This document presents the Principles - revised in light of the feedback received in a wide consultation – in the form of a draft Recommendation.

The Committee is invited to endorse the draft Recommendation through written procedure by 20 January and to transmit it to the Council for approval. Delegates may also provide any final comment to the draft Recommendation.

The results of the wide consultation on the draft Principles are included in a separate report that is available on OLIS [GOV/PGC(2009)14].

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Introduction

At its October session the Committee supported the draft Principles for Transparency and Integrity in Lobbying and the launching of an intensive and targeted consultation process with stakeholders. The consultation involved wide range of stakeholders, namely legislators, representatives of private sector, lobbying associations, civil society, trade unions, think-tanks and international organisations.

Stakeholders welcomed the invitation to participate in the consultation and provided over sixty responses. They recognised that the Principles are timely and relevant to support countries’ efforts with available policy and regulatory options. The report presenting the results of the consultation on the draft Principles including the responses from OECD bodies and stakeholders is available in the OLIS document [GOV/PGC(2009)14].

This document presents the Principles revised in light of the feedback and suggestions received. At its October session the Committee also supported to transform the Principles into a draft Recommendation for adoption by the Council. This document also presents the Preamble which, together with the Principles constitutes the draft Recommendation.

Action

The Public Governance Committee is invited to endorse the draft Recommendation through written procedure by 20 January and to transmit it to the Council for approval.

Delegates may also provide any final comment to the draft Recommendation by that deadline.

Next step

Once endorsed by the Committee, the draft Recommendation will be transmitted to the Executive Committee for discussion in early February and thereafter to the Council for decision.
DRAFT RECOMMENDATION OF THE COUNCIL
ON
PRINCIPLES FOR TRANSPARENCY AND INTEGRITY IN LOBBYING

THE COUNCIL

Having regard to Articles 1, 2c), 3a) and 5(b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;


Recognising that lobbying may support informed decision making by providing valuable data and insights for effective public policies;

Recognising that transparency, integrity and fairness in the decision-making process are crucial to safeguard the public interest and promote a level playing field for businesses;

Recognising that public officials and lobbyists share responsibility to apply the principles of good governance, in particular transparency and integrity, in order to maintain confidence in public decisions;

On the proposal of the Public Governance Committee:

I. RECOMMENDS that, in establishing or reviewing their rules, policies or practices for fostering transparency and integrity in lobbying, Member countries take into account the Principles for Transparency and Integrity in Lobbying (hereafter the Principles) which are contained in the Annex to this Recommendation of which it forms an integral part.

II. FURTHER RECOMMENDS that Member countries disseminate the Principles to legislators, the private sector and other constituencies, which play a key role in lobbying.

II. INVITES the Secretary-General to:
(1) support Member countries in taking appropriate steps to foster transparency and integrity in lobbying,

(2) disseminate the Principles to non-Members and to promote good governance through encouraging them to use the Principles in their efforts to enhance transparency and integrity in public decision making.
III. INSTRUCTS the Public Governance Committee to report to the Council on progress made in implementing this Recommendation within three years of its adoption and regularly thereafter, in consultation with other relevant Committees.
ANNEX

PRINCIPLES FOR TRANSPARENCY AND INTEGRITY IN LOBBYING

Introduction

1. Interest groups seeking to influence legislation and government decisions are part of the policy-making process in modern democracies around the globe. Lobbying, the oral or written communication with a public official\(^1\) to influence legislation, policy or administrative decisions\(^2\), often focuses on the legislative branch at the national and sub-national levels. However, it also takes place in the executive, for example, to influence the adoption of regulations or the design of projects and contracts. Actual lobbying practices are deeply embedded in a country’s democratic and constitutional contexts. They are related to constitutional rights to petition government, interest representation, and statutory consultation mechanisms, such as tripartite social dialogue between government, employers and trade unions, and public hearings.

2. Lobbying can improve decision making by providing valuable insights and data. However, it can also lead to damaging the public interest if the decision-making process is opaque, not easily accessible and standards are lax.

3. There are risks when procedures are not transparent in lobbying and citizens may lose confidence in the integrity of democratic institutions. These concerns have intensified worldwide public debate on lobbying. Governments should take a role in these discussions. In many societies, the impressive mobilisation of financial resources through lobbying raised concerns that privileged “vocal vested interests” may enjoy unfair advantages which can override the “wishes of the whole community”. This was perceived as a major threat to public trust by the Chair of the OECD 2005 Ministerial meeting on Strengthening Trust in Government: What Role for Government in the 21st Century?\(^3\) Moreover, allegations are often made that lobbying practices border on election financing and undue advantage.

4. Thus, a sound framework for transparency in lobbying is beneficial for public officials, businesses and the public at large, but also for lobbyists. It is particularly crucial in the context of major reforms and economic crises, when regulations for entire sectors are rewritten, critical decisions are taken quickly and massive amounts of public monies are spent.

Enhancing transparency and integrity in lobbying: The good governance approach

5. Lobbying is widely considered part of the democratic process and a legitimate activity \textit{per se}, given the complexity of modern government decision making and the widespread impact of public policies. However, it has been negatively perceived in many countries. To combat outright abuses, legislators have established criminal provisions against illicit influencing of public decision making, such as trading in influence, bribery and corruption\(^4\). However, merely penalising illicit influencing of public officials is not sufficient to maintain trust in government – especially in the face of concerns about uneven accessibility to public officials that may result in potential bias and lack of accountability in public decision making.

6. There is a growing recognition that disclosure of information on key aspects of communication between public officials and lobbyists is essential for transparency in 21st century democracies. Disclosure of lobbying activities is vital to fostering transparency in the development of public decisions, which enables the public to exercise its right to scrutiny and to hold public officials accountable. Public officials include civil and public servants, employees and holders of public office in the executive and legislative branches, whether elected or appointed. Effective standards and procedures that ensure openness,
transparency and accountability will support a level playing field in the development of public policies, and reinforce public trust. Measures promoting a culture of integrity – particularly those that clarify expected standards of conduct for both public officials and lobbyists – are a vital part of good governance.

7. Increased public expectations of openness, transparency, accountability and integrity in public life have given countries new impetus to revisit existing governance arrangements in recent years. Lobbying is on the political agenda in the Americas, Europe, Asia, Africa and Australia. Many countries are considering or developing guidelines and regulations or legislation requiring lobbying disclosure in order to address demands to shed light on lobbying activities.

8. As ‘it takes two to lobby’, both public officials and lobbyists share responsibility to apply good governance principles to lobbying. To avoid the stigmatisation of lobbying, both sides should make efforts to foster transparency and integrity. The OECD Guidelines for Multinational Enterprises include a recommendation that enterprises abstain from improper involvement in local political activities, which applies to lobbying. Many corporate governance policies encourage voluntary disclosure of “public policy positions and participation in public policy development and lobbying” to promote social responsibility.

Aims and structure of Principles

9. Political support for developing or updating rules and guidelines on lobbying has been gained in many countries. Setting standards and procedures for enhancing transparency in lobbying, however, has proven difficult in several cases. This can easily become a sensitive political issue. When the issue of lobbying reaches the political agenda, policy makers and legislators must quickly decide whether to develop rules and guidelines. If they decide to do so, the challenge is how to achieve a framework that is fair to all stakeholders, fosters public participation and ensures the right of petition, and adequately addresses concerns within the country's socio-political and administrative contexts.

10. The Principles provide decision makers with directions and guidance, in particular when a timely response is required. Decision makers may use all available regulatory and policy options in order to select measures, guidelines or rules that meet public expectations for transparency and integrity.

11. The Principles are a policy instrument developed by the Public Governance Committee to support the OECD strategic response to build a stronger, cleaner and fairer economy. The Principles link to a broader set of initiatives triggered by the financial crisis to set standards and principles for economic activity, in particular the G8’s ‘Lecce Framework’ on Propriety, Integrity and Transparency in Business Activity, and the G20’s Global Charter for Sustainable Economic Activity. Other relevant global initiatives to build a stronger, cleaner and fairer economy include Principle 10 of the UN Global Compact and the Bali Business Declaration issued by the 2nd Conference of the States Parties to the United Nations Convention against Corruption.

12. The Principles are primarily directed at decision makers in the executive and legislative branches. They are relevant to both national and sub-national level. In light of increased exposure, international government organisations may consider to review the applicability of the Principles.

13. Rather than providing detailed provisions and technical advice, the Principles address a series of interrelated issues that logically steer the development of rules and guidelines into a consistent framework for enhancing transparency and integrity in lobbying. Guidelines stimulate the application of values and principles by encouraging appropriate behaviour. Enforceable boundaries of acceptable conduct might take the form of self-regulation, regulation requiring voluntary or mandatory compliance or even legislation. The Principles are structured in the following four parts:
• **Building an effective and fair framework for openness and access** to promote a level playing field, by developing rules and guidance that adequately address public and corporate concerns related to access to public officials and transparency in lobbying. The framework should also conform to the socio-political, legal and administrative contexts, and suitably define the lobbyists and lobbying activities covered.

• **Enhancing transparency** through disclosure of key aspects of lobbyists and lobbying such as its objective, beneficiaries, funding sources and targets.

• **Fostering a culture of integrity** by providing rules and guidelines on expected behaviour in lobbying for both public officials and lobbyists.

• **Creating mechanisms for effective implementation, compliance and review** by putting in place a coherent spectrum of strategies and practices. This is particularly challenging when countries address emerging concerns, such as transparency in lobbying.

14. The Principles were developed on the basis of experiences with government regulation, legislation and self-regulation of lobbyists in OECD member and non-member countries. The lessons learned from comparative reviews, country case studies, and an analytical framework endorsed by the Public Governance Committee provided the ground for developing the guiding Principles. They reflect experiences of countries with diverse socio-political and administrative contexts. The Principles were developed in parallel with the Green Paper of the European Transparency Initiative, and the Code of Conduct for Interest Representatives developed by the European Commission as part of its European Transparency Initiative at the supra-national level in Europe.

15. The principles are intended to be used in conjunction with relevant policy and legal instruments and guidance to promote good governance at the national and international levels. These include, in particular:

• Promoting integrity in the public service, for example by the 1998 OECD Recommendation on Improving Ethical Conduct in the Public Service, the 2003 OECD Recommendation on Guidelines for Managing Conflict of Interest in the Public Service, and the 2008 OECD Recommendation on Enhancing Integrity in Public Procurement.

• Engaging citizens to develop better policies and services, for example by the Guiding Principles for Open and Inclusive Policy Making revised in 2009.

• Improving access to and use of public sector information, for example by the 2008 OECD Recommendation of the Council for Enhanced Access and More Effective Use of Public Sector Information.

• Enhancing quality of government regulations, for example by the 1995 OECD Recommendation on Improving the Quality of Government Regulation, and the 2005 OECD Guiding Principles for Regulatory Quality and Performance.

PRINCIPLES FOR TRANSPARENCY AND INTEGRITY IN LOBBYING

I. Building an effective and fair framework for openness and access

1. Countries should provide a level playing field by granting all stakeholders fair and equitable access to the development and implementation of public policies.

16. Public officials should preserve the benefits of free flow of information and facilitate public engagement. Gaining balanced perspectives on issues leads to informed policy debate and formulation of effective policies. Allowing all stakeholders from the private sector and the public at large fair and equitable access to participate in the development of public policies is crucial to protect the integrity of decisions and to safeguard the public interest by counterbalancing vocal vested interests. To foster citizens’ trust in public decision making, public officials should promote fair and equitable representation of corporate and societal interests.

2. Rules and guidelines on lobbying should address the governance concerns related to lobbying practices, and respect the socio-political and administrative contexts.

17. Countries should weigh all available regulatory and policy options to select an appropriate solution that addresses key concerns such as accessibility and integrity, and takes into account the national context, for example the level of public trust and measures necessary to achieve compliance. Countries should particularly consider constitutional principles and established democratic practices, such as public hearings or institutionalised consultation processes.

18. Countries should not directly replicate rules and guidelines from one jurisdiction to another. Instead, they should assess the potential and limitations of various policy and regulatory options and apply the lessons learned in other systems to their own context. Countries should also consider the scale and nature of the lobbying industry within their jurisdictions, for example where professional lobbying is limited, alternative options to mandatory regulation for enhancing transparency, accountability and integrity in public life should be contemplated.

3. Rules and guidelines on lobbying should be consistent with the wider policy and regulatory frameworks.

19. Effective rules and guidelines for transparency and integrity in lobbying should be an integral part of the wider policy and regulatory framework that sets the standards for good public governance. Governments should take into account how the regulatory and policy framework already in place can support a culture of transparency and integrity in lobbying. This includes stakeholder engagement through public consultation and participation, the right to petition government, freedom of information legislation, rules on political parties and election campaign financing, codes of conduct for public officials and lobbyists, mechanisms for keeping regulatory and supervisory authorities accountable and effective provisions against illicit influencing.
4. Countries should clearly define the terms 'lobbying' and 'lobbyist' when they consider or develop rules and guidelines on lobbying.

20. Definitions of 'lobbying' and 'lobbyists' should be robust, comprehensive and sufficiently explicit to avoid misinterpretation and to prevent loopholes. In defining the scope of lobbying activities, it is necessary to balance the diversity of lobbying entities, their capacities and resources, with the measures to enhance transparency. Rules and guidelines should primarily target those who receive compensation for carrying out lobbying activities, such as consultant lobbyists and in-house lobbyists. However, definition of lobbying activities should also be considered more broadly and inclusively to provide a level playing field for interest groups, whether business or not-for-profit entities, which aim to influence public decisions.

21. Definitions should also clearly specify the type of communications with public officials that are not considered 'lobbying' under the rules and guidelines. These include, for example communication that is already on public record – such as formal presentations to legislative committees, public hearings and established consultation mechanisms.

II. Enhancing transparency

5. Countries should provide an adequate degree of transparency to ensure that public officials, citizens and businesses can obtain sufficient information on lobbying activities.

22. Disclosure of lobbying activities should provide sufficient, pertinent information on key aspects of lobbying activities to enable public scrutiny. It should be carefully balanced with considerations of legitimate exemptions, in particular the need to preserve confidential information in the public interest or to protect market-sensitive information when necessary.

23. Core disclosure requirements should elicit information on in-house and consultant lobbyists, capture the objective of lobbying activity, identify its beneficiaries in particular the ordering party, and point to those public offices that are its targets. Any supplementary disclosure requirements should take into consideration the legitimate information needs of key players in the public decision-making process. They might shed light on where lobbying pressures and funding come from. Voluntary disclosure may involve social responsibility considerations about a business entity’s participation in public policy development and lobbying. To adequately serve the public interest, disclosure on lobbying activities and lobbyists should be stored in a publicly available register and should be updated in a timely manner in order to provide accurate information that allows effective analysis by public officials, citizens and businesses.

6. Countries should enable stakeholders – including civil society organisations, businesses, the media and the general public – to scrutinise lobbying activities.

24. The public has a right to know how public institutions and public officials made their decisions, including who lobbied on relevant issues. Countries should consider using information and communication technologies, such as the Internet, to make information accessible to the public in a cost-effective manner. A vibrant civil society that includes observers, 'watchdogs', representative citizens groups and independent media is key to ensuring proper scrutiny of lobbying activities. Government should also facilitate public scrutiny by indicating who has sought to influence legislative or policy-making processes, for example by disclosing a 'legislative footprint' that indicates the lobbyists consulted in the development of legislative initiatives. Ensuring timely access to such information enables the inclusion of
diverse views of society and business to provide balanced information in the development and implementation of public decisions.

III. Fostering a culture of integrity

7. Countries should foster a culture of integrity in public organisations and decision making by providing clear rules and guidelines of conduct for public officials.

Countries should provide principles, rules, standards and procedures that give public officials clear directions on how they are permitted to engage with lobbyists. Public officials should conduct their communication with lobbyists in line with relevant rules, standards and guidelines in a way that bears the closest public scrutiny. In particular, they should cast no doubt on their impartiality to promote the public interest, share only authorised information and not misuse ‘confidential information’, disclose relevant private interests and avoid conflict of interest. Decision makers should set an example by their personal conduct in their relationship with lobbyists.

26. Countries should consider establishing restrictions for public officials leaving office in the following situations: to prevent conflict of interest when seeking a new position, to inhibit the misuse of ‘confidential information’, and to avoid post-public service ‘switching sides’ in specific processes in which the former officials were substantially involved. It may be necessary to impose a ‘cooling-off’ period that temporarily restricts former public officials from lobbying their past organisations and former lobbyists from taking up regulatory or advisory positions.

8. Lobbyists should comply with standards of professionalism and transparency; they share responsibility for fostering a culture of transparency and integrity in lobbying.

27. Governments and legislators have the primary responsibility for establishing clear standards of conduct for public officials who are lobbied. However, lobbyists and their clients as the ordering party also bear an obligation to ensure that they avoid exercising illicit influence and comply with professional standards in their relations with public officials, with other lobbyists and their clients, and with the public.

28. To maintain trust in public decision making, in-house and consultant lobbyists should also promote principles of good governance. In particular, they should conduct their contact with public officials with integrity and honesty, provide reliable and accurate information, and avoid conflict of interest in relation to both public officials and the clients they represent, for example by not representing conflicting or competing interests.

IV. Mechanisms for effective implementation, compliance and review

9. Countries should involve key actors in implementing a coherent spectrum of strategies and practices to achieve compliance.

29. Compliance is a particular challenge when countries address emerging concerns such as transparency in lobbying. Setting clear and enforceable rules and guidelines is necessary, but this alone is insufficient for success. To ensure compliance, and to deter and detect breaches, countries must design and apply a coherent spectrum of strategies and mechanisms including properly resourced monitoring and
enforcement. Mechanisms must raise awareness of expected rules and standards; enhance skills and understanding of how to apply them; and verify disclosures on lobbying and public complaints. Countries should encourage organisational leadership to foster a culture of integrity and openness in public organisations and mandate formal reporting or audit of implementation and compliance. All key actors – in particular public officials, representatives of the lobbying consultancy industry, civil society and independent ‘watchdogs’ – should be involved both in establishing rules and standards, and putting them into effect. This helps to create a common understanding of expected standards. All elements of the strategies and mechanisms should reinforce each other; this co-ordination will help to achieve the overall objectives of enhancing transparency and integrity in lobbying.

Comprehensive implementation strategies and mechanisms should carefully balance risks with incentives for both public officials and lobbyists to create a culture of compliance. For example, lobbyists can be provided with convenient electronic registration and report-filing systems, facilitating access to relevant documents and consultations by an automatic alert system, and registration can be made a prerequisite to lobbying. Visible and proportional sanctions should combine innovative approaches, such as public reporting of confirmed breaches, with traditional financial or administrative sanctions, such as debarment, and criminal prosecution as appropriate.

10. **Countries should review the functioning of their rules and guidelines related to lobbying on a periodic basis and make necessary adjustments in light of experience.**

31. Countries should review – with the participation of representatives of lobbyists and civil society – the implementation and impact of rules and guidelines on lobbying in order to better understand what factors influence compliance. Refining specific rules and guidelines should be complemented by updating implementation strategies and mechanisms. Integrating these processes will help to meet evolving public expectations for transparency and integrity in lobbying. Review of implementation and impact, and public debate on its results are particularly crucial when rules, guidelines and implementation strategies for enhancing transparency and integrity in lobbying are developed incrementally as part of the political and administrative learning process.

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1. Public officials include civil and public servants, employees and holders of public office in the executive and legislative branches, whether elected or appointed.
2. Lobbyists, government and public trust: Increasing transparency through legislation, OECD, 2009; Lobbyists, government and public trust: Promoting integrity by self-regulation. OECD, GOV/PGC(2009)7. According to the Green Paper of the European Transparency Initiative “lobbying means all activities carried out with the objective of influencing the policy formulation and decision-making processes of the European institutions.” The Green Paper defines lobbyists “as persons carrying out such activities, working in a variety of organisations such as public affairs consultancies, law firms, NGOs, think-tanks, corporate lobby units (“in-house representatives”) or trade associations”.


5. OECD Guidelines, Chapter 2, paragraph 11; see also the OECD Risk Awareness Tool, Appendix I (“improper involvement in local political activities”). The Guidelines and Tool can be consulted at http://www.oecd.org/document/26/0,3343,en_2649_34889_36899994_1_1_1_1,00.html.

6. For example, the Global Reporting Initiative (GRI) requires disclosure on lobbying and participation in public policy development, as well as the total value of financial and in-kind contributions to political parties, politicians and related institutions. For further information, consult the GRI Reporting Framework at www.globalreporting.org/ReportingFrameworkDownloads/.


9. The three Recommendations on public service integrity can be consulted at www.oecd.org/document/53/0,3343,en_2649_34135_2516085_1_1_1_1,00.html.


12. The Recommendation and Guiding Principles can be consulted at: www.oecd.org/document/38/0,3343,en_2649_34141_2753254_1_1_1_1,00.html.


14. The OECD Convention and country monitoring reports can be consulted at www.oecd.org/document/21/0,3343,en_2649_34859_2017813_1_1_1_1,00.html.

15. The Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones offers a checklist of questions to help multinational enterprises mitigate the risk of improper involvement in political activities. It can be consulted at http://www.oecd.org/document/26/0,3343,en_2649_34889_36899994_1_1_1_1,00.html.