



MARITIME ANTI-CORRUPTION NETWORK Concrete Actions to Combat Corruption – the MACN-UNDP Nigeria Pilot Project

Bribery and corruption regulation is ever-tightening. Additionally, stakeholders expect companies to play a significant role in addressing the root causes of corruption. MACN members are working together in proactive recognition that combating corruption and creating sustainable change needs to be done in partnership with industry peers, governments, international organizations and other private actors.

This document provides an overview of MACN's pilot projects program for potential project partners.

About MACN

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.

Established in 2011, and formalized in 2012, MACN is comprised of vessel owning companies within the main sectors of the maritime industry and other companies in the maritime industry including cargo owners and service providers. BSR (Business for Social Responsibility) is the Secretariat of MACN.

MACN and its members **promote good corporate practice in the maritime industry** for tackling bribes, facilitation payments and other forms of corruption by adopting and implementing the MACN Anti-Corruption Principles, communicating progress on implementation, sharing best practice and creating awareness of industry challenges.

MACN also **collaborates with key stakeholders**, including governments and international organizations, such as UNDP, to identify and mitigate the root causes of corruption in the maritime industry.

More general information about MACN can be found at www.bsr.org/macn.

MACN pilot projects

MACN members identified that in order to support implementation of the **MACN Anti-Corruption Principles**, and effectively tackle corruption risks that the industry faces, it was necessary to concretely identify the scope of the challenge, including potential solutions.

To administer this, MACN and UNDP have developed a 'pilot project' program that aims to:

- Address issues of **facilitation payments at ports and canal transits through short- and medium-term initiatives**. In some countries initiatives can be designed by MACN while in others, partnerships are needed to achieve sustainable results.
- In collaboration with local government(s) and other actors, MACN will **conduct research into underlying root cause(s) of corruption** in the maritime industry and recommend actions to enable their elimination in the long term.

Some of the actions will be designed to achieve results on a short time basis while others will have success criteria with a longer time frame.

Defining the pilot project locations

Based on a survey carried out by its members, MACN developed an internal report at the end of 2011 that summarized the challenges with corrupt practices in the shipping industry, including main areas of where they occur most acutely ("hotspots").

MACN aims to **design country specific programs to tackle the challenges of corruption** faced at all identified hot spots over time and a team of MACN members are working together to identify potential initiatives that may be conducted.

As the MACN membership grows, it will continue to survey its membership to update relevant hot spots and specific corruption issues. The current focus is to tackle the issue of facilitation payments.

Other activities within the road map include outreach to local authorities to understand how MACN may communicate the vision and mission of the network most effectively and **support on the ground improvement actions**, including through existing anti-corruption government programs.

MACN-UNDP flagship Pilot Project in Nigeria

MACN has started a collaboration with **UN Development Programme (UNDP) and the UN Office on Drugs and Crime (UNODC)** to design and implement a pilot project that will serve to reduce and prevent corruption at ports.

Based on UNDP's assessment of **critical success factors such as timing and local commitment from the government**, Nigeria has been selected for the first pilot project.

UNDP has **official commitment, approval and engagement with respected local government** to conduct the pilot project, an important step when specific improvement measures are to be implemented at a later stage.

The Nigeria pilot project will both **identify problems and issues caused by corrupt practices in connection with vessels calling at ports**, including handling of the cargo and administrative issues such as customers clearance or canal transits, **as well as provide recommendations on how to tackle these challenges, in the short and long-term.**

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.

It is also intended to review the methodology and process of this study with UNDP and other partners, to **assess its' potential to stimulate change**, as well as the relevance and replicability to other sectors and contexts beyond the maritime industry where international trade is involved.

Process of the Nigeria Pilot

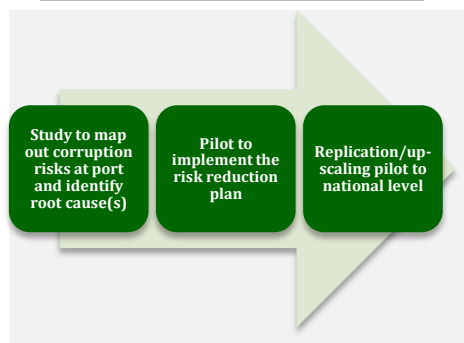
Phase 1: The first step will be to **map corruption risks** and issues at ports (study). The study will outline both "low-hanging fruits" as well as identify systemic problems or governance issues (root cause(s)) that require a long-term and full-fledged intervention.

It is planned that the study will be completed by the end of Q2 2013.

Phase 2: The study will be publicly available once validated at the national level and will provide a good opportunity for UNDP and MACN to **engage with the government and donor partners to develop a comprehensive plan** to address corruption at ports. The validation of the study will include extensive stakeholder engagement in Nigeria.

Phase 3: Based on the recommendations provided in the study, UNDP and the national authorities will develop a pilot project to **implement the 'risk reduction potential and action plan'**.

MACN-UNDP 3-Step Pilot



Funding the Nigeria Pilot

MACN members and UNDP are co-sharing the costs of the research study, its publicity and the engagement and validation exercise at local level (Phase 1 and Phase 2).

MACN believes that the **research studies will help to increase the awareness and transparency** of the challenges that the maritime industry encounters in addressing corruption. The "self-funding" approach of these studies sends a strong signal of MACN's level of ambition and commitment.

On the basis of the recommended improvement measures (risk reduction plan) outlined in the study and validated at national level, MACN also intends to develop a pilot project to **implement and execute these measures at national level** (Phase 3).

MACN aims to have the recommended actions outlined in the study implemented with the **financial support of government bodies, relevant international institutions and development agencies.**

Creating partnerships with international multi-lateral organizations can and will **enrich the value and impact of this program**, as well as have the potential practical application to be integrated into already existing in-country anti-corruption and transparency programs.

MACN's pilot project team and BSR are therefore reaching out to relevant stakeholders, and seeking to develop partnerships with those interested in **engaging with the private sector to promote good governance and fight corruption** through this initiative.



For more information about MACN and the pilot project program, please contact:

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