

# Conflicts of Interest



Almost by definition, participatory processes are about relationships and interconnectedness. To preserve the benefits of those connections while avoiding conflicts of interest or the appearance of such conflicts, funders must take steps to manage and destigmatize the risks.

## Definitions

Conflicts can occur when participants in decision making have a personal, financial, or professional interest that could, consciously or unconsciously, influence their judgment or actions.

This could lead to participants making unfair decisions, and could also have legal consequences. Even if decisions are considered fair and in the best interests of the program overall – not just the potentially conflicted participants – situations involving conflicts could place emotional strain on participants, strain their relationships, or damage the reputation of the program or participants.

**Conflicts of interest:** Participants themselves or a family member could benefit directly from a funding decision. Participants might be incentivized to make decisions that are in their own best interests rather than in the interests of the program they are working on.

**Conflicts of loyalty:** While a participant might not benefit directly from a decision, a group they are affiliated with could benefit. Participants might be motivated to make decisions in the best interests of that group rather than the program they are working on.

**Perceived conflicts:** There is not actually a conflict of interest, but someone might perceive that there is a conflict. Decisions are unlikely to be affected, but a perceived conflict could still damage reputations and relationships, and challenge the integrity of the whole process.

## Case Study: Steps taken by Shared Insight's Participatory Climate Initiative

### Policy and process 📄

We developed a policy to define conflicts of interest and outline how to handle them appropriately. If your organization does not already have a policy in place governing conflicts of interest, make sure to draft one in partnership with your legal and compliance team. It is important to ensure that your policy is compliant with any local laws and regulations governing conflicts of interest as well as your organization's internal policies.

### Training and communication 🗣️

We took a careful approach to training, including training toward the very beginning of each decision-making process. Training ensured participants were on the same page and began to destigmatize the issue for participants. Rather than make participants feel they needed to avoid conflicts of interest, we reminded them that conflicts of interest are inevitable in this context of interconnectedness. The important thing was to disclose any potential conflicts of interest and take appropriate steps to manage them with the support of the facilitators. Training also prepared us for the one-on-one discussions and work with each participant that followed.

### Disclosures and action plans 📋

We asked participants to report any potential conflicts of interest, disclosures we collected from each participant through a form. We recorded each reported potential conflict and created an action plan for each participant, which we reviewed together with that participant. Through one-on-one discussions, we ensured that each participant understood the action plan and what was required of them. In some cases, we needed to inform the full group about how we planned to manage certain conflicts, but we never did so without discussing this with each participant first to ensure their confidentiality was respected. Keep in mind that some conflicts may be sensitive for participants, which is one reason why in-depth one-on-one work with participants is necessary to understand their needs.

### Implementation 🔄

Throughout the group decision-making process, we ensured that access to materials and discussions was controlled as outlined by each action plan. That meant, for example, a participant who disclosed a potential conflict of interest involving an organization seeking funding would not have access to the materials related to that potential grant. Along with limiting document sharing, we were also prepared to moderate group discussions to ensure that action plans were followed.

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## Conflicts of Interest *(continued)*

### Sample Scenarios

Keep in mind that action plans may vary significantly depending on your organization's structure, legal and regulatory obligations, and internal policies, as well as the needs of participants.

#### Scenario 1

##### Potential Conflict:

A participant who is a member of the grantmaking group making decisions about grant funding also serves as a member on any kind of governing body of a grant applicant.

##### Action Plan:

This participant should not have access to any information, analysis, or discussion pertaining to that applicant. The participant will recuse themselves from any decisions, and a note describing this recusal can be included in the written decision at the participant's request.

#### Scenario 2

##### Potential Conflict:

A participant who is on the grantmaking group that makes decisions about grants happens to live and work in the same community as an applicant and knows many of the people involved in the project very well.

##### Action Plan:

This participant is not required to recuse themselves from any decisions, but they have requested to do so in order to avoid any appearance of a conflict in their community. They may have access to information and analysis, and may participate in discussions to provide the rest of the group with information or context about this grantee.

### Practical Tips

- ✓ Plan well in advance and get started with training and communication right away.
- ✓ Ensure you have the expertise to understand disclosures and recommend actions, or seek support.
- ✓ Create space for difficult feelings that participants may have about conflicts.
- ✓ Ensure participants can disclose conflicts at any time during your process, not just at the beginning.
- ✓ Be aware of technology needs and procedures for limiting access to materials to ensure the right people have access to the right materials.
- ✓ Remember that active moderation may be required to ensure compliance.

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## Conflicts of Interest *(continued)*

### Reflection Questions

Use these questions to advance conversations about destigmatizing conflicts of interest within your funder organization:

Q.

How relevant are your organization's existing policies around conflicts of interest to participants?

Q.

What is your own attitude toward conflicts of interest and what is your organization's attitude? How might this influence your work with participants?

Q.

Is concern about conflicts of interest creating barriers to doing more participatory work? Why or why not?

Q.

Where do you see opportunities to reframe and destigmatize conversations about conflicts of interest in your work?

For further discussion on this topic, see a related post at Insights for Change.

**Conflicts of Interest in Participatory Grantmaking: Addressing, Destigmatizing, and Embracing Interconnectedness**



### How We Did It:

#### Shared Insight's Participatory Climate Initiative

Our participatory grantmaking initiative was created to involve people impacted by climate change in the funding and policy decisions that affect them. The Participatory Philanthropy Toolkit is based on the first-hand experiences of the funders, consultants, and community members who were involved in our Participatory Climate Initiative, a one-time program to explore participatory practices in grantmaking. The case study offers a detailed description of each phase of that work — what, how, and when it all happened — with takeaways to inspire or kickstart your own participatory processes.

[See Case Study](#)

**Have questions about the toolkit?  
Or want to learn more?**

Please reach out to Katy Love ([katy@fundforsharedinsight.org](mailto:katy@fundforsharedinsight.org)), the toolkit's co-author with Winifred Olliff, both consultants with experience and expertise in participatory grantmaking.



[Contact Katy](#)