

Headline	<b>Two to tango: Business groups pitch in with 'Integrity Initiative'</b>	Language	<b>English</b>
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# Two to tango: Business groups pitch in with 'Integrity Initiative'

**SEVERAL PRIVATE sector groups have stepped up efforts to help the government stamp out corruption, this time attempting to lay down reward and penalty systems that directly affect a firm's costs and market access.**

By adding a financial consequence to ethical issues, proponents hope executives long adept at making business decisions will be also prodded to make the moral choice.

One such program, the so-called Integrity Initiative of the European Chamber of Commerce of the Philippines (ECCP) and Makati Business Club (MBC), aims to eventually set up a certification system that will prevent erring firms from bidding for government and private sector contracts.

The effort has so far cobbled a list of firms pledging to ban bribes and improve the transparency of financial reporting.

"The initiative was implemented so there can be a level playing field and no one company gets favored by government because of possible questionable practices," MBC project manger Edward C. Gacusana in a telephone interview, referring to the campaign launched in 2010 with a \$1-million grant from Siemens AG.

So far more than 500 companies have signed the pledge for the Integrity Initiative as of May 31.

"We see to it that the chief executive signing the Integrity Pledge will agree to a unified code of conduct which will lead to the implementation of control measures throughout their organizations," ECCP External Affairs Vice-President Henry J. Schumacher said in an e-mail.

Mr. Gacusana added that the group has identified several areas vulnerable to corruption and have laid out indicators for performances in each sector.

The Initiative has also gained the support of the Education department and the Department of Public Works

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and Highways who have asked for drafts of the Integrity Initiative pledge that will be signed by all bidders.

Another group, the Procurement and Sourcing Institute of Asia (PASIA), is similarly looking to put up a standards body that will certify ethical firms.

PASIA has already forged a partnership with the Institute for Supply Management and the International Federation of Purchasing and Supply and is in talks with the United Nations about the programs, PASIA Chairman Charlie P. Villasenor said in an e-mail.

The group plans to roll out trainings for company assessors and a Corporate Procurement Excellence

Program “which is like an ISO (International Standards Office) where a checklist will be used to review their practices”, Mr. Villasenor said.

The success of such efforts that bank on peer pressure, however, will ultimately depend on their widespread adoption including by the government, one of the country’s top procurers.

“The government agencies are just evaluating existing regulations before they adopt our recommendations,” Mr. Schumacher said.

Sought for comment, the National Economic and Development Authority (NEDA), a key state agency in charge of drafting bidding rules, warned however that requiring such certifications could run counter to the

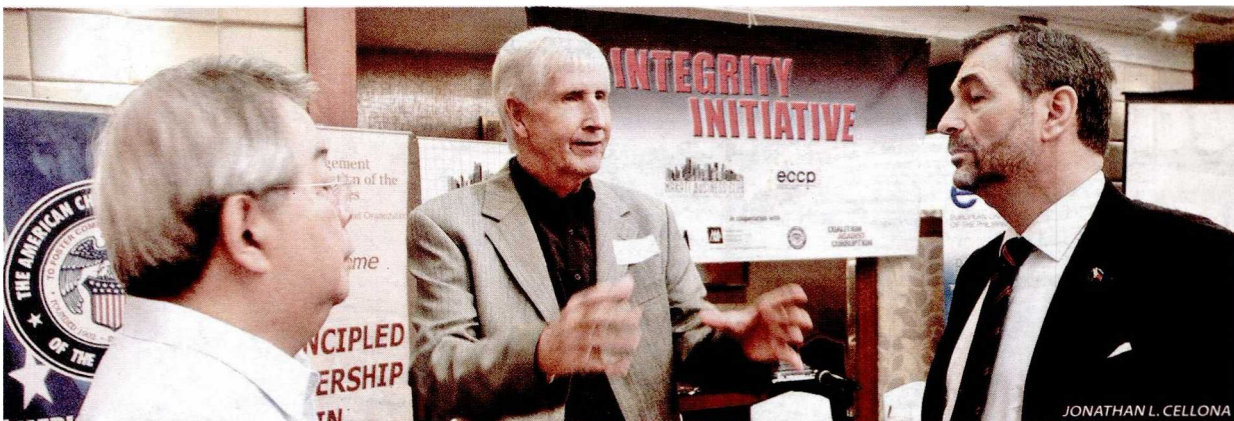
current procurement laws.

“There are regulations that make the private sector eligible for bid-dings such that it does not inhibit the Procurement Law,” Rolando G. Tungpalan, NEDA deputy director-general said, referring to the policy which orders state agencies to provide “fair and equal access” to prospective bidders.

In the meantime, “it is really up to the company,” Mr. Gacusana said.

“The program is voluntary and the tone to change has to come from the top. We have to understand as well there are certain processes that these companies have to follow, like talking with its board, so it does take a while for these companies to sign up,” Mr. Gacusana said. — E.N.J.

**David**



ECCP EXECUTIVE Vice-President Henry Schumacher (C) talks with ECCP President Hubert D’Aboville (R) and MBC President Ramon R. Del Rosario Jr. at the launch of the Joint Foreign Chambers Good Governance Pledge with Integrity Initiative last Dec. 12, 2010.