



Welcome!

Welcome to TTTI's second instalment of our quarterly Newsletter. Our intention is to keep you up to date on our activities, alert you to upcoming events, provide interesting commentary on local, regional and international issues of Anti-corruption and good governance and to highlight any burning issues that you ought to be aware of.

In this issue...

- **First Caribbean National Appointed Individual Member to Transparency International**
- **IIC's New Business Ethics Codes in the Caribbean**
- **Leader of the Opposition meets with TTTI Directors**
- **Leader of Government Business meets with TTTI Directors**

IIC promoting business ethics and anti-corruption practices in the Caribbean private sector

On March 27 and 28, 2012, the Inter-American Investment Corporation (IIC) marked the successful completion of the pilot phase of an innovative program promoting business ethics and anti-corruption practices in the Caribbean private sector. The two-day meeting showcased highlights and lessons learned from the FINPYME Integrity program, which was launched in Trinidad and Tobago, Barbados, and Jamaica in September 2011. Since its inception, the program has helped some 50 small and medium-sized enterprises (SMEs) in the Caribbean to implement codes of business ethics and conduct.

The local part of this Programme is coordinated by TTTI and is partially funded by the Korean Trust Fund. The IDB's newly-appointed representative in Trinidad and Tobago, Michelle Cross Fenty stated that: "FINPYME Integrity provides a wonderful opportunity for SMEs in Trinidad and Tobago and the entire Caribbean region to improve their business systems and standards of governance. This is truly a win-win situation, as improvements in business culture can be expected to improve competitiveness and enhance financial performance."

The experiences from the FINPYME Integrity pilot phase will be incorporated into a business ethics manual, which will become available online later this year as a train-the-trainer toolkit.

Excerpts from the speech by Kurt Kisto, Alternate Executive Director, Caribbean Constituency, Inter-American Development Bank.

Recently held events:

- **TTTI Meeting with Minister of Government Business**
- **TTTI Meeting with the Leader of the Opposition**
- **IIC's New Business Ethics Codes in the Caribbean**
- **Joint International Anti-Corruption Day Celebrations 2011**

"Corruption and the lack of transparency eats away like a cancer at the trust people should have in their government."

*Hillary Rodham Clinton
Secretary of State, USA,
March 2012*



In photo (L to R) are:
Kurt Kisto (IADB); Senator The Honourable Stephen Cadiz – T&T Minister of Trade and Industry; Jacques Rogozinski – General Manager of IIC

Summary of Kurt Kisto's Speech delivered at the IIC's Opening Ceremony



Opening Ceremony of the Business Ethics Programme Caribbean Meeting at the Hyatt Regency Hotel, Port of Spain.
In photo (L to R): Kurt Kisto (IADB); Senator The Honourable Stephen Cadiz – T&T Minister of Trade and Industry; Jacques Rogozinski – General Manager of IIC; Michelle Cross-Fenty-newly appointed Rep for IADB T&T

Business ethics is a necessary tool, not only for enhanced reputation, but an essential component to good corporate governance, competitiveness, business growth and success. We must also consider further perspectives to expand the dialogue from business ethics to corporate governance, at both the national and regional levels. There is no doubt that the last financial crisis for which the Caribbean experienced the internal shocks from regional financial institutions, compounded with external shocks from the global crisis, has left unforgettable cracks in the economic landscape of our countries and throughout the Region. While the crisis is deemed a financial one, in retrospect it is plausible to say it may have been ignited by poor corporate governance. What started out as firm problems became national problems, and mushroomed into regional problems culminating in a global financial crisis; as such, we cannot underestimate the impact of poor corporate governance at the firm level, as it has far reaching consequences globally. Over the last decade financial instruments and markets expanded into new products with globalised assets and liabilities creating a surplus bubble; however, corporate governance did not grow to keep pace with business growth and expansion, thus resulting in a corporate governance deficit.

According to the Organization for Economic Corporation & Development in its work on the Financial Crisis and Corporate Governance, "The financial crisis revealed severe shortcomings in corporate governance. When most needed, existing standards failed to provide the checks and balances that companies need in order to cultivate sound business practices... When times were good too many people took their eye off the ball and we now see the consequences."

As a result of the current financial crisis, we are witnessing new rules in the Euro Zone and in the US, all of these in response to the Corporate Governance deficit. At the regional level, we see governments addressing the issue of financial sector reform, led by new and enhanced legislation and the institutional strengthening of compliance bodies, as a necessary response to building a rigid corporate governance architecture.

The issue of corporate governance also needs to be extended to the state owned enterprises sector, as these enterprises

account for a large portion of the GDP in many developing and emerging economies. Good governance in the state owned enterprises sector, as in the private sector, improves corporate performance, the management of public funds and the delivery of essential public services.

With respect to corporate governance and development, The Global Corporate Governance Forum notes:

- Improved corporate governance practices increase firm share prices; better-governed firms appear to enjoy a lower cost of capital.
- Operational performance is higher in better corporate governance countries.
- Well governed companies have less volatile stock prices in times of crisis.
- Companies with boards composed of a higher fraction of outsider or independent directors usually have a higher market valuation.
- Improvements in corporate governance quality lead to higher GDP growth, productivity growth, and the increased ratio of investment to GDP. The effect is particularly pronounced for industries that are most dependent on foreign direct investment.
- When a country's overall corporate governance and property rights systems are weak, voluntary and market corporate governance mechanisms have limited effectiveness. Proper regulatory framework and enforcement mechanisms are crucial to promote good corporate governance practices.
- The quality of shareholder protection positively correlates with the development of countries' capital markets.
- Better corporate governance leads to a better developed financial system, which, in turn, is associated with greater access to financial services for small and medium enterprises and poorer people.

Corporate governance has emerged as an essential tool not only for improving corporate performance, but also a necessary one in advancing the development of market-oriented democracies. Good corporate governance champions the democratic values of fairness, accountability, responsibility, and transparency into private and state owned corporations. It maintains the integrity of business transactions and in so doing strengthens the rule of law and democratic governance. Corporate governance establishes and reconciles private rights and public interests, preventing abuses of both, and serves as a powerful antidote to corruption.

As we rethink the development paradigm for the Caribbean in the realignment of the global economic and financial system, and as the region moves to consolidating expanding and opening up the capital markets for attracting intra-regional and foreign direct investment; I encourage the Inter-American Development Bank to expand this program and take a leadership role in coordination with other multilateral and regional development banks to work with business, labour, civil society and governments, to promote the corporate governance agenda at the business, national and regional levels as a necessary pre-requisite, not only for good business but for facilitating national development, regional financial stability and international competitiveness.



Caribbean delegates from Barbados, Jamaica, Trinidad and Tobago

International Anti-Corruption Day Celebrations 2011 ACT – Against Corruption Today

On 9th December 2011, the UNDP Trinidad and Tobago Office collaborated with the TTTI for the 2011 International Anti-Corruption Day campaign by taking the message to the streets. Activities sought to include the participation of young members of the society in more creative ways, using Facebook as a means to promote the ACT campaign. This was achieved by a t-shirt design competition and a flash mob dance targeting youth, then by a display on the Brian Lara Promenade on the day itself. The winning t-shirt design was used and worn by all flash mob dancers and by UNDP and TTTI staff and volunteers. Over 800 persons visited the booth on the promenade.



First Caribbean National Appointed Individual Member to Transparency International

In March 2012, Professor Trevor Munroe was appointed as an individual member of TI. Professor Munroe was recommended by the T&T chapter and joins a distinguished group of ONLY 27 individual members worldwide. He is currently the only member from the Caribbean.



Professor Trevor Munroe, Jamaican National

An individual may be considered for membership in Transparency International through three means:

- i) Through self-application in writing supported by two existing members.
- ii) Through recommendation by a national chapter or an individual member.
- iii) Through recommendations from an advisory council member supported by one member.TI rather than individual chapters given resource constraints. This is signif

Professor Munroe was a Peer Reviewer for the recently launched Caribbean Human Development Report on Citizen Security. He is currently the Executive Director of Jamaica's National Integrity Action Ltd.

TTTI congratulates Professor Munroe on this great achievement and we continue to collaborate with our Jamaica colleagues in our work against corruption in the region.



Young local winners of the 2011 ACT Campaign t-shirt design competition

Who we are...

Our Board of Directors

Chairman: **Richard Joseph**

Richard Joseph is an independent consultant with extensive experience gained at working at senior management levels in public accountancy, banking and industry. Mr Joseph has served as Director since 2009 and Chair since June 2010.

Vice Chair: **Karen de Montbrun**

Mrs. de Montbrun is presently the Manager of St. Dominic's Pastoral Centre. She is also a former president of the Trinidad and Tobago Manufacturers Association and was employed for over 20 years in various positions. Mrs. de Montbrun has served as a Director since June 2009 and Vice-Chair since 2010.

Secretary: **Dion Abdool**

Mr. Abdool is an Attorney at Law with over fifteen (15) years experience in the Corporate environment. He holds a Masters Degree in Corporate and Commercial Law (Lond.), is a Chartered Secretary, an Associate of the Institute of Chartered Secretaries and Administrators (ICSA) and a member of the Canadian Society of Corporate Secretaries (CSCS).

Treasurer: **Frederick A du Coudray**

Mr. Du Coudray is a retired banker with over 40 years' experience. He is presently employed with The National Infrastructure Development Company as a Project Coordinator.

Director: **Wayne Maughan**

Mr. Maughan is a senior professional specializing in Programme and project management with over 30 years' experience. He has also worked as an independent consultant in socio-economic development in the Caribbean. Mr. Maughan has been a member of the Governments team in the formulation of several of the IDB funded projects.

Director: **Deryck Murray**

Deryck Murray is a Consultant, employee Benefits to Guardian Life of the Caribbean Ltd. He has served as a career diplomat in the Foreign Service of Trinidad and Tobago in the period 1978 to 1989. Mr. Murray is also well known as one of the heroes of the halcyon days of West Indies Cricket. He was honored in 1975 with the Chaconia Gold Medal for his many outstanding achievements and in 1989 he was inducted in the T&T's Sports hall of fame.

Director: **Michael H. Alleyne**

Dr. Michael Alleyne is presently an International Education Consultant and currently holds the position of Adjunct Professor at the George Washington University, DC, USA. He was formerly Chief Education Officer and recently Coordinator of the Peace Programme which aimed at reducing violence and indiscipline in schools.

Director: **Carmena Baird**

Ms. Carmea Baird is a Fellow of the Institute of Chartered Secretaries and Administrators. She has represented the Private Sector at numerous National and International Trade and Economic Fora. Her work includes the development of position papers on trade, industrial and economic issues

Director: **Annette des Iles**

Annette des Iles retired from the Public Service as Permanent Secretary to the Prime Minister and Head of the Public Service. Most of her career was spent in the Foreign Service of the Republic of Trinidad and Tobago. Her public service was recognized with the national award of the Chaconia Medal Gold of the Order of the Trinity.

Director: **Susan Nancy Gordon**

Susan Gordon is a retired Foreign Service Officer of the Republic of Trinidad and Tobago. She held senior positions in the Ministry of Foreign Affairs, and served as Delegations in Brussels, New York (United Nations) and New Delhi.

Fighting corruption requires role models who inspire. Be a role model and ACT-Against Corruption Today.

Trinidad and Tobago Transparency Institute (TTI)

Address:

Bldg.7, Unit 4-12,
Fernandes Industrial Centre,
Eastern Main Road,
Laventille,
Trinidad and Tobago

Phone:

(868)626-5756

Fax:

(868)626-0988

E-mail:

admin@transparency.org.tt

Website:

www.transparency.org.tt

Like us on Facebook!

<https://www.facebook.com/transparency.org.tt>

Become a Member of TTI

Corruption hurts everyone. It harms the poor the most, undermines democracy and the rule of law, distorts national and international trade, jeopardizes sound governance and ethics in the private sector and threatens domestic and international security and the sustainability of natural resources.

If you agree with the above statements and would like to see corruption eliminated or at least much reduced, then you are the kind of person who should support TTI. You can do this by making a donation, becoming a member and/or volunteering your services. (You do not have to be a member to be a volunteer.)

Check our website or Facebook page for further information.

Upcoming events...

Implementation Workshops and Launch of the CSO Accountability Toolkit

TTI collaborated with the Commonwealth Foundation (CF) and the JB Fernandes Trust Fund to produce a Civil Society Accountability Toolkit for Trinidad and Tobago which offers step by step processes for Civil Society Organisations (CSOs) to help strengthen their accountability processes.

During the months of April and May 2012, workshops will be held for fifteen selected Implementers and for at least forty additional Civil Society Organizations in both Trinidad and Tobago. Following these workshops will be the official launch of the CSO Toolkit in June 2012. Check out our Facebook page or e-mail us for more details.

TTI Committee Members Meet:

In March 2012, the Board of Directors agreed to merge several Committee mandates for greater efficiency. The functional committees for the period 2012-2013 are:

1. **Integrity Support Committee** – comprising Youth Integrity, Public and Private Integrity Support. The Chair for this Committee is Richard Joseph.
2. **Communications Committee** – Comprising Communications and External Relations. The Chair for this committee is Lorraine Rostant.
3. **Membership and Fundraising Committee**

Each committee is chaired by a Board Member. The Chair for this committee is Karen De Montbrun.

Committee meetings began in April 2012.

Look out for
Next Quarter's Issue.

Thank you for reading and do share this Newsletter with any persons who you think may be interested in learning about our fight against corruption.

They may not be on our mailing list!