

MACN

MARITIME ANTI-CORRUPTION NETWORK

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Norges
Rederiforbund
Norwegian
Shipowners'
Association



Contents



- Setting the context
 - Why is bribery and corruption a hot topic?
 - What is the Maritime Anti-Corruption Network (MACN)
- Getting practical
 - How does MACN operate
- Joining MACN
 - Memberships
- Q&A

Why is bribery and corruption a hot topic?

Response to the recent legislation



Bribery Act 2010

UK Bribery Act 2010

The UK Bribery Act represents an end to the FCPA facilitation payment exception.

Any company with business presence in / through the United Kingdom is affected by the new regulation, which

- Covers bribery/corruption AND facilitation payments;
- Covers throughout the supply chain including 3rd parties;
- Carries criminal liability. Failure to prevent offence is prosecutable.

Companies should act **now**
to develop "**adequate
procedures**"

Facilitation payments



What is the Maritime Anti-Corruption Network MACN

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 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 Current Members

Regular Members



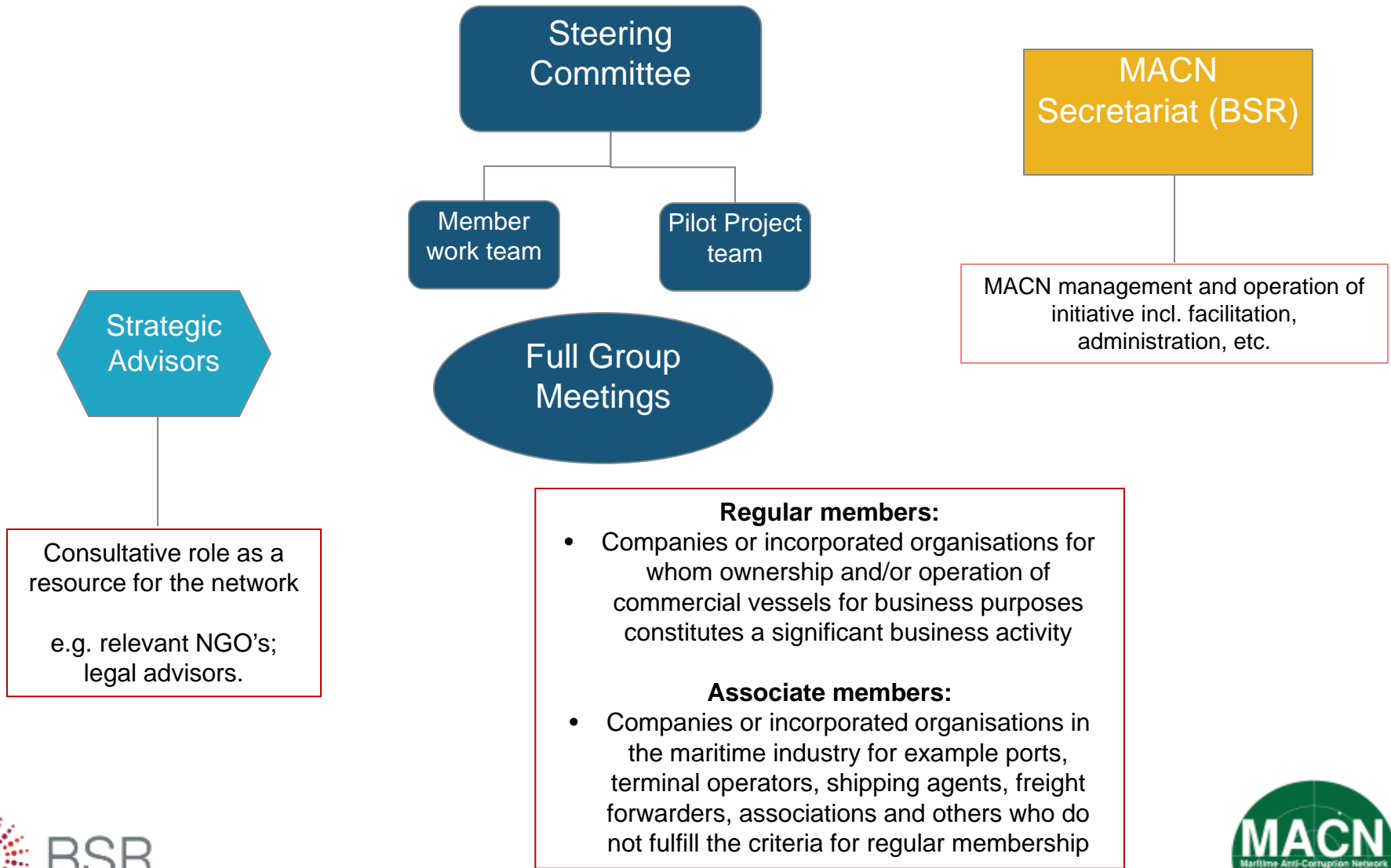
Associate Members



Strategic Advisors



MACN Governance Model



MACN Principles

The Maritime Anti-corruption Network (MACN)

is comprised of like-minded companies dedicated to promoting compliance with anti-corruption laws and committed to the elimination of corrupt practices. To this end, MACN members will work to implement the MACN Anti-Corruption Principles. These Principles should be a part of each Member's overall compliance program.

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



Addressing Bribery & Corruption

MACN Core Activities

IDENTIFY CHALLENGES



- **Pilot Project Programmes** to identify specific challenges in hot-spot regions and develop action-oriented recommendations
- Ongoing **identification** of where members have the most challenges and identification of **best practice solutions**

DEVELOP TOOLS



- **Build industry solutions** to core challenges, e.g. corruption training programme for staff
- **Engage external stakeholders** in specific locations to mitigate risk of bribery and corruption as well as to support local efforts

BEST-PRACTICE SHARING



- **Best Practice Sharing** around implementing the MACN Anti-Corruption Principles

COMMUNICATE



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

Why did NSA join?

Pay or Delay

NSA e-learning video on facilitation payments



Corruption negatively impacts all levels of society

Corruption



Individuals

- Triggers criminal, civil and employment sanctions
- Ruins careers & reputation



Businesses

- Loss of reputation
- Increased cost of doing business
- Physical risk to employees

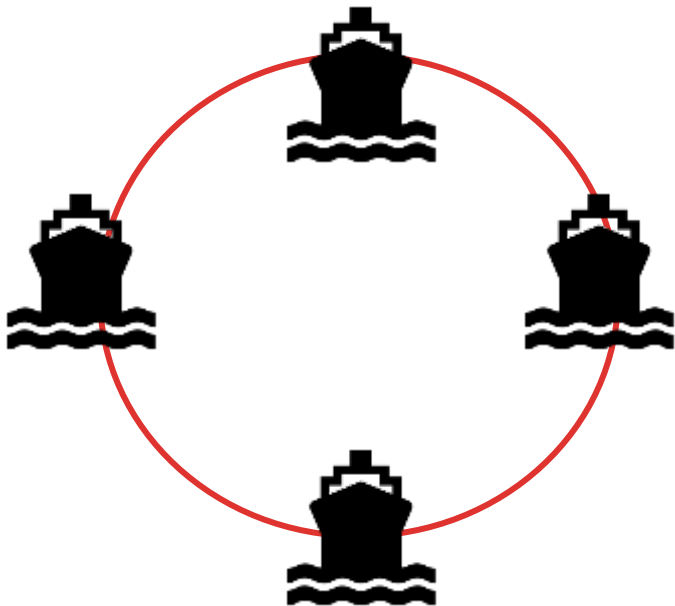


Government

- Hampers development of markets
- Undermines the rule of law
- Leads to loss of confidence in institutions and de-legitimizes government

Why collaboration?

Companies should engage against corruption collectively, as well as individually.



- Collective action is a **proven method** of fighting corruption
- Collective action **increases an individual company's impact**
- **Operationally**, collective action can be incorporated into a company's project management, corporate risk management, and compliance activities
- **Strategically**, using Collective Action is a tangible demonstration of a company's commitment to many of the principles underlying corporate social responsibility and "effective" compliance program activities
- Collective action enables a company to **build on best-practice** in the industry rather than trying to build their own systems and tools.

Getting practical, how does MACN respond to practical needs?

- MACN Pilot Project Program
- MACN Reporting Initiative
- MACN Best-Practice Sharing



MACN Pilot Programme

MACN Pilot Project Programme aims

- to address issues of facilitation payments through **short-and medium-term initiatives**
- In collaboration with local government(s) and other actors, MACN will conduct research into underlying root cause(s) of corruption

MACN Nigeria Pilot

- Partnership with UN Development Program (UNDP) and the UN Office on Drugs and Crime (UNODC)
- The Nigeria pilot project will both **identify problems and issues** caused by corrupt practices in connection with vessels calling at ports
- It is expected that the **lessons learned** from undertaking this pilot project will be replicable to other countries in the MACN identified hot spot list.
- UNDP and MACN to **engage with the government and donor partners to develop a comprehensive plan** to address corruption at ports





MACN Reporting Initiative

Reporting Goals:

Short-term: Members will be able to safely and anonymously report their ABC challenges within the Network and provide best practice solutions

Medium-term: Members will be able to safely and anonymously report their ABC challenges within the Network and provide best practice solutions on a real-time basis

Long-term: Members will be able to safely and anonymously report their ABC challenges within the Network on a real-time basis. The information will be shared with appropriate external stakeholders who may assist in addressing root causes and solutions



Collaboration

Best Practice Sharing:

Best Practice Webinars

MACN hosts webinars to share best-practices on key issues relevant to the network.

Large Group Meetings

MACN uses the in-person large-group meetings to share best practices on issues of interest to the network.

Online platform

MACN has a password protected online platform which facilitates sharing of tools and resources between MACN member companies.

Joining MACN

Member Benefits

Benefits of Membership

- Learning and sharing of best-practice from member compliance programs;
- Responsible response to the UK Bribery Act;
- Use of the MACN logo as a powerful mechanism to signal commitment to the MACN Anti-corruption Principles;
- Contribution to reducing the risk of solicitation of bribes as well as strengthening of a company's efforts to identify, monitor and mitigate bribery and corruption risk.

Carnival's Experience

- Importance of collaboration and industry consistency
- Visibility and standing of compliance program
- Learning and benefitting from experiences of others
- Documenting compliance efforts



Associate Member Benefits

Benefits of Membership

- Greater impact in alleviating a fundamental bottleneck of trade and development than acting alone.
- Manage business continuity issues by better understanding challenges that affect the flow of your products from supplier to sale.
- Participation in MACN working groups provides an opportunity to develop solutions which affect your industry.
- Demonstrate a commitment to promoting compliance with anti-corruption laws and to the elimination of corrupt practices

BHP Billiton's experience

- Amplify our AC commitment
- Mutual understanding of the corruption challenges and risks faced by various industry participants
- Best practice sharing
- Government buy-in



Join MACN

To join MACN, complete a MACN application and return to Angie Farrag-Thibault, BSR, MACN Secretariat, at afarrag@bsr.org

- Member cost (2013): **US\$ 6,750**
- Associate member cost (2013): **US\$ 3,750**
- One-time Pilot Project Cost: **US \$ 4,000**

For more information please contact:

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Q&A



Pay or Delay

et nytt e-læringsverktøy