

Maritime Anti-Corruption Network

FONASBA Annual Meeting, October 2016

Maurice Meehan, MACN Program Lead



MACN
Maritime Anti-Corruption Network



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The Business of a Better World

MACN Overview

MACN is a global business network working towards the vision of a maritime industry free of corruption that enables fair trade to the benefit of society at large



Vision

A inclusive and transparent, maritime industry free of corruption that enables fair trade to the benefit of society at large



Mission

To promote good corporate practice in the maritime industry for tackling bribes, facilitation payments, and other forms of corruption by developing and sharing best practice, creating awareness of the challenges and collaborating with key stakeholders to develop sustainable solutions

MACN 2016: 75 Participating Members

56 Regular Members



19 Associate Members



Strategic Advisors



MACN's Anti-Corruption Principles



MACN members will work to implement the MACN Anti-Corruption Principles. These Principles should be a part of each Member's overall compliance program.

MACN is comprised of like-minded companies dedicated to promoting compliance with anti-corruption laws and committed to the elimination of corrupt practices.

Principles focus on implementing adequate procedures across:

- Compliance Program Requirements
- Risk Assessment
- Proportionate Procedures
- Training & Communication
- Monitoring and Internal Controls
- Due Diligence
- Reporting, Diligence and Incentives



MACN's Core Activities

Focusing on the Business Compliance and Collective Action



Reporting & Tool Development

- Build industry solutions to core challenges, e.g. corruption training program for staff
- Ongoing identification of where members have the most challenges and identification of best practice solutions.



Best Practice Sharing

- Best Practice Sharing around implementing the MACN Anti-Corruption Principles
- Sharing challenges and best practices
- Creating tools and investigating technologies such as Blockchain as enablers.
- Developing policies and standards



Collective Action Programs

- Pilot Project Programs to identify specific challenges in hot-spot regions and develop action-oriented recommendations
- Engage stakeholders in specific locations to mitigate risk of bribery and corruption as well as to support local efforts

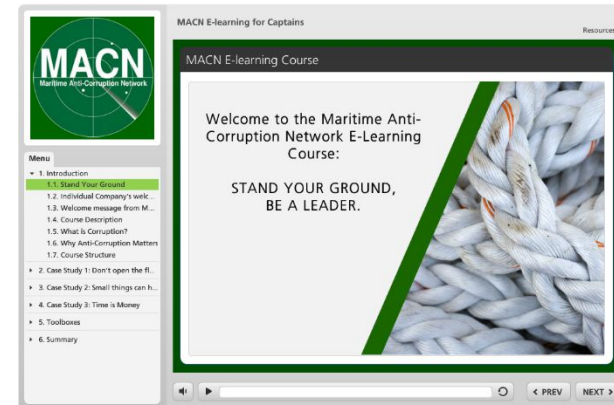


Raising Awareness

- Communicate challenges and experience developing solutions within the industry, government, business partners, and civil society

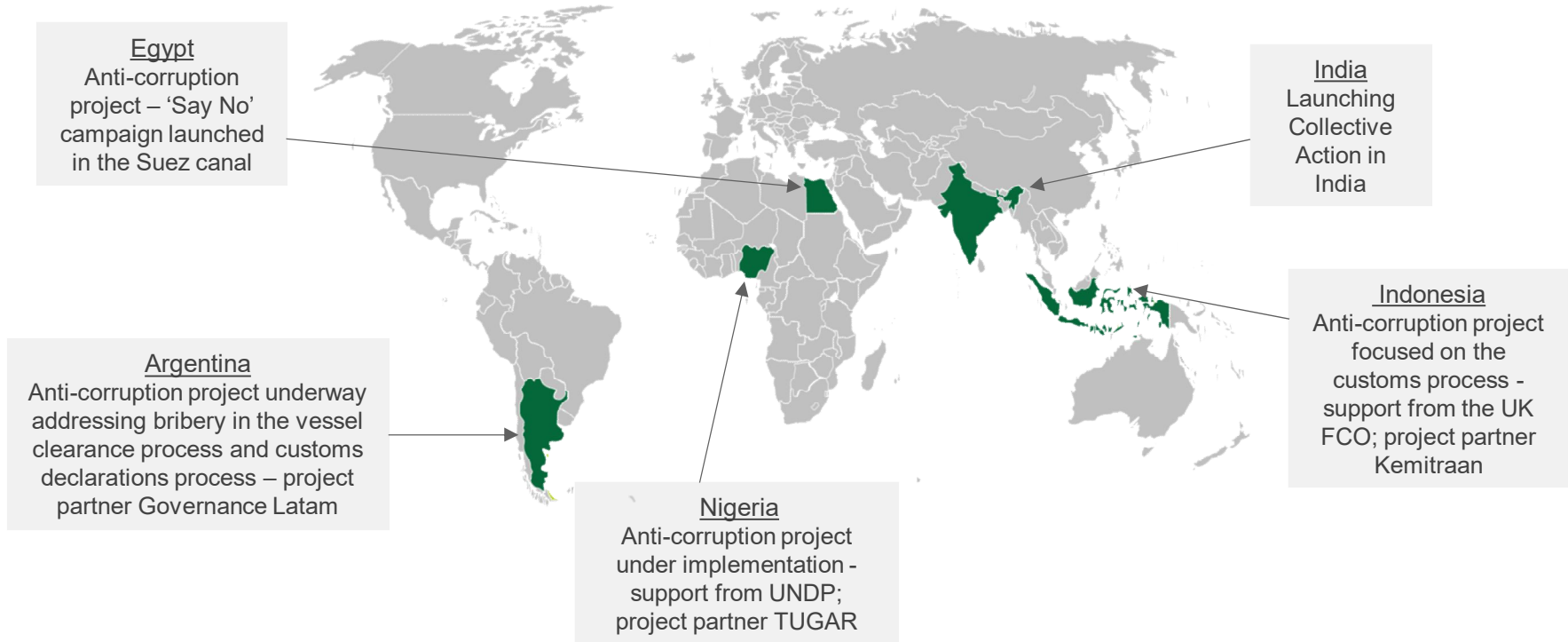
Business Compliance - Supply

- Developing industry solutions and tools to core challenges: the MACN integrity training toolkit
- Development of policies & standards: e.g. MACN presented to BIMCO wording from members anti-corruption clause for charter parties
- Best practice sharing: Chatham house forums and anonymous incident reporting
- Engaging with industry associations on behalf of members to work on sector specific issues, eg. Intertanko, FONASBA, Intercargo.



MACN Collective Actions

Portfolio and Partners



Implementation Partners



Recognition from





MACN Collective Action

Current Implementation Stages per Country

		Nigeria	Argentina	Indonesia	Egypt (Suez)	India
		Initiated in	2012	2014	2015	2015
	Activity					
Phase 1	Challenge mapping	✓	✓	✓	✓	✓
	Stakeholder mapping	✓	✓	✓	✓	✓
	Strategy agreed	✓	✓	✓	✓	
Phase 2	Commitment cleared with key stakeholders	✓	✓	✓	✓	
	Conducted Corruption Risk Assessment	✓	✓	✓	✓	
	Developed recommendations that are shared and find ownership among stakeholders locally	✓	✓	✓	(✓)	
Phase 3 & 4	In country Implementation phase, e.g. training, SOP development, legal drafting, E-government systems, etc	In progress	In progress	In progress	In progress	
	Post-live support and monitoring		imminent		imminent	



Collective Action | Nigeria

Success and Impact to Date

MACN has measured the impact of the project by conducting impact surveys with the maritime industry and other key stakeholders. Key impacts include:

- The waiting time of vessel (so called pre berth) when calling port has decreased.
- **Terminal operators and agents have been actively assisting MACN members in rejecting facilitation payment demands**
- MACN has supported the implementation of an automatic ship entry notice system, used by the Ports Authority
- MACN has developed and facilitated the implementation of a model for a port sector accountability mechanism hosted by Nigerian Shippers Council, giving industry players and external stakeholders a reporting channel to escalate corrupt demands
- MACN has supported the harmonization of all procedures and guidelines for conducting port calls in Nigeria
- MACN has rolled out integrity training of officials and best practice sharing sessions with e.g. the Kenyan Port Authorities

Collective Action | Indonesia

Success and Impact to Date

MACN has conducted an impact survey among stakeholders involved in the Collective Action project. From the result of the survey, we see the project having the following implications and benefits to the private sector:

Impact Area	Impact
Transparency of Regulation	<ul style="list-style-type: none"> » Improved the transparency of the business process and standard operating procedures for importing and exporting good through Tanjung Priok » Improved awareness and access to standard operating procedures and regulation for importing and exporting good
Good Governance	<ul style="list-style-type: none"> » Improved the accountability and responsiveness of key government stakeholders towards the private sector » Supporting World Bank on activities focused on Single Portal Windows.
Public - Private Sector Dialogue	<ul style="list-style-type: none"> » Promoted a culture of integrity and knowledge sharing between government stakeholders and the private sector, though multistakeholder dialogue and awareness raising
Private Sector Leadership	<ul style="list-style-type: none"> » Promoted private sector leadership on combating corruption in the port sector

Collective Action | Egypt (Suez)

Success and Impact to Date

Based on feedback and data collected from members participating in the pilot we see the following key impact of the campaign:

Less Frequent Demands

- The campaign has decreased the frequency of demands

Easier to say No

- The campaign has made it easier for captains to say No

Less Aggressive Pilots

- Pilots are less aggressive and more forthcoming

It is also worth emphasizing that captains have welcomed the campaign and found MACN's toolkit very useful. Some of the feedback from members include:

- Captains have welcomed the initiative strongly and asked for an even more ambitious campaign.
- The MACN tools have been directly applicable into members own records and been very useful
- Engaging authorities in advance of the campaign made it easier for members to receive buy in internally for the initiative.
- Some members have used the toolkit across Africa operations beyond Suez in Arab speaking countries.
- Adding a clear escalation path into the toolkit for masters was useful and a success factor for saying No

Collective Action | Argentina

Success and Impact to Date

MACN's collective action project has resulted in a number of reform actions, targeting the current inspections system.

- A new regulation has been drafted and submitted for adoption.
- MACN has supported the establishment of a new e-governance system that will underpin the regulation, by requiring all inspections to be electronically recorded and supported with evidence.
- The regulation will go live in late 2016, and include the following improvements:
 - Limiting inspectors' discretion by having more precise definitions and objective criteria for holds or tanks rejection.
 - Introducing inspectors' rotation in ports and terminals, to hinder collusion and development of improper arrangements in certain ports and client interactions.
 - Increasing the timeframe allowed for remedying hold's deficiencies.
 - Strengthening control mechanisms by creating a new Technical Appeals Tribunal, developing a risk matrix on the basis of which inspections will be supervised, and establishing a trustworthy whistleblowing hotline.

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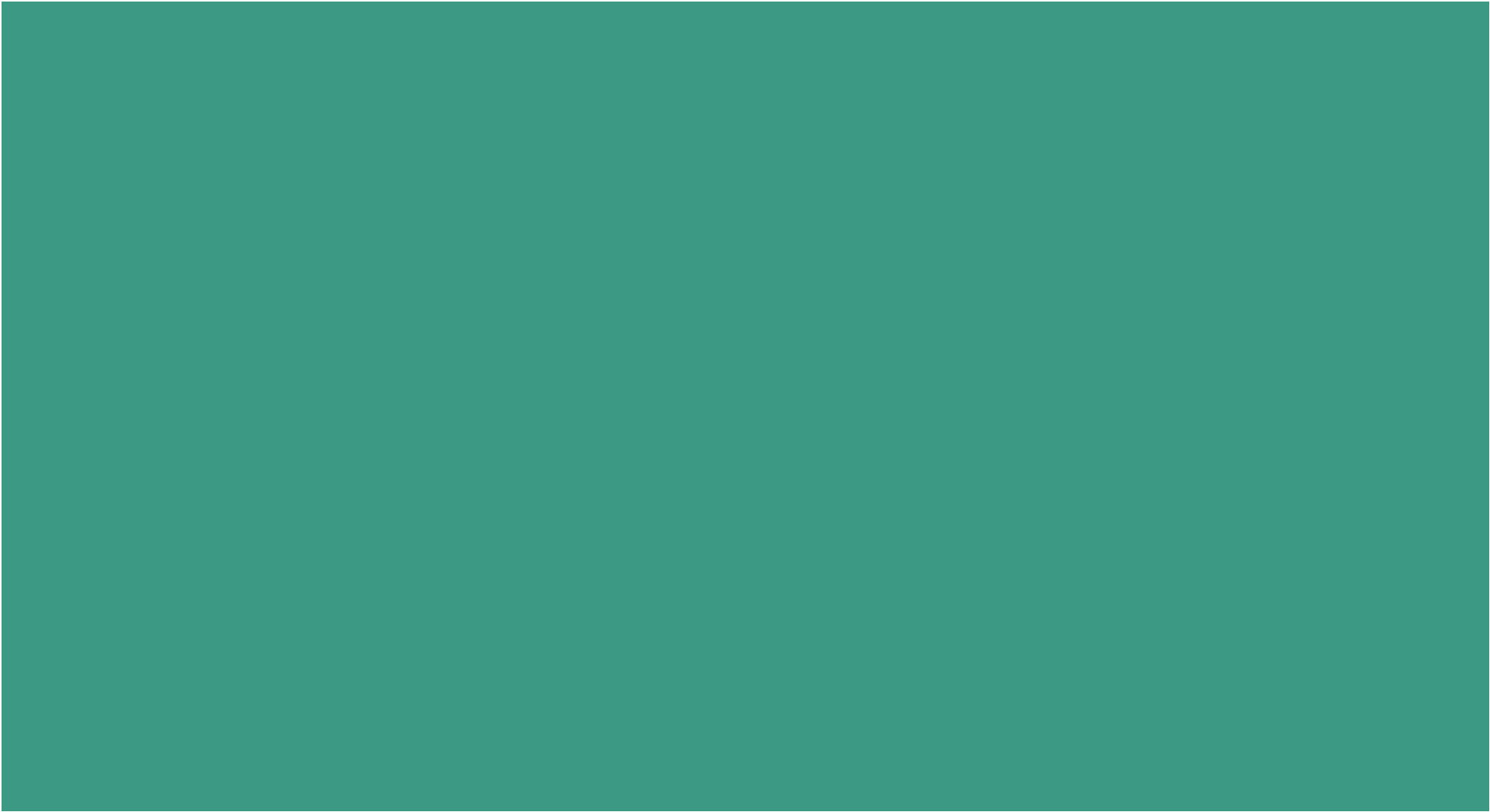
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