MANAGING CONFLICTS OF INTEREST

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Less than half of OECD countries’ citizens trust their national government…

Managing Conflict of Interest

A modern and holistic approach to managing conflict of interest

Culture

- Awareness & capacity
- Openness
- Averting COI risk in decision-making
- Whole-of-society

Managing Conflict of Interest

System & Standards

- Standards of Conducts
- Designated body(ies)
- Risk-based approach

Accountability

- Enforcement
- Disclosure, transparency & verification
SYSTEMS AND STANDARDS
Clear institutional responsibilities for Conflict of Interest policies

**Shared vs. single-institution responsibility for Conflict of Interest policies**

- Number of OECD countries where CoI policy is the sole responsibility of one institution: 21
- Number of OECD countries where responsibility for CoI policy is shared between several institutions: 9
- Missing data: 5
Clear institutional responsibilities for Conflict of Interest policies

Designing and implementing Conflict of Interest policies

- Ministry or unit within ministry: 20
- Centre of Government (e.g. cabinet office): 10
- Autonomous body: 10
- Other: 2

Number of OECD member countries where this institution is responsible for designing and implementing CoI policies.
Are there specific conflict-of-interest policies in place for specific types of public officials according to the nature of their work?

- Ministers: 60%
- Ministerial advisors: 30%
- Senior public officials: 60%
- Procurement officials: 33%
- Tax and customs officers: 43%
- Financial regulators: 40%
- Auditors: 43%
- Judges: 63%
- Public prosecutors: 57%
- Inspectors at central level of gov: 27%
## Specific standards

<table>
<thead>
<tr>
<th>Category</th>
<th>OECD countries where no or only general conflict of interest regulation apply to this group</th>
<th>OECD countries with specific conflict of interest regulation for this group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of legislative bodies</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Ministers or members of cabinet</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>Appointed public officials (e.g. political advisors and appointees)</td>
<td>2</td>
<td>28</td>
</tr>
<tr>
<td>Senior civil servants (not elected)</td>
<td>2</td>
<td>28</td>
</tr>
</tbody>
</table>
Regulation on post-public employment

OECD countries where this group does not have a cooling-off period

OECD countries where this group has a cooling-off period

<table>
<thead>
<tr>
<th>Group</th>
<th>Countries with no cooling-off</th>
<th>Countries with cooling-off</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of legislative bodies</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Senior civil servants (not elected)</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>Members of cabinet</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Appointed public officials (e.g. political advisors and appointees)</td>
<td>15</td>
<td>15</td>
</tr>
</tbody>
</table>
ENABLING EFFECTIVE ACCOUNTABILITY
Enforcing conflict of interest regulations

- To guarantee compliance with the Conflict of Interest policy an effective enforcement mechanism is needed
- Consequences can be:
  - Personal: Disciplinary or Criminal Prosecution
  - Management: advice or cancellation of affected decision
Type of Sanctions

<table>
<thead>
<tr>
<th>Type of Sanctions</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disciplinary or administrative sanction</td>
<td>90%</td>
</tr>
<tr>
<td>Civil sanction</td>
<td>19%</td>
</tr>
<tr>
<td>Criminal sanction</td>
<td>23%</td>
</tr>
<tr>
<td>No personal consequences</td>
<td>10%</td>
</tr>
</tbody>
</table>

| Disciplinary or administrative sanction | 94%        |
| Civil sanction                        | 26%        |
| Criminal sanction                     | 58%        |
| No personal consequences              | 10%        |

| Disciplinary or administrative sanction | 52%        |
| Civil sanction                        | 3%         |
| Criminal sanction                     | 10%        |
| No personal consequences              | 10%        |

| Disciplinary or administrative sanction | 74%        |
| Civil sanction                        | 6%         |
| Criminal sanction                     | 6%         |
| No personal consequences              | 16%        |
FOSTERING A CULTURE OF INTEGRITY
Behavioural insights for the management of Conflict of Interest

4 BEHAVIOURAL INSIGHTS FOR PUBLIC INTEGRITY

INTEGRITY DEPENDS ON

IT IS NOT ALL ABOUT

THERE ARE

GUILT IS SMALLER WITH

PEOPLE'S CHOICE
Integrity policies need to take behaviour into account.

CONTROL AND ENFORCEMENT
Over-strict control demotivates. Trust is more effective.

NO ETHICAL SUPERHUMANS
There are hundreds of ways for morals to slip your mind when taking a decision.

DIFFUSED RESPONSIBILITY
Shared decisions and disclosed information do not guarantee ethical choices.
Creating an open organisational culture

- Promote the pro-active identification and management of conflict-of-interest situations on an ad-hoc basis
- Nurture a culture in which public officials can seek guidance and advice without fear of reprisal from senior public officials
- By setting the example, senior public officials create a culture of integrity in which corruption and fraud are considered unacceptable
Raising awareness, building capacity and commitment:

What initiatives are carried out in practice in order to raise awareness and enhance understanding of the conflict of interest policy/ies?

- Initial dissemination of conflict of interest policy/ies to public officials upon taking office and/or new post: 97% (Yes) 3% (No)
- Ensuring online availability of conflict of interest policies for access by public officials: 81% (Yes) 19% (No)
- Provision of training to public officials, including examples of real-life conflict of interest situations and how they were addressed: 77% (Yes) 23% (No)
- Provision of official advice when public officials have doubts or questions regarding conflict of interest policy/ies: 68% (Yes) 32% (No)
THANK YOU

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