>12</sup> OECD, 2007. [Conflict-of-interest policies and practices in nine EU member states: a comparative review](#)

<sup>13</sup> OECD, 2004. [Managing conflict of interest in the public service: OECD guidelines and country experiences](#)

<sup>14</sup> <http://www.opengovguide.com/commitments/establish-regulations-governing-post-government-private-sector-employment/>

interests in a bidding company, or the prospect of future employment with them.<sup>15</sup> The greatest opportunities for corruption are during the evaluation of bids and awarding of contracts as the requisite technical expertise narrows the field of public officials able to make decisions.<sup>16</sup> Particular attention should be paid to the constitution of bid evaluation committees and the external audit of public contracts.

- **The revolving door.** The promise of future employment, consultancies and board memberships in the private sector has the potential to skew public officials' decision making when dealing with a host of issues. Movement into government to regulate the same issues that former private sector employees have been working on is also deeply problematic and can lead to conflicts of interest. Although restrictions on the "revolving door" are not yet common practice, the transition of public sector employees into the private sector and vice-versa is a real challenge to the integrity of public institutions. Senior officials from all branches of government and administration should be subject to regulations establishing the minimum amount of time they have to wait after leaving office before taking up private sector employment related to their former duties. These cooling off periods are best differentiated according to seniority,<sup>17</sup> but a recent Transparency International working paper suggested a two year minimum.<sup>18</sup>
- **Sharing confidential information and insider trading.** Secondments to and from the private sector should also be tightly regulated and monitored to ensure certain companies do not gain insider information or influence on decision making, which would give them an unfair advantage over competitors.<sup>19</sup> While not perfect, this increases the costs for businesses seeking to buy access to government decision makers. The Canadian conflict of interest code stipulates that Canadian ministers are not permitted to disclose information that is not accessible to the general public to any non-governmental or corporate interests for five years after leaving office. Breaching the code can result in a fine, as well as termination of the government pension.
- **Nepotism and cronyism.** Instances in which an official influences the hiring of relatives and business associates or the provision of favours to them are clear conflicts of interest. While it is unreasonable to prohibit a public department from employing multiple members of the same family, circumstances in which an official is a direct subordinate of a relative should be avoided. This nepotism can be relatively straightforward to detect if both members are within the state apparatus. However, situations where a public official is conducting government business with a private entity which is owned by or employs a relative or friend are more difficult to prevent.
- **Private financial interests.** Measures should be taken to ensure that officials' private financial interests (and those of their spouses and immediate family) do not interfere with their performance of public duty. As outlined above, where private financial interests come into conflict with public policy, officials should either exclude themselves from decisions, divest from the relevant private asset or resign their public post.
- **Fraud and bribery.** Circumstances in which a public official deliberately seeks to augment their own financial wealth illicitly usually go beyond the remit of conflict of interest provisions. Accepting bribes is the crassest form of conflict of interest, but it is also best governed by the appropriate criminal code. Likewise, the dishonest use of government property or assets for personal gain is fraudulent activity and should be dealt with as such.

## Lessons learned

**Conflict of interest commissioners.** Commissioners can play a key role in providing guidance and preventing public officials from inadvertently becoming entangled in a conflict of interest. It is advisable, particularly for legislators, to establish a permanent commissioner within the legislative assembly. The commissioner should be responsible for managing the register of legislators' interests, providing guidance, dealing with complaints and reporting to the parliamentary ethics committee.<sup>20</sup>

<sup>15</sup> Heggstad, M., et al., 2010. *The basics of integrity in procurement: A guidebook*, U4 Anti-Corruption Resource Centre

<sup>16</sup> Martini, M., 2013. *Conflict of interest in public procurement*, Transparency International Anti-Corruption Helpdesk

<sup>17</sup> <http://www.opengovguide.com/commitments/establish-regulations-governing-post-government-private-sector-employment/>

<sup>18</sup> [http://www.transparency.org/whatwedo/publication/working\\_paper\\_06\\_2010\\_regulating\\_the\\_revolving\\_door](http://www.transparency.org/whatwedo/publication/working_paper_06_2010_regulating_the_revolving_door)

<sup>19</sup> Transparency International, 2010. *Regulating the revolving door*

<sup>20</sup> Reed, Q. 2008. *Sitting on the fence: Conflicts of interest and how to regulate them*, U4 Issue 2008: 6

**Consultation.** Conflict of interest provisions are best developed in consultation with the public officials who will be subject to them, rather than being imposed from above. This provides an opportunity for useful feedback, the possibility for officials to query aspects of the regulations they do not understand and helps internalise the central message of probity in public office.<sup>21</sup>

**Local government.** Conflict of interest provisions usually focus on high-level decision makers such as ministers, legislators, political advisors and senior civil servants. While tackling conflicts of interest among the national-level elite is the priority for many integrity systems, officials at all levels of the state apparatus in decision-making positions with large discretionary powers should be subject to conflict of interest provisions. Once conflict of interest management systems have been successfully implemented at the top, they should gradually be expanded to local government, though at a pace which does not outstrip the capacity of oversight bodies.<sup>22</sup>

## Regulation over implementation? The paradox of US restrictions on the revolving door

Despite widespread recognition of the problem of the revolving door, restrictions on public officials' post-employment are not widespread. In the EU, legislators have been reticent to impose specified "cooling off" periods despite a series of incidents in which regulators have left public service to work in the industries they previously monitored.<sup>23</sup> Pre-employment limitations, which prevent former private sector workers from conducting certain tasks in the public sector, are even rarer. They are important, however, in deterring firms from seeking to place staff within government in order to "influence regulations and divert state resources."<sup>24</sup>

On the surface, the United States seems to have a good integrity management system with regards to regulations on the revolving door. The US Federal Government has ethics codes for public officials limiting both pre and post-employment. It imposes a range of restrictions on former officials' subsequent roles in the private sector, from cooling off periods to outright bans on certain kinds of lobbying.<sup>25</sup> Since 2009, officials in the executive branch have also been banned from working on issues related to former employers or clients for a period of two years after taking office.<sup>26</sup> Moreover, the US Code of Federal Regulation now requires that all public officials do not partake in decisions relating to "any person for whom the employee has, within the last year, served as officer, director, trustee, general partner, agent, attorney, consultant, contractor or employee".<sup>27</sup> Municipal governments, such as New York, Seattle and Los Angeles, have in recent years extended this to local government workers.<sup>28</sup>

Despite all this legislation and regulation, the United States still has a huge problem with the revolving door and undue influence in politics. The US is a prime example of when real change in ethical attitudes lags far behind rhetoric; in the period 2001-2011 alone, 5,400 congressional staffers and 400 former lawmakers left Capitol Hill to become federal lobbyists.<sup>29</sup> For more detail about the lack of progress in Washington, see <https://www.opensecrets.org/revolving/>

<sup>21</sup> Reed, Q. 2008. *Sitting on the fence: Conflicts of interest and how to regulate them*, U4 Issue 2008: 6

<sup>22</sup> Martini, M., 2014. *Local integrity: Allowances, interest and asset declarations and revolving door*, Transparency International Anti-Corruption Helpdesk

<sup>23</sup> <http://blog.transparency.org/2012/07/19/codes-of-conduct-a-tool-to-clean-up-government/>

<sup>24</sup> E. Brezis and J. Cariole, (2014), *The Revolving Door Indicator: Estimating the distortionary power of the revolving door* U4 Brief No.10. p. 5

<sup>25</sup> United States Federal Code, 2009. *Restrictions on former officers, employees, and elected officials of the executive and legislative branches*

<sup>26</sup> [https://www.whitehouse.gov/the\\_press\\_office/Ethics-Commitments-By-Executive-Branch-Personnel/](https://www.whitehouse.gov/the_press_office/Ethics-Commitments-By-Executive-Branch-Personnel/)

<sup>27</sup> US Office of Government Ethics Regulations 5. Code Federal Regulation. [§ 2635.502\(a\)\(1\)\(iv\)](#)

<sup>28</sup> Wechsler, R., 2013 *Local government ethics programs*. CityEthics.org.

<sup>29</sup> [http://www.washingtonpost.com/study-shows-revolving-door-of-employment-between-congress-lobbying-firms/2011/09/12/gIQAxPYROK\\_story.html](http://www.washingtonpost.com/study-shows-revolving-door-of-employment-between-congress-lobbying-firms/2011/09/12/gIQAxPYROK_story.html)

# RESOURCES ON CONFLICTS OF INTEREST

## Background studies

***Conflict of interest: Legislators, ministers and public officials.* Carney, G., 1999.**

<http://www.gsdrc.org/go/display&type=Document&id=1258>

Though this report was written nearly 20 years ago, it remains the classic introduction to conflicts of interest and has become a foundation text for much of the subsequent literature. The study had two main purposes. Firstly, to assist legislators, ministers and public officials to identify exactly what constitutes a conflict of interest and how conflict of interests pose ethical dilemmas in the performance of an official's duties and responsibilities. To do this, the study defined a conflict of interest as arising "when the private interests of a politician or official clash or even coincide with the public interest." The second purpose was to suggest various mechanisms either to prevent such a conflict of interest arising, or to resolve the conflict when it does arise. These include disqualification from office, disclosure of personal interests, codes of conduct, lobbyists' registers, post-employment restrictions, ethics training and enforcement mechanisms.

***Conflict of interest and public life: Cross-national perspective.* Trost, C., and Gash, A., (eds), 2008.**

<http://www.cambridge.org/gb/academic/subjects/philosophy/political-philosophy/conflict-interest-and-public-life-cross-national-perspectives>

This volume, authored by an international group of scholars and practitioners, provides a comparative account of conflict of interest regulations across four Western democracies: the United States, the United Kingdom, Canada and Italy. The study situates conflict of interest regulations within a broader governance discourse, identifies the structural, political, economic and cultural factors that have contributed to the development of conflict of interest regulations, and assesses the extent to which these efforts have succeeded or failed across and within different branches and systems of government. Chapters of special interest include *Conflict of Interest Regulation in Its Institutional Context* and *Legal Standards and Ethical Norms: Defining the Limits of Conflicts Regulations*.

***Sitting on the fence: Conflicts of interest and how to regulate them.* Reed, Q., 2008.**

<http://www.cmi.no/publications/publication/?3160=sitting-on-the-fence>

This paper describes the problem of conflict of interest for public officials and the main ways in which it can be tackled, with particular focus on the regulation of elected officials. The paper describes three main types of regulation – prohibitions on activities, declarations of interests and exclusion from decision-making processes – and how these may be best implemented in practice. The author underlines the need for regulation to be realistic, tailored specifically for different categories of officials and to the specific circumstances of the country in which they are to be applied. The author also suggests possibilities for the engagement of the donor community, in line with the implementation of UNCAC.

***Regulating the revolving door.* Transparency International Working Paper, 2010.**

[http://www.transparency.org/whatwedo/publication/working\\_paper\\_06\\_2010\\_regulating\\_the\\_revolving\\_door](http://www.transparency.org/whatwedo/publication/working_paper_06_2010_regulating_the_revolving_door)

This short working paper offers an introduction to the problem of the revolving door and the associated conflicts of interest which can arise. It goes on to examine the nature of corruption risks and possible remedies.

***Cabs for hire? Fixing the revolving door between government and business.* Transparency International UK, 2011.**

<http://www.transparency.org.uk/our-work/publications/10-publications/132-cabs-for-hire-fixing-the-revolving-door-between-government-and-business>

Moving through the revolving door can be beneficial to public officials and business, improving understanding and communication between both sides. However, the revolving door also undermines trust in government, because of the potential for conflicts of interest. This report concludes that the current system of regulating the revolving door in the UK is not working and needs fixing. Recent changes are welcome, but they do not go far enough and are unlikely to restore public confidence. Urgent and comprehensive reforms are needed to reduce the risk of conflicts of interest and make the revolving door work to the benefit of government, the private sector and UK society more broadly. The paper presents 15 recommendations for how the system can be improved.



***Dangerous relations between the public and private sectors.*** Transparency International Hungary, 2012.

[http://transparency.hu/Dangerous\\_Relations\\_between\\_the\\_Public\\_and\\_Private\\_Sectors](http://transparency.hu/Dangerous_Relations_between_the_Public_and_Private_Sectors)

A lack of adequate regulation, public officials working in the private sector and business people working in public administration can breed abuses of office, profiteering and undue influence.

The study by Transparency International Hungary recounts the reasons for the revolving door phenomenon, the risks of corruption, domestic, foreign and international regulations and the specificities of the Hungarian business sector. It also advances recommendations for certain actors of the public and private sector to solve the issue. The study establishes that the demand of economic enterprises for professionals well-versed in politics arises out of helplessness in the face of politics and fickle legislation.

***Conflict of interest in global, public and corporate governance.*** Peters, A., and Handschin, L. (eds), 2012.

<http://www.cambridge.org/gb/academic/subjects/law/comparative-law/conflict-interest-global-public-and-corporate-governance>

This interdisciplinary handbook provides insight into some of the latest thinking on conflicts of interest at a global level, in both the public and corporate sectors. The edited collection contains contributions from a range of international experts analysing the current worldwide trend towards regulation, which seeks to forestall, prevent and manage conflicts of interest. Particularly relevant chapters include *Empirical Research on Conflict of Interest: A Critical Look*, *Conflict of Interest and the Administration of Public Affairs* and *Managing Conflict of Interest: Lessons from Multiple Disciplines and Settings*.

***How to measure and monitor the revolving door, & pros and cons of regulating the revolving door.*** Zinnbauer, D., Anti Corruption Research Network, 2014.

<http://corruptionresearchnetwork.org/acrn-news/blog/how-to-measure-and-monitor-the-revolving-door-data-sources-and-evolving-approaches>

This two-part blog series looks at the most recent literature on the revolving door phenomenon. [The first blog post](#) examines some of the main arguments in favour and against the practice of revolving doors and how these arguments are substantiated by the latest empirical studies, finding that downside risks outweigh upside benefits. [The second blog post](#) focuses on the research approaches and data that are being used, concluding with some thoughts on promising new data sources and the need for a research methodology relevant for practical policy purposes.

***The open government guide to asset disclosure and conflicts of interest.*** Open Government Partnership, 2014.

<http://www.opengovguide.com/topics/assets-disclosureconflicts-of-interest/>

This guide offers a brief introduction to the problem of conflict of interest, a list of expert organisations, sample standards and guidance and country examples of successful conflict of interest mitigation. It also provides six model commitments which can help increase probity in public office.

## Standards and guidelines

***Managing conflict of interest in the public service.*** OECD.

<http://www.oecd.org/corruption/ethics/managingconflictinterestinthepublicservice.htm>

The OECD has long been a leader and innovator in the area of public sector conflict of interest management, and this webpage is a hub connecting users to all their activities. It should be the first port-of-call for all those seeking to quickly get to grips with the subject. It provides recent comparative data on conflict of interest systems from a range of countries, outlines the work that OECD does on the topic and provides a range of guidelines, toolkits and analyses.

**Guidelines for managing conflicts of interest in the public service: OECD guidelines and country experiences. OECD, 2004.**

<http://www.oecd.org/gov/ethics/48994419.pdf>

Essential reading for those who want to gain a comprehensive grounding in conflict of interest mitigation strategies, the OECD guidelines have three core objectives. Firstly, to provide a practical framework of reference to help governance and public organisations review and modernise existing policy solutions in line with good practice. Secondly, to promote a public service culture in which conflicts of interest are properly identified and resolved. Thirdly, to support partnerships between the public, private and non-profit sectors in identifying and managing conflict of interest situations. The guidelines set out four core principles for public officials to follow when dealing with conflict of interest situations in order to maintain trust in public institutions: (1) serving the public interest, (2) supporting transparency, (3) promoting individual responsibility and (4) creating an organisational culture that does not tolerate conflict of interest. The report highlights trends, approaches and models across all 30 OECD countries in a comparative overview that also presents examples of innovative and recent solutions. Eight country case studies (Australia, Canada, France, Germany, New Zealand, Poland, Portugal and the United States) give more details on the implementation of policies in national contexts and on key elements of legal and institutional frameworks. See also: [OECD Guidelines for Managing Conflict of Interest in the Public Service: Report on Implementation](#) (OECD 2007). This document outlines the initial progress made and updates the guidelines to include new provisions on post-public employment and lobbying restrictions.

**Post-public employment: Good practices for preventing conflict of interest. OECD, 2010.**

[http://www.keepeek.com/Digital-Asset-Management/oecd/governance/post-public-employment\\_9789264056701-en#page1](http://www.keepeek.com/Digital-Asset-Management/oecd/governance/post-public-employment_9789264056701-en#page1)

This OECD report from 2010 reviews the measures taken in OECD countries to avoid conflicts of interest when officials leave public office. It provides guidance to policy makers and managers on how to review and modernise rules, policies and practices to prevent and manage conflicts of interest. Key findings include that while, the vast majority of countries have established basic standards for preventing post-public employment conflict of interest, few have tailored these standards to address risk areas and professions such as regulators or public procurement officials. The report includes a detailed case study of Norway's experience in developing and implementing post-public employment guidelines, and provides two practical appendixes which cover post-employment guidelines for politicians and civil servants separately.

**Revolving doors, accountability and transparency: Emerging regulatory concerns and policy solutions in the financial crisis. OECD, 2009.**

[http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH\(2009\)2&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH(2009)2&docLanguage=En)

This OECD report from 2009 provides an excellent introduction into the topic of the revolving door. While its particular focus is on the financial sector (including banking, insurance and securities) following the 2008 financial crisis, many of the fundamental principles are more widely applicable to the broader public sector. Section 1 is of particular interest, as it provides a comprehensive evaluation of how the revolving door undermines the public interest, lists best practices and the OECD framework, and sets out principles for managing the post-public employment conflict of interest. The report also examines the pre-employment aspects of the revolving door, and reviews frameworks (for example, rules, procedures and policies) in place for fostering integrity, avoiding conflict of interest and maintaining trust, as well as highlighting lessons learned in addressing existing and emerging concerns.

## Practical insights: handbooks and toolkits

**Conflict of interest and monitoring financial assets. Organisation for Security and Co-operation in Europe (OSCE), 2004.**

<http://www.osce.org/eea/13738?download=true>

Chapter three of the OSCE report *Best Practices in Combating Corruption* (pp.28-41) provides two checklists: (1) to help individual public servants identify situations where a conflict of interest is likely to arise and (2) to assess whether a disclosed conflict of interest might require other public officials to ask the person in question to stand aside. It also examines in detail how to avoid nepotism and cronyism in public sector appointments, suggests methods to monitor public officials' income and provides best practice examples of post-public sector employment restrictions for government ministers.

***Managing conflicts of interest in the public sector: Toolkit and guidelines. Australian Independent Commission against Corruption, 2004.***

Although now over ten years old, this [toolkit](#) with companion [guidelines](#) offer an excellent overview of how to build an integrity system to avoid and mitigate conflicts of interest in the public sector. [The toolkit](#) offers informative methods to develop and implement a conflict of interest policy and what to do once it is in place, while [the guidelines](#) provide useful background on why such policies are important, key definitions, guiding principles and a host of training resources.

***Managing conflicts of interest in the public sector: A toolkit. OECD, 2005.***

<http://www.oecd.org/gov/ethics/49107986.pdf>

Experience shows that identifying and resolving conflicts of interest can be difficult to achieve in practice. To overcome this barrier, in 2005, the OECD developed a practical toolkit focusing on specific techniques, resources and strategies for the identification, management and prevention of conflict of interest situations. It provides non-technical, practical help to enable officials to recognise problematic situations. The tools are based on examples of sound conflict of interest policies and practices drawn from OECD member and non-member countries. The toolkit provides a set of practical tools to manage conflicts of interest in accordance with the [OECD guidelines for managing conflict of interest in the public service](#) and which are suitable to be adapted in countries with different legal and administrative systems. It includes objective tests for identifying a conflict of interest, a generic checklist for identifying at risk areas for conflicts of interest, relevant ethics code provisions, a conflict of interest self-test, a gifts and gratuities checklist and hypothetical training cases.

***Managing conflict of interest: Frameworks, tools, and instruments for preventing, detecting, and managing conflict of interest. Asia Development Bank (ADB)/OECD, 2008.***

<http://www.adb.org/sites/default/files/publication/27975/managing-conflict-interest.pdf>

This report is a resource for both practitioners and policy makers to support the development of new frameworks, tools and instruments for detecting and managing conflicts of interest to curb corruption in the Asia and Pacific region. The three sections cover definitions and conceptual frameworks, legal and regulatory tools and preventive measures (such as codes of conduct and organisational culture). The study is essentially a compilation of analyses and conclusions from an Asia-Pacific regional seminar in 2007, which brought together more than 150 experts from 23 of the ADB's Anti-Corruption Initiative's member countries and jurisdictions, and there are several interesting country case studies, including Korea, Indonesia and the Philippines.

***Conflicts of interest: A good practice guide. Northern Ireland Audit Office, 2015.***

[http://www.niauditoffice.gov.uk/conflicts\\_of\\_interest\\_good\\_practice\\_guide.pdf](http://www.niauditoffice.gov.uk/conflicts_of_interest_good_practice_guide.pdf)

This guide seeks to provide clear and simple advice relevant throughout the public sector to help organisations draft and implement conflict of interest policies. It also aims to help board members and staff in key positions to recognise when they have a conflict of interest and how they should act when such a situation arises. The guide includes examples of good practice as well as case illustrations of all types of conflicts of interests with the associated problems and possible solutions. Usefully, the guide provides a typology of conflicts of interest and specifies what to do when the policy is breached. Several appendixes offer good practice examples and sample declaration of interest forms.

## Assessments and databases

***Revolving door watch. Corporate Europe Observatory.***

<http://corporateeurope.org/revolvingdoorwatch>

This is a living and frequently updated database of commissioners, MEPs and officials who have gone through the revolving door into lobby or industry jobs, dating back to 2007. Lobbyists who have taken jobs with EU institutions are also featured. Run by the Corporate Europe Observatory, *Revolving Door Watch* seeks to expose how EU institutions – the commission, parliament, council and other agencies – have failed to take effective action to block the revolving door.

**Regulating conflicts of interest for holders of public office in the European Union: A comparative study of the rules and standards of professional ethics for the holders of public office in the EU-27 and EU Institutions.** Demmke, C. et al, 2007.

[http://ec.europa.eu/dgs/policy\\_advisers/publications/docs/hpo\\_professional\\_ethics\\_en.pdf](http://ec.europa.eu/dgs/policy_advisers/publications/docs/hpo_professional_ethics_en.pdf)

This study compares and analyses the existing rules and standards for holders of public office with regards to conflicts of interest in EU member states and in EU institutions. It focuses on the analysis and comparison of the various laws, regulations and codes of conduct for government ministers, MPs, judges, and members of audit bodies and central banks. The study provides a wealth of empirical data on the various conflict of interest regimes across the EU to analyse the accumulated evidence about the effectiveness of such regulations. Key findings include: (1) a trend towards greater transparency and new forms of accountability, (2) in almost every country, codes of conduct are tailored to individual institutions rather than applied to the whole government sector and (3) the category of post-employment is the least regulated conflict of interest area among EU member states. Finally, the report establishes that the older members of the EU generally have fewer regulations and design their disclosure mechanisms to focus on prevention of conflicts of interest, while newer members of the EU are generally more regulated and shape their asset disclosure systems to both prevent conflicts of interest and combat illicit enrichment.

**The Global integrity report.** Global Integrity, 2011.

[https://www.globalintegrity.org/global\\_year/2011/](https://www.globalintegrity.org/global_year/2011/)

The Global Integrity Report is a guide to anti-corruption institutions and mechanisms around the world, intended to help policy makers, advocacy practitioners, journalists and citizens identify and anticipate the areas where corruption is likely to occur within the public sector. Although currently on hold, the country reports from 2010 and 2011 contain detailed surveys examining whether conflict of interest provisions exist in law and whether they are effective in practice for all branches of government and the civil service. It includes a large number of useful indicators on conflict of interest provisions, such as policies on recusal, gift and hospitality, independent auditing, post-public employment restrictions and asset disclosure. For instance, see the example of legislators in the United States [here](#).

**Public accountability mechanisms: Conflict of interest.** The World Bank, 2012.

<https://agidata.org/Pam/Map.aspx>

This is an unparalleled searchable dataset of legal provisions for conflict of interest for different kinds of public officials (including heads of state, government ministers, MPs and civil servants). The database provides 87 country profiles describing economic conditions and government structure, links to country-specific institutions responsible for the enforcement of accountability mechanisms, as well as a historical timeline of relevant legislation and notable incidents of corruption. It also provides summaries of specific indicators related to the accountability mechanisms of income and asset disclosure, freedom of information, conflict of interest, immunity protections and ethics training. For conflict of interest restrictions, each country is examined in terms of: (1) legal framework, (2) coverage of public officials, (3) business activities covered, (4) sanctions and (5) monitoring and oversight. For example, see France's entry [here](#). Interactive graphs displaying the percentage of countries from different income groups/regions that conform to a whole range of conflict of interest regulations are also available [here](#).

## Resources from the Anti-Corruption Helpdesk

**Conflict of interest in public procurement.** Martini, M., 2013.

[http://www.transparency.org/files/content/corruptionqas/Conflict\\_of\\_interest\\_in\\_public\\_procurement.pdf](http://www.transparency.org/files/content/corruptionqas/Conflict_of_interest_in_public_procurement.pdf)

This answer provides an overview of how to prevent and avoid conflict of interest in public procurement. It finds that: (1) countries should enact guidelines with a clear definition of conflict of interest and (2) put forth requirements for officials involved in the procurement process to disclose information on their private interests and assets, in addition to excusing themselves from certain decision-making processes and prohibiting them from performing certain functions if the opportunities for conflict of interest exist. In addition, access to information, stakeholder participation in key stages of the procurement cycle and clear review mechanisms are shown to be essential in preventing conflicts of interest during public procurement processes. Moreover, effective implementation and enforcement of the law are key to create a deterrent effect and ensure integrity during the process.

***Declaration of Interests, Assets and Liabilities: Oversight Mechanisms, Disclosure Policy and Sanctions. Martini, M., 2013.***

[http://www.transparency.org/whatwedo/answer/declaration\\_of\\_interests\\_assets\\_and\\_liabilities\\_oversight\\_mechanisms\\_disclo](http://www.transparency.org/whatwedo/answer/declaration_of_interests_assets_and_liabilities_oversight_mechanisms_disclo)

This Helpdesk answer examines how conflict of interest regulations can be most effectively embedded into a wider integrity framework alongside interest and asset disclosure regimes, oversight mechanisms and sanctioning procedures for non-compliance. It emphasises that verification of public officials declared interests' must be undertaken by independent and well-resourced public bodies, and that proportionate and dissuasive sanctions for non-compliance with the rules must be consistently applied. Where conflicts of interest are proven, and found to have been ignored or not declared by a public official, there must be scope for the retroactive cancellation of affected decisions.

***Local integrity: Allowances, interest and asset declarations and revolving door. Martini, M., 2014.***

[http://www.transparency.org/whatwedo/answer/local\\_integrity\\_allowances\\_interest\\_and\\_asset\\_declarations\\_and\\_revolving\\_door](http://www.transparency.org/whatwedo/answer/local_integrity_allowances_interest_and_asset_declarations_and_revolving_door)

The key problems of conflicts of interest are just as applicable at the local level as at the national. Indeed, the wide discretionary powers enjoyed by local officials tasked with the allocation of state resources and provision of public services, combined with the lack of oversight, means that local government is often highly vulnerable to conflicts of interest. This answer recommends that those exercising "significant authority", that is, those who have the ability to influence the outcome of a decision on behalf of the municipality, should be obliged to disclose their interests, as well as their assets and liabilities. It also advocates that public officials responsible for procurement processes as well as licenses and registries should also be required to declare their assets and interests

## Selected actors and stakeholders

**Organisation for Economic Cooperation and Development (OECD).**

[www.oecd.org](http://www.oecd.org)

The OECD [guidelines](#), [toolkits](#) and analysis on conflict of interest management and the [revolving door](#) have been pioneering. The [hub on conflict of interest](#) should be the first port-of-call for all those seeking to quickly get to grips with the subject. The organisation has accrued expert knowledge and an impressive repository of best practice examples to support both OECD member states and non-member countries improve public sector probity.

**Corporate Europe Observatory**

<http://corporateeurope.org/revolvingdoorwatch>

The Corporate Europe Observatory is a research and campaign group working to expose and challenge the privileged access and influence enjoyed by corporations and their lobby groups in EU policy making. It has a useful tool to monitor the revolving door in and out of EU institutions: a regularly updated database of commissioners, MEPs and officials who have gone through the revolving door into lobby or industry jobs. Lobbyists who have taken jobs with the EU institutions are also featured.

**Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU)**

<http://www.alter-eu.org/>

ALTER-EU is a coalition of over 200 public interest groups and trade unions concerned with the increasing influence exerted by corporate lobbyists. ALTER-EU seeks to combine Brussels-based monitoring and expertise in EU institutional affairs with the national-level knowledge and campaign muscle of its member groups to create well-researched campaign demands which attract pan-European support and which lead to political reform. One of their four central campaigns revolves around [blocking the revolving door for EU officials](#). This campaign demands cooling off periods for commissioners and staff of three and two years respectively. ALTER-EU's reports on the revolving door in EU institutions are available [here](#) and [here](#).

## **Sunlight Foundation**

<http://sunlightfoundation.com/>

The Sunlight Foundation is a non-partisan, non-profit that advocates for open government globally and uses technology to make government more accountable to all. While their primary focus is on money in politics, some of their tools are also applicable to identifying conflicts of interest in public offices. For example, their app Influence Explorer allows users to explore which companies and organisations are donating funds to political campaigns. The **Lobbyist Registration Tracker** is a database which allows users to see lobbying registrations as they are submitted and the trends in issues and registrations over time.

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