

CONFLICT OF INTEREST (I)

Workshop on Organisational Set-up and Institutional Frameworks
for Civil Aviation Authorities

Manila, Philippines 17-18 June 2025

Day 1, 17 June 2025

José Luis Bernardino, Head of Strategic Planning and Quality Division (AESA)

Mar Barrera, Head of Economic-Financial Division (AESA)



European Union Aviation Safety Agency

EU-ASEAN Sustainable Connectivity Package Aviation Partnership Project
(EU-ASEAN SCOPE APP)

This project is funded by the European Union and implemented by
the European Union Aviation Safety Agency (EASA)

Your safety is our mission.

An Agency of the European Union



Content

- Overview of the air transport sector.
- ICAO's perspective on conflicts of interest



Content

- Overview of the air transport sector.
- ICAO's perspective on conflicts of interest



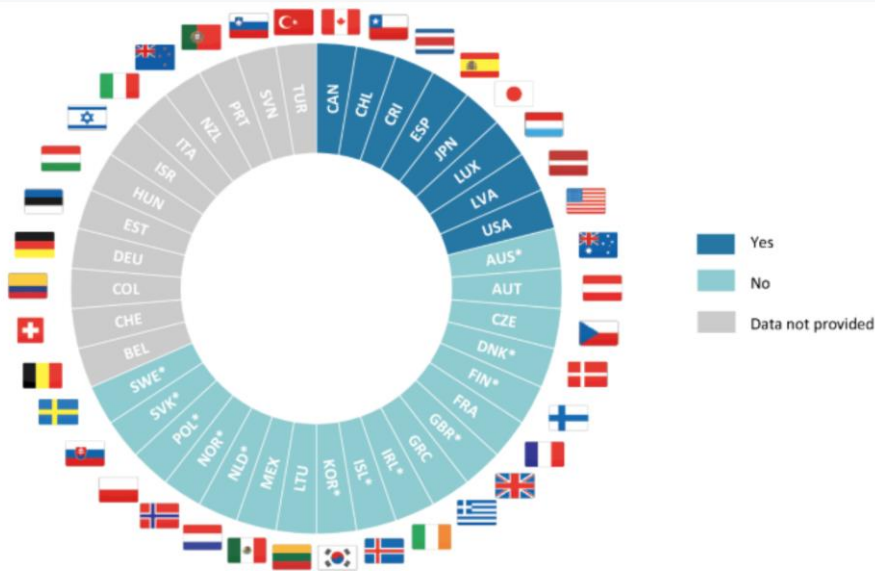
CONFLICT OF INTERESTS



DEFINITION: Conflicting interest or a conflict of interest occurs when a person's personal interest can influence his or her duties. A conflict of interest is defined as any social, professional or economic relationship with individuals or a matter at hand that could affect judgment and result in an outcome.

CONTEXT

Few countries verified at least 60% of declarations



Note: Data based on criterion values for "At least 60% of declarations filed during the latest two full calendar years were verified by the responsible authority." Countries marked with an asterisk (*) do not fulfil the criterion as they do not have centralised data on the verification rates.

Source: OECD (2024^[7]). OECD Public Integrity Indicators Database.

Verifying interest declarations and improving processes to resolve conflicts
would better safeguard the public interest

Air Transport

CONSEQUENCES OF THE CONFLICTS OF INTEREST

- An official: has private interest that may or be perceived to improperly influence or interfere with the performance of his official duties and responsibilities.
- An organization: An organizational fails or is impeded to act impartially due to outside activities or relationships it has with other entities.



Hamper

Effective, Independent and Impartial Regulation.





GUIDANCE ON THE AVOIDANCE AND MANAGEMENT

Examples of rules on ethics and conflicts of interest at Member State level

- (1) In one Member State it is prohibited for persons occupying managerial positions in government administration (e.g. minister, secretary of state, head of central office) to **hold more than 10 % of shares in private companies**.
- (2) In a second Member State, the Head of State, ministers and members of Parliament **may not accept gifts**, hold shares in private or public companies or hold government contracts.
- (3) In a third Member State, anyone holding a public sector position **must not carry out any trading activities** if they own over 10 % of a company's shares.



GUIDANCE ON THE AVOIDANCE AND MANAGEMENT

Examples of rules on ethics and conflicts of interest at Member State level:

(4) In a fourth Member State, ministers and members of Parliament **must not be part of supervisory or managerial bodies** of private companies and if they own shares in a private company of 0,5 % or more, they must transfer their consequential management rights to another person for the duration of their mandate.

(5) In a fifth Member State, officials who have financial responsibilities and whose hierarchical level or the nature of their duties so warrants must, within two months of their appointment, **take all steps to ensure that their financial assets are managed**, during the duration of their duties, under conditions which exclude any right of scrutiny on their part.

CODE OF CONDUCT FOR EASA STAFF

Table of Contents



ANNEX 1: POLICY ON IMPARTIALITY AND INDEPENDENCE: PREVENTION AND MITIGATION OF COI

1.	Background.....	6
2.	Code of conduct for EASA staff	6
	Annex 1:	12
	Policy on impartiality and independence: prevention and mitigation of Conflict of Interest.....	12
1	Purpose and scope	14
2	Concept of Conflict of Interest	14
3	Principles and measures.....	15
4	Registering relevant interests of staff members.....	15
5	Principle of collegiality and transparency in decision-making	15
6	Principle of declaration of interests	16
6.1	Category of interests	16
6.2	Types of declaration of interests.....	17
6.2.1	General principles of declaration of interests.....	17
6.2.2	Declaration of Interests (DoI).....	17
6.2.3	Specific Declaration of Interests (SDoI).....	17
6.2.4	Oral Declaration of Interests (ODOI)	18
6.3	Assessment of declaration and decision	18
6.3.1	Ethical Committee.....	18
6.3.2	Declaration of interests of the Executive Director	18
6.3.3	Declaration of interests of Agency staff.....	18
6.3.4	Specific Declaration of Interests (SDoI).....	19
6.3.5	Oral Declaration of Interests (ODOI)	19
6.4	Granting of waiver.....	19
6.5	Publication, recording and protection of personal data	20
7	Outside activities and post-employment	20
8	Enforcement.....	21
9	Training and information.....	22
	Annex 2: Policy on Gifts and Hospitality	23
1	Background.....	24
2	Definitions	24
2.1	Gifts	24
2.2	Hospitality and invitations.....	24
3	Principles	25
3.1	General considerations	25
3.2	Relevant criteria	25

CODE OF CONDUCT FOR INSPECTOR

 European Aviation Safety Agency		Work Instruction	
Code of conduct for standardisation inspections		Doc #	WI.STDI.00015-004
		Approval Date	21/01/2014



Code of conduct for standardisation inspections

WI.STDI.00015-004

	Name	Validation	Date
Prepared by:	Sylvain LADIESSE	Validated	21/01/2014
Verified by:	Thomas MICKLER	Validated	21/01/2014
Reviewed by:	Valerie LANDRY-SIVEL	Validated	21/01/2014
Approved by:	Thomas MICKLER	Validated	21/01/2014



© European Aviation Safety Agency. All rights reserved. ISO9001 Certified.
Proprietary document. Copies are not controlled. Confirm revision status through the EASA Internet/Intranet.

Page 1 of 8



European Union Aviation Safety Agency

Form

Standardisation inspector declaration of interest and
secondment declaration by the sending organisation

To be completed by the inspector to be seconded to EASA

I, the undersigned, having been authorised by my Organisation to participate as Team Member in the Standardisation Inspection , hereby declare that, in accordance with the criteria defined in Annex 1 to the Code of conduct for EASA staff:

- ☒ I do not have any direct or indirect interest in the inspected Authority, as well as in the undertakings under its oversight; or
- ☐ I have a direct or indirect interest in the inspected Authority and/or in the undertakings under its oversight, as described:

Note: All potentially relevant interests shall be declared, in particular the following, if applicable:

- the inspection takes place in the State of the inspector;
- the inspector has direct or indirect financial interest in any entity to be inspected;
- the inspector has close family members affiliated with any entity to be inspected;
- the inspector was employed by, seconded to or has provided any kind of services to an entity to be inspected within the past five years;
- the inspector is likely to be involved in interviewing former (less than five years) work colleagues, superiors or business partners;
- the inspector's role within his/her Authority could have a direct impact on the inspected State.

The inspector shall not be authorised in such cases.

I will carry out my duties and conduct myself solely with the interests of the Agency in mind, and I will not take instructions from any government, authority, organisation or person outside this institution. I shall carry out the duties assigned to me objectively and impartially. Should a potential or actual conflict of interest become apparent in respect of any tasks that I am asked to carry out, I will inform immediately the EASA Team Leader in charge of the inspection. Furthermore, I acknowledge the provisions of Annex 2 to the Code of Conduct for EASA staff (Policy on Gifts and Hospitality) and will abide to them.

I will keep confidential and will not communicate outside the Inspection Team any information collected during the inspection or relating to the views expressed during the inspection. I will not make any adverse use of information related to the inspection.

CODE OF CONDUCT



EXAMPLES



✓ They will refrain from participating in matters where they have a personal, economic, or financial interest, as well as from engaging in any private activity or interest that could pose a risk of conflict of interest with their public role. This includes any action that might appear to compromise their impartiality and independence or raise suspicion of favorable treatment toward specific individuals or entities.

✓ They will not undertake economic obligations or participate in financial operations, patrimonial obligations, or legal transactions with individuals or entities when this could lead to a conflict of interest with the responsibilities of their public position.

✓ They will not accept any preferential treatment or situation involving privileges or unjustified advantages from individuals or private entities arising from their position in the Ministry.

CODE OF CONDUCT



EXAMPLES



✓ They will not influence the acceleration or resolution of administrative processes or procedures without just cause, especially when it could imply granting privileges to any individual within the Ministry, public officeholders, or persons with whom they have family, friendship, or similar social relationships, or when it could negatively affect the interests of third parties.

✓ Their decisions, resolution proposals, reports, and actions will be justified. ✓ In the case of carrying out a second activity, either public or private, they must comply with regulations concerning incompatibility and ensure that such activity does not compromise the performance of their official duties.

CODE OF CONDUCT



Whistleblower
Software

Español

EXAMPLES

[Inicio](#) [Presentar una información](#) [Procedimiento](#) [Política](#) [Roles](#) [Preguntas frecuentes](#)

Canal interno de información de AESA

AESA ha habilitado este canal para recibir comunicaciones (anónimas o confidenciales) sobre posibles infracciones graves y muy graves en su funcionamiento interno. Si usted pertenece al contexto laboral o profesional de AESA puede comunicar este tipo de hechos a través del botón "[Crear una nueva comunicación](#)" al final de esta página.

Presentada una información, el seguimiento y comunicación con AESA se realiza a través del botón "[Seguimiento de una comunicación existente](#)" al final de esta página, introduciendo el código alfanumérico confidencial (denominado "contraseña") que la aplicación facilita al presentar cada información.

Antes de presentar una comunicación, se recomienda leer:

- Especialmente, el contenido de la pestaña "[Presentar una información](#)", en la que se aclara qué tipo de hechos e informaciones pueden presentarse en el canal interno de información de AESA, y qué tipo de hechos no están incluidos.
- El resto de pestañas, ya que contienen información de utilidad para comprender el procedimiento que se iniciará tras presentar una información.

IMPORTANTE: Este canal es para comunicar cuestiones relativas al funcionamiento interno de AESA exclusivamente. Si tiene alguna duda sobre de qué modo comunicar hechos relacionados con la supervisión de la seguridad aérea puede consultar a AESA [aquí](#).

Content

- Overview of the air transport sector.
- ICAO's perspective on conflicts of interest

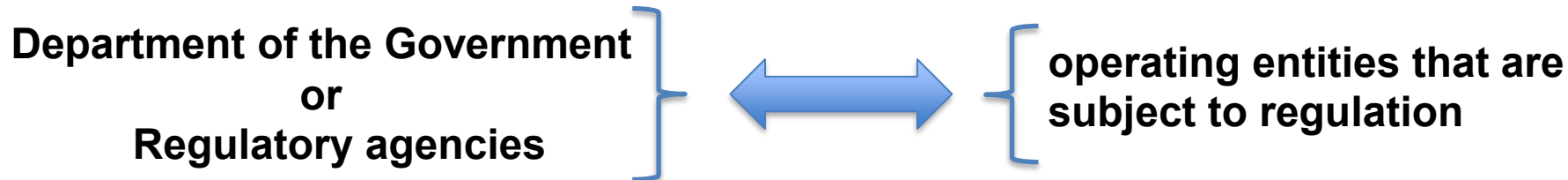
CONFLICT OF INTEREST

A **personal COI** is typically defined as a situation in which **an official has private interests** that may or be perceived to improperly influence or interfere with the performance of his or her official duties and responsibilities.

An **organizational COI** arises where an organization **fails to act impartially due to outside activities or relationships it has with other entities.**



Interactions between



- direct or indirect financial interests in regulated entities;
- movement of individuals between jobs in the regulatory and regulated entities (also referred to as “revolving door” situations);
- performance of regulatory duties by seconded or designated staff of the regulated entities;
- partnerships or arrangements between regulatory and regulated entities to advance the commercial interests of the regulated entities at the expense of the public interest;
- lobbying of policy or rule-making bodies on behalf of or in favour of regulated entities;

Two scenarios

Relationships between different organs or entities of the State involved in civil aviation activities;

- **overlap of functions** between regulatory bodies and the government or its other organs such as the military, police, customs and investigative bodies;
- **ownership or control of regulatory and operator entities** by the State;
- **combination of regulatory and service provision** functions in the same or related entities.



ICAO Annex 19 - Safety Management

Appendix 1

3: State System Functions

3.3 **The State shall ensure** that personnel performing safety oversight functions are provided with guidance that addresses **the identification and management of potential conflicts of interest.**



2.3 STATE SAFETY OVERSIGHT (SSO) SYSTEM

An effective and sustainable SSO system is characterized by the following:

- a. the promulgation and timely amendment of national legislation and guidance to industry, as well as their effective implementation by service providers that is verified by the State in a continuous and systemic manner;
- b. **a well-balanced allocation of responsibilities between the State and the industry** for civil aviation safety;
- c. the continuous **allocation of the necessary financial and human resources for the State authorities to effectively carry out their responsibilities, functions and activities**; and
- d. the maintenance of harmonious relationships, including communication and consultation between the State and the civil aviation industry, while maintaining effective and clearly separate functional roles.



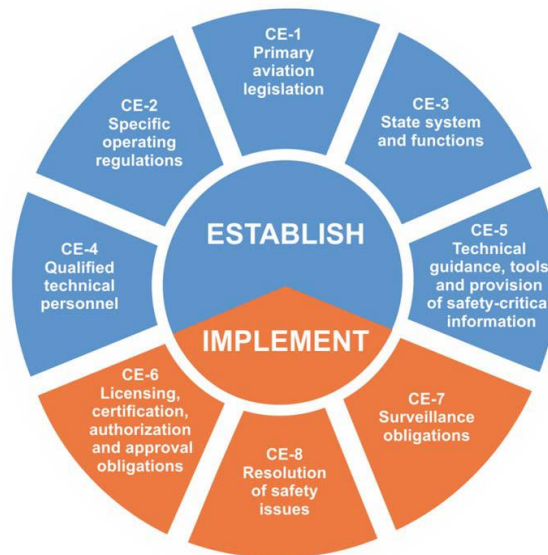
2.3.4 When the State is both the regulatory authority and service provider (e.g. an air traffic service (ATS) provider, aerodrome operator, air operator, manufacturer or maintenance organization), the requirements of the Convention will be met, and public interest be best served, by a clear separation of functions and responsibilities between the regulatory authority and the service provider. The approval, certification and continued surveillance procedures should be followed as though the service provider were a non-governmental entity.



2.4.4 Information available to ICAO shows that a number of Member States have experienced difficulties in carrying out their safety oversight responsibilities for many diverse reasons..... **State authorities** responsible for safety oversight **should therefore be provided with the necessary resources, both human and financial, to enable them to effectively fulfil their safety oversight responsibilities.** These elements should be taken into account and prioritized by States when crafting their national development plans and air transport sector strategic plans.

2.4.5 **Political will and budgetary resource allocation are essential** to the establishment and sustainability of an SSO system and to ensuring Member States' compliance with ICAO SARPs. Many States face the challenge of the initial investment costs for building an effective and sustainable civil aviation safety oversight system.....Thus, **States need to find a balance between the cost of establishing and sustaining their CAA** and the ability of the industry and stakeholders to contribute to the funding of such a system.

CRITICAL ELEMENTS OF A STATE SAFETY OVERSIGHT SYSTEM





3.1.6 Primary aviation legislation is the key to effective and sustainable safety oversight by the State. In particular, it empowers the designated authorities to promulgate and amend, as needed, specific operating regulations. It also provides empowerment, such as granting the necessary access and inspection powers to the State's inspectors. **When a State establishes an autonomous CAA, this needs to be based on provisions in the primary legislation.**



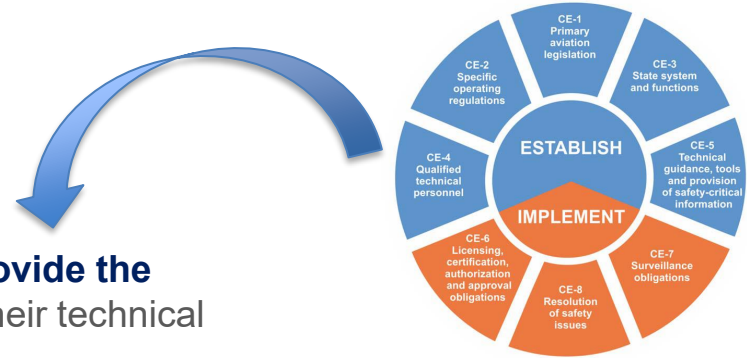
CE-3. State system and functions. The establishment of relevant authorities or government agencies, as appropriate, supported by sufficient and qualified personnel and provided with adequate financial resources for the management of safety. The State authorities or agencies shall have stated safety functions and objectives to fulfil their safety management responsibility.

3.3.2.5In some States, particularly when the State is also a service provider, personnel from the service provider are designated by the CAA to carry out fundamental CAA inspection functions. Such an arrangement should be avoided as it does not provide independent technical supervision and may lead to perceived or actual conflicts of interest.....In such cases, the designated service provider personnel, when performing their designated duties, need to be kept under the supervisory and technical control of the CAA.



3.3.4.1 A **clear separation of functions and responsibilities between the regulatory authority and the service provider** needs to be established, including mechanisms to avoid perceived, potential or actual conflicts of interest.

3.3.4.2 **The regulatory authority and service providers should not overlap in structure, responsibility or function.**if necessary, the regulatory authority and service provider should not report to the same higher level management, unless the State can demonstrate that a “**functional**” separation has robust checks and balances, and **there is no possibility of conflict** of interest, including when enforcement action is taken.



3.4.2.3 The State authorities also need **to provide the necessary financial resources** and time for their technical personnel to receive the required training.

3.6.1.5..... the CAA should formally designate the specialists after verification of their competence and of the **absence of possible conflicts of interest**. The CAA should also approve the specialists' working methodologies, define deliverables and validate results of evaluations. The outcomes of the evaluations should be properly documented and recorded, with all the pertinent records and evidence kept by the CAA.



3.8.3.1The **CAA should be empowered** by the State's primary legislation to take these enforcement measures.....



Thank you for your attention



European Union Aviation Safety Agency

easa.europa.eu/connect



Your safety is our mission.

An Agency of the European Union

