

## **G20 High-Level Principles for Preventing and Managing ‘Conflict of Interest’ in the Public Sector**

### **Introduction and context**

The G20 has long recognised the necessity of promoting high integrity standards on behalf of public officials. In this regard, G20 countries have previously committed to a number of measures to strengthen integrity in the public sector including commitments related to effective asset disclosure systems and to taking steps to establish effective organisational structures to combat corruption.<sup>1</sup>

In addition to the previous commitments made by G20 countries, the G20 is further committed to taking concrete steps to prevent and manage ‘conflict of interest’, which arise when there is an actual, potential or apparent conflict between the public duty and the private interest of a public official, in which the official’s private-capacity interest could improperly influence the performance of their official duties and responsibilities. Although the majority of G20 countries have laws, policies and guidance, opportunities remain for strengthening systems for preventing and managing conflict-of-interest situations.

As a result, preventing and managing ‘conflict of interest’ remains a priority issue for G20 countries, as reflected in the 2017-2018 Action Plan of the G20 Anti-Corruption Working Group. The Action Plan includes the commitment to take action to “promote a culture of integrity and accountability in our institutions, including by preventing and resolving conflicts of interests affecting public officials”. In addition, Argentina set ‘conflict of interest’ as a priority issue for the 2018 G20 Presidency with the aim to share experiences on how to prevent and resolve conflicts of interest affecting public officials, taking into account the potential of financial disclosure systems. In support of these initiatives, the Argentine G20 Presidency has pursued the following two products:

- *High-Level Principles for Preventing and Managing ‘Conflict of Interest’ in the Public Sector.* These build upon existing policy standards and good practices, in particular those from the United Nations and the OECD. They identify a set of key concrete actions that governments could commit to undertake in accordance to their needs and country context.
- *Good Practices Guide for Preventing Conflict of Interest in the Public Sector.* These support implementation of the High-Level Principles by sharing experiences and highlight good practices on how to deal with specific conflict-of-interest situations.

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<sup>1</sup>G20 High Level Principles on Organising Against Corruption; G20 High Level Principles on Asset Disclosure by Public Officials; G20 Guiding Principles to Combat Solicitation; G20 Anti-Corruption Open Data Principles; G20 Principles for Promoting Integrity in Public Procurement; the G20/OECD Compendium on Whistleblower Protection; and the G20 High Level Principles on Countering Corruption in Customs.

These High-Level Principles build on relevant international instruments and standards such as those from the United Nations, OECD, World Bank, Council of Europe, Organization of American States, African Union, and APEC, as well as previous G20 High-Level Principles in related areas, and knowledge work such as that produced by the World Bank and the Stolen Asset Recovery Initiative.

### Applicability, scope and definitions

The following G20 High-Level Principles identify a set of key concrete actions that G20 countries commit to undertake, in accordance to their needs, country context and domestic legal principles, to prevent actual, potential and apparent conflicts of interest. For the purpose of the Principles, the term ‘public official’ is used generically. Each country shall define the term and apply it in line with their national laws and public sector context, bearing in mind the UNCAC definition of public officials. The High-Level Principles focus on three core pillars: 1) developing standards and a system to prevent and manage ‘conflict of interest’, 2) fostering a culture of integrity and 3) enabling effective accountability.

Developing standards and a system to prevent and manage ‘conflict of interest’	<p><b>Standards of conduct for public officials</b></p> <p>1. G20 countries should establish specific, coherent and operational standards of conduct for public officials. These standards should provide a clear and realistic description of what circumstances and relationships can lead to a ‘conflict of interest’ situation. These standards should further advance public officials’ understanding and commitment to a) serving the public interest, and b) preventing any undue influence of private interests that could compromise, or appear to compromise, official decisions in which they officially participate.</p> <p>2. G20 countries should further consider the need for additional standards of conduct for those public officials working in high-risk areas, reflecting the specific nature of these positions, exposure to conflict of interest risks and public expectation.</p>
	<p><b>Applying the conflict-of-interest standards</b></p> <p>3. G20 countries should put into place clear means for developing, implementing and updating conflict-of-interest policies at the appropriate level in the public sector. The implementation, effectiveness and relevance of conflict-of-interest policies should be periodically reviewed using an evidence-based approach. G20 countries should also consider consulting relevant stakeholders, including the private sector and civil society, when developing and reviewing their conflict-of-interest policies. Consideration could be given to the designation of one or more special bodies to oversee systems for preventing and managing conflict of interest.</p>

	<p><b>Risk-based approach to managing conflict of interest</b></p> <p>4. G20 countries should identify “at-risk” activities and duties that create heightened risks for potential conflict-of-interest situations and establish adequate preventive measures. G20 countries should establish effective organisational responses through, as appropriate, specialised bodies established for managing conflict-of-interest and/or competent officials within each organisation. G20 countries should pay specific attention to safeguarding the public interest in the recruitment, nomination and promotion of public officials. Particular due diligence should be applied as appropriate to assessing and resolving conflicts of interest before individuals undertake public functions, as well as establishing appropriate post-employment restrictions, such as cooling-off periods.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Fostering a culture of integrity</p>	<p><b>Open organisational culture where dealing with conflict of interest matters can be freely raised and resolved</b></p> <p>5. G20 countries should nurture an open organisational culture in the public sector, taking steps to promote the pro-active identification and avoidance of potential conflict-of-interest situations by public officials. This should include ensuring that public officials can seek guidance and advice from competent officials regarding how to avoid potential conflict-of-interest situations, without fear of reprisal. Appropriate measures should be established to protect disclosures from misuse.</p>
	<p><b>Averting conflict of interest risks in public decision making</b></p> <p>6. G20 countries should ensure that effective management policies, processes, and procedures are established for preventing and managing conflicts of interest in public decision making in order to safeguard the public interest and avoid undue influence. Such procedures could include management and internal controls, providing ethical advice on the application of conflict-of-interest policies to specific circumstances, recusal from decision-making as appropriate, the use of ethics agreements and other arrangements, such as reviewing interest declarations, recusal statements and orders, to mitigate potential conflicts of interest.</p> <p>7. G20 countries should establish guidance and mechanisms, such as disclosure of interests, for members of boards, advisory committees and expert groups, in order to prevent unduly influencing the public decision making processes.</p>
	<p><b>Raising awareness, building capacity and commitment</b></p> <p>8. G20 countries should endeavour to ensure that sufficient information, guidance, training and timely advice are provided to public officials upon taking up positions,</p>

	<p>throughout their careers, and upon leaving their position, in order to enable them to identify and manage actual, apparent and potential conflict-of-interest situations.</p>
	<p><b>Partnership with the private sector and civil society</b></p> <p>9. Preventing and managing conflicts of interest is a shared responsibility of the public and private sectors. Hence G20 countries should take steps to promote awareness within the private sector and the general public on the standards of conduct in place to prevent and mitigate public officials’ conflicts of interest, as well as to promote the core values of public service in the society at large.</p>
<p>Enabling effective accountability</p>	<p><b>Disclosure, transparency and verification</b></p> <p>10. G20 countries should adopt and implement appropriate and effective mechanisms for the prevention, identification and management of conflicts of interests, such as periodic financial, interest and asset disclosure systems for relevant public officials consistent with G20 High Level Principles on Asset Disclosure by Public Officials and applicable law.</p> <p>11. Countries that have established declarations systems or are considering establishing them, are encouraged to support each other, where domestic law and institutional mandates permit, facilitating the identification and exchange of information on public officials’ interests abroad and/or sources that could be consulted by foreign authorities to gather and/or confirm information on officials’ interests abroad. In this regard, G20 countries should make appropriate use of new technologies, without prejudice to personal data protection.</p> <p><b>Effective Enforcement</b></p> <p>12. G20 countries should implement adequate mechanisms to resolve identified conflicts of interest, as well as enforcement mechanisms for proportionate and timely sanctions for violations of conflict-of-interest policies. This could include a specific set of disciplinary measures.</p>