

Conflicts of Interest

Introduction

1. The Centre is committed to ensuring that all ITCILO officials perform their functions in a completely transparent and impartial manner. In accordance with the provisions of circular DIR 04/2008 of 17/10/2008, entitled *Ethics at the Centre*, all officials are required to identify and declare potential conflicts of interest.
2. The purpose of this circular is to assist officials to identify circumstances which may give rise to potential conflicts of interest and to provide guidance on the procedures to be followed to avoid such conflicts of interest. This guideline should be read in conjunction with:
 - a) Article II of the Statute of the Centre;
 - b) Chapter IV of the Staff Regulations;
 - c) ITCILO Financial Rules and Regulations;
 - d) Circular HRS 28/2008 of 28/10/2008 '*Rules and approval procedures governing outside activities*';
 - e) Standards of conduct for the International Civil Service (ed. 2001):
http://intranet.itcilo.org/portal/hrs/english/regulation_circulars/icsc/icsc.htm
 - f) Principles of Conduct of Staff of the International Labour Office, which is deemed to apply to the Centre mutatis mutandis, in keeping with Article 9, paragraph 4 of the Constitution of the ILO and the general principle laid down by para. 5 of art. V of the Statute of the Centre:
<https://www.ilo.org/public/english/ethics/documents/principles.pdf>

Ethical standards

3. All ITCILO activities should be conducted in accordance with the highest standards of integrity, honesty, transparency, independence, and openness. These standards should guide any decision-making about potential conflicts of interest.
4. It is not possible to specify rules, or provide specific guidance to cover all circumstances and situations. However, all officials are expected to know, understand and follow the rules and procedures noted in paragraph 1 above. Relevant guidance may also be found in professional rules of conduct and codes of practice applying to members of a specific profession.

What is a conflict of interest?

5. A potential conflict of interest can arise where an official's personal relationships or position in external entities can compromise, or be seen to compromise, objectivity and impartiality in the discharge of official duties for the ITCILO (e.g. roles, activities or participation in bodies or groups dealing with ITCILO matters and activities, close personal ties with ILO constituents, or ILO oversight bodies, etc.). Financial interests of officials as a result of family and personal relationships, gifts, benefits and hospitality received from outside sources, as well as through other business interests such as partnerships and family businesses, are also considered to be one of the main causes of conflict of interest in a public administration.
6. A conflict of interest arises when you have a real, potential or perceived direct or indirect competing interest with the role, function or activities of the ITCILO. This competing interest may result in you, or someone related to you or entities in which you have an interest, being in a position to benefit from the circumstances, or in the Centre not being able to achieve a result which would be in its best interests, or both.
7. A conflict of interest exists when your other private interests or activities create an incentive for you to act in a way that may not be in the best interests of the ITCILO, such as participating in a tendering process when a bid has been submitted by a business owned by a close relative. In this example, a conflict exists between the official's interests in supporting a close relative and securing the best possible purchasing agreement for the Centre.

What are some examples of interests which may conflict with those of the Centre?

8. A conflict of interest can arise in a wide range of circumstances. It may be financial or non-financial, personal or professional, commercial or not-for-profit. It may relate to a potential advantage to the official or a third party or a disadvantage to the ITCILO. It may concern you directly, or another person, or organization with whom you are associated.
9. The following are some examples of other interests which may result in a conflict of interest:
 - holding a public office;
 - being an employee, adviser, director, or partner of another business or organization;
 - pursuing a business opportunity;
 - having an outside professional or legal obligation with a contractor of the ITCILO;
 - owning shares, or some other investment, or asset in a supplier;
 - having received a gift, hospitality, or other benefit from an individual, or entity, which you must impartially assess;
 - owing a debt to a candidate for employment, or potential supplier;
 - holding or expressing views that may indicate prejudice, or predetermination in a decision, for example participation in an interview panel, or in the selection of a supplier; or

- being a relative, or close friend of someone who has one of these interests, or who could otherwise be personally affected by a decision of the Centre.

How do I know if a family member is considered to be “close”?

10. In the course of your official duties, it is essential that you avoid any suggestion of nepotism or favouritism in your dealings with colleagues, suppliers or other contacts. This applies to all work-related activities, but particularly to the key areas of recruitment, tenders, external collaboration contracts and performance management.
11. Considering the interests of relatives requires careful judgement. In general, the ITCILO defines close family members as a spouse, a civil union partner, or a de facto partner, parent or child, the interests of any relative who lives with you (or is otherwise dependent on the other) must be treated as being effectively the same as your interest. For other relatives, it will depend on the closeness of the relationship and the degree to which your decision, or activity could directly, or significantly affect them.
12. A relationship may be considered close because of the directness of the blood or marriage link, or because of the amount of association. There are no precise rules on this, since these questions involve matters of degree. However, it is usually wise not to participate in a decision, if relatives are directly affected or involved.

Who is considered a “close” friend?

13. Questions of judgement and degree also arise when considering friends and other associates. Simply being acquainted with someone, or having worked with them, or having had official dealings with them, should not usually create any problem. However, a long-standing or close association, or very recent dealings may do so.
14. Close and long-standing relationships (personal as well as professional) are likely to create strong perceptions of interest. You should ensure that your actions can withstand close scrutiny, which includes avoiding both the appearance and the reality of any conflict of interest.

What should I do if I have a conflicting interest?

15. An essential first step is to declare to your immediate supervisor any private interests/activities which may impact on your capacity to carry out your official duties. A reasonable test of which interests/activities you should disclose is whether or not your involvement in that matter or activity would be regarded as inappropriate, or embarrassing to you, or to the Centre, if made public.

What should I do if I am aware of a conflict of interest that I am not directly involved with?

16. You should also report this to your responsible chief, or, in case he or she is involved in the matter, to the appropriate authorities, such as the higher level chief, the Treasurer and Chief of Finance Services, or other senior manager, as appropriate. This is without prejudice to your duty to report any wrongdoing. The Ethics Officer is also available to provide advice on the situation and the appropriate course of action.

Do I need to report a conflict of interest even if I think it does not harm or undermine the Centre in any way?

17. Yes. The matter is not determined by your subjective judgement of what is in the best interests of the ITCILO. Avoiding conflicts of interest also involves considering public perceptions – what would an objective outside observer reasonably perceive? Often, what needs to be avoided is the adverse perception that could arise from the overlapping interests.
18. Sometimes there may be a perception of a conflict of interest where the interests are close, but do not actually overlap. It may still be necessary to take some steps to manage these situations, because the perception of a conflict of interest can damage your professional reputation, or the Centre's reputation.

There are no universal rules

19. There are no comprehensive rules for identifying and avoiding conflicts of interest that apply to all situations and circumstances. Whether or not a conflict of interest exists should be considered on a case-by-case basis. Whether or not the existence of a specific interest creates a problem may only be determined when examined in the context of your role as an official, or a particular matter before the ITCILO.
20. In considering whether or not a conflict of interest may exist, you should always focus on the links between your interest or activity and the particular matter (e.g. the question, decision, project, or activity) that is being considered, or carried out by the Centre.
21. Moreover, units and departments of the Centre operate in different circumstances, so potentially different conflicts may arise. Also, certain types of functions may give rise to conflicts of interest that would not arise for others, e.g. a function that directly affects the legal rights, interests and obligations of staff, or a decision to grant a specific benefit, or impose a sanction.

Concluding provisions

22. Due to the range of questions concerning conflicts of interest, this circular is not exhaustive and compliance requires not just knowledge and understanding of the rules and procedures, but also the exercise of judgement and common sense on your part. Further assistance on the identification and avoidance of conflicts of interest can be obtained by contacting the Ethics Officer at the following email address: ethics@ilo.org

Patricia O'Donovan

Director