

ANTI-CORRUPTION SECTORIAL AGREEMENTS

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Corporación

**TRANSPARENCIA
POR COLOMBIA**

CAPÍTULO TRANSPARENCIA INTERNACIONAL

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DESCRIPTION OF AGREEMENTS



What is an anti-corruption sectorial agreement?

A self-control tool used to establish clear rules between competitors of the same business sector, oriented towards promoting fair and transparent market conditions and preventing corrupt behaviours in the development of their commercial relations.

DESCRIPTION OF AGREEMENTS



A Self-regulating Agreement, an alternative

- Specifically addresses the fight against corruption from the private sector's perspective.
- Responds to a collective action.
- Establishes common standards.
- Exercises a demonstrative effect for third parties.
- Generates conviction as it offers the capacity to establish its own rules.
- Encourages respect for the law.

DESCRIPTION OF AGREEMENTS



Motivations to construct an Agreement

- Conduct business with integrity and transparency.
- Generate confidence within the market sector.
- Recover profitability.
- Contribute towards business sustainability.
- Define the rules of the game when pursuing commercial relations.
- Counter bribery.
- Encourage the selection of products based on quality and price-effective criteria.
- Generate confidence and strengthen business reputation.
- Encourage business ethical culture.

CONSTRUCTION STAGES



- Identify risks of bribery.
- Define measures to counter bribery.
- Establish compliance mechanisms.
- Subscribe the Agreement.

IMPLEMENTATION STAGES



- Disseminate the Agreement.
- Formalize adherences to the Agreement.
- Establish the Ethics Committee.
- Particular Responsibilities.

IMPLEMENTATION STAGES



Disseminate the Agreement

- **Within the companies**

- ✓ Formal announcements and launching events.
- ✓ Generate a corporate image for the Agreement.
- ✓ Training strategy.

- **Outside the companies**

- ✓ Contact governmental agencies.
- ✓ Participate in events.
- ✓ Presence in the media

IMPLEMENTATION STAGES



Formalize adherences to the Agreement

- Minutes resulting from meetings of Boards of Directors approving and supporting the Agreement.
- Addendums in labour contracts where employees agree to fulfil the Agreement.
- Declaration of adherence to and fulfilment of the Agreement by distributors and sales intermediaries.

IMPLEMENTATION STAGES



Kick off of the Ethics Committee

- Define operating rules of the Ethics Committee.
- Define sanctions.
- Emphasize on the preventive approach in order to develop the duties of the Committee.
- Implement reporting and consultation channels.
- Constitute it as a "FILTER" for reports presented to State control organs.

IMPLEMENTATION STAGES



Particular Responsibilities

- Board of Directors
- General Manager
- Treasures

MONITORING AGREEMENTS



Defining Indicators

- Define jointly with companies outcome and monitoring indicators.
- Apply these indicators within a specific time frame.
- What to do with the outcome from the indicators application?

WARNING SIGNS



- To define the willingness of the Boards of Directors and Headquarter Offices.
- To warrant confidentiality mechanisms when reporting breaches of the Agreement.
- To keep the commitment of companies by means of an assessment and monitoring system.
- Involve employees from the subscribing companies and particularly the sales force regarding the knowledge, dissemination and compliance of the Agreement.
- Promote within companies the confidence and loss of fear when reporting breaches of the Agreement.
- Formalize the adherence to the Agreement by distributors.



FUTURE CHALLENGES

- To control distrust and scepticism regarding the compliance of the Agreement within a competitors environment.
- To generate an environment of confidence with regards to the Ethics Committee.
- To maintain an open dialogue disposition despite any problems.
- To pursue the construction of measures when facing risks.
- To incorporate the Agreement as a differentiating factor in procurement processes.