

Guidelines for the Prevention of Conflict of Interest of the Civic Alliance – Latvia effective from 11 August 2020

The guidelines¹ are designed to prevent the influence of personal or financial interests of the Civic Alliance – Latvia (hereinafter – CAL) public officials – CAL Council members, Director, employees, relatives or counterparties on CAL Council members, Director, employees, and to prevent conflict of interest or its potential occurrence.

The purpose of the CAL and the daily activities of the CAL are carried out in the interests of the association and the common society, strengthening civil society, including representing the common interests of associations and foundations based on fundamental democratic freedoms and universal human rights, therefore, it is essential that the members of the CAL Council, the Director and the employees act in the interests of civil society and not in their personal interests. The Council, the Director (Board) and the employees of the CAL ensure and are responsible for the prevention of conflict of interest.

These guidelines are applicable to the members of the Council of the CAL, the Director and employees who are also public officials, insofar as they do not contradict the Law “On Prevention of Conflict of Interest in Activities of Public Officials”, which stipulates that conflict of interest is a situation where, in performing the duties of office of the public official, the public official must take a decision or participate in taking of a decision or perform other activities related to the office of the public official which affect or may affect the personal or financial interests of this public official, his or her relatives or counterparties.

On the other hand, the members of the CAL Council, the Director and employees are subject to a conflict of interest in a broader sense, as applicable in the private sector, defining a situation where a person has a personal interest in or a member of the council); personal interest when a person uses the authority of a public official entrusted to him or her or uses other resources for personal gain (such as economic, emotional, political and financial) and which may be either direct or indirect.

The guidelines state that the members of the CAL Council, the Director and the employees assess not only the actual, but also the apparent and potential conflict of interest.

A perceived conflict of interest is a situation where an outside observer feels that a public official is in a conflict of interest. It seems that this public official will not be able to make an objective decision or perform some work in good faith, when in fact this is not the case. A perceived conflict of interest can have the same consequences as an actual conflict of interest. It can also negatively affect trust in the officer and the organization.

A potential conflict of interest is a situation where there is no private interest at the moment, but it is likely that it may arise in the future in connection with the public official's duties.

¹ Based on the Guidelines for the Prevention of Conflicts of Interest for Civil Servants and the Guidelines on the Basic Requirements of the Internal Control System for the Prevention of the Risk of Corruption and Conflicts of Interest in a Public Institution

A real conflict of interest means that the public official is in a situation of conflict of interest, that is, private interests influence the public official's decisions and actions in the performance of his or her public official duties.

How to deal with a conflict of interest:

- ✓ If a member, director or employee of the CAL Council is a person with a personal interest in performing an activity, a higher public official (direct employer) or institution (Board or Council) shall be informed immediately.
- ✓ If a member, Director or employee of the CAL Council is in a real, apparent or potential conflict of interest, he / she shall refrain from making decisions and shall refrain from performing duties that may cause a conflict of interest.

How to prevent conflict of interest:

- ✓ In order to decide whether, in a particular case, personal, material or non-material interest may affect the objectivity of the decision, the members of the CAL Council, the Director or the employees shall ask themselves follow-up questions:
 - 1) Can you, your relative or business partner benefit / will benefit or may suffer / will suffer a loss from your decision? Is this possible in the foreseeable future?
 - 2) Are you personally, professionally or financially related to the person or organization affected by your decision?
 - 3) In addition to performing the duties of a public official, are you involved in the issue on which you have to make a decision? This applies to both active expression of civic opinion and commercial activity.
 - 4) Have you received a gift or any other benefit from the person / organization being the subject of this decision?

Possible conflict of interest that may occur and how to resolve them:

Purchase of services and goods

- ✓ If the implementation of CAL activities requires the conclusion of supply, service or company agreements, the CAL Director and employees (persons performing economic activities of the CAL) shall be guided by the requirements specified in regulatory enactments².
- ✓ The Director and employees of the CAL shall take all necessary measures to avoid a conflict of interest and shall immediately inform a higher public official or institution of any case where a conflict of interest has arisen or may arise.
- ✓ In order to promote transparency and sound financial management, the CAL's internal rules stipulate that in cases where the estimated contract amount is at least EUR 1,000 (one thousand euro) over a 12-month period, a market study shall be carried out (the price survey shall be conducted in person or by correspondence, research of offers of potential service providers and suppliers on websites, booklets, catalogues, or according to publicly available information).
- ✓ The “four-eyes principle” shall be introduced for all activities where funding is foreseen.

Relationship

² Public Procurement Law and Regulations on the Procurement Procedure and the Procedure for Applying It to Projects Financed by the Customer

- ✓ The Law “On Prevention of Conflict of Interest in Activities of Public Officials” does not prohibit relatives from working in one institution, regardless of the closeness of kinship, however, requires timely action to prevent conflict of interest situations. Thus, such an approach shall be also introduced by the CAL.
- ✓ If a relationship arises between public officials, employees or related services in the CAL, and such cooperation shall not be prevented in order to reduce the occurrence of an apparent or potential conflict of interest, an order shall be issued that determines the relative's subordination to another public official or employee.

Gifts

- ✓ It is not recommended for CAL Council members, Director and employees to accept gifts from the parties involved, as their acceptance may be associated with a significant risk of corruption.
- ✓ Members of the CAL Council, the Director and employees shall not accept gifts from the parties involved if, during the two years prior to the donation, it has exercised public official functions in relation to the donor.
- ✓ Taking as an example the exceptions specified in the Law "On Prevention of Conflict of Interest in Activities of Public Officials", the CAL shall not consider the following benefits as gifts:
 - ✓ flowers;
 - ✓ souvenirs, books or representation articles if the total value in monetary terms of souvenirs, books or representation articles received from one person within one year does not exceed the amount of one minimal monthly wage;
 - ✓ awards, prizes or honours the provision of which is provided for in external laws and regulations;
 - ✓ services and various types of discounts, which are offered by commercial companies, individual merchants, as well as farms and fishery enterprises and which are publicly accessible.

Special duties of the Director of the CAL

- ✓ To prevent employees and involved experts, service providers of the CAL from falling into conflict of interest;
- ✓ If a member, director or employee of the CAL Council is in a situation of conflict of interest, transfer functions or tasks to another public official or employee;
- ✓ If a conflict of interest is suspected, the situation shall be resolved within the CAL.

Special provisions for the Active Citizens Fund program

Aware of the importance of transparency and independence of decision-making in the work of the Active Population Fund (AIF) and the risk of conflict of interest with respect to CAL members and the CAL Council, the CAL agreed with the members at the general meeting of members on 28 February 2020, which was approved by a vote, as well as by signing an agreement between the members of the CAL Council on their non-interference in the work and decision-making of the AIF, respecting the operational and decision-making independence of the AIF.

The agreement shall also include a commitment to avoid potential situations of conflict of interest as well as any other situations that could damage the reputation and operational independence of the AIF.