

Managing Conflict of Interest

The fundamental principle of anti-corruption is to promote transparency and accountability in governance systems. Conflict of Interest Management system is one of the important tools to promote these principles. It is a genesis of corruption and matter of public trust and confidence in the integrity of institutions. It has to be understood well by all, particularly public officials with decision making powers and control over resources.

What is Conflict of Interest?

A 'Conflict of Interest' involves a conflict between the public duty and private interests of a public official in which the public official has private interests which would improperly influence the performance of his/her official duties and responsibilities.

A conflict of interest can arise from avoiding personal losses as well as gaining personal advantage-whether financial or otherwise.

Conflicts of interest can be actual, perceived or potential:

- An **actual** Conflict of Interest involves a direct conflict between a public official's current duties and responsibilities and his/her existing private interests.
- A **perceived of apparent** Conflict of Interest can exist where it could be perceived, or appears that a public official's private interest could improperly influence the performance of their duties-whether or not this is in fact the case.
- A **potential** Conflict of Interest arises where a public official has private interests that could conflict with his/her official duties in the future.

Note: It is important to recognize that a poorly-managed perceived or apparent Conflict of Interest can be just as damaging as a poorly-managed actual Conflict of Interest. The critical factor is that public officials must not only behave ethically, they must also be seen to behave ethically.

How to manage Conflict of Interest?

1. **Declaration of Conflict of Interest:** Declaration is more accurately described as a tool for determining whether to i) Recuse, ii) Divest or iii) Waive the conflict.

Sample Form for Declaration of Conflict of Interest

Part A-Declaration of Conflict of Interest

I,[name], bearing CID No.....,[Position/
Title].....[Agency], hereby declare that:

- I do not have any pecuniary interest or other personal interest, (actual or potential) in any matter that raises or may raise a conflict with my duties as a Member of[Committee/Board] of.....[Agency]. I shall notify the Management or Committee concerned immediately in the event when such interest arise in the course of discharging my duty as a.....[Committee/Board] Member.

OR

- I have pecuniary interest or other personal interest (actual or potential) in certain matter that may raise or raises a conflict with my duty as a Member of.....[Committee/Board]of[Agency].

- If (yes)

i. Briefly describe the nature of interest:

.....

ii. Do you think you would be able to take decisions impartially despite the Conflicts of Interest?

Yes No

I confirm that the above information is true to the best of my knowledge. In the event the above declaration is found to be incorrect, I shall be liable for administrative/legal action as per the Anti-Corruption Act of Bhutan 2011 and other relevant Rules and Laws of the land.

Signature of the Employee: _____

Date: _____

Part B- Record of Resolution

With respect to the above declaration, the Chairperson of the Committee concerned has passed the following resolution:

The declarant shall:

- Refrain from getting involved or participate in performing his or her duty, as described in Part A, which may raise or raises conflicts.
- Continue to participate in performing his or her duty as described in Part A, provided that there is no change in the information declared above.
- Others (Please specify).

Signature of the Chairperson: _____

Date _____

2. Managing the declared Conflict of Interest-Option for Management:

Once the conflict has been identified and declared, the Organization or Committee concerned may need to take necessary steps to prevent or remove any possibility or perception of official roles and responsibilities being used for private benefits. Conflicts of Interest can be Waived, Recused or Relinquished based on the nature of conflict, complexity of the situation and severity of the case.

A simple flow chart for handling Conflicts of Interest declaration:

