



2022

ANNUAL REPORT



The leading anti-corruption initiative
in the maritime industry

Introduction

Anti-Corruption Trends: Disruption Charts a Path Forward

There is opportunity in business and governance during times of disruption and change. Over the last 18 months, we have seen the world move out of a pandemic-driven mindset, handle the ongoing war in Ukraine, and work through major shifts in the economic and trade landscape. Issues of governance, including a focus on anti-corruption, have increased in prominence at the foreign policy, regulatory, and corporate levels.

For the Maritime Anti-Corruption Network (MACN), this has led to continued growth in our membership and an increase in demand for frontline support and company compliance tools. We have seen anti-corruption trends impact our work in several important ways.

The IMO Single Window: Digitization and the Role of Technology

By 1 January 2024, the IMO's Single Window for data exchange will become mandatory in ports around the world. The Single Window is a significant step in the digitalization of shipping, meaning more transferable data and, potentially, an increase in transparency around how ships are managed and how they interact with port-side authorities.

An increase in data sharing and the number of connected ships improves the industry's ability to inform a vessel of possible risks, helps MACN provide real-time support to frontline staff, and makes incident reporting faster and easier. Through the launch of tools such as the Global Port Integrity Platform (GPIP) and 3 Sea Diligence (an online third-party due diligence risk management platform), MACN is at the forefront of embedding technology into the fight against corruption.

Corruption: A Governance and Workplace Issue

Driven by regulatory enforcement and shareholder oversight, there has been a clear trend toward improved corporate governance, notably around bribery and corruption. Governance, a particularly neglected part of ESG, has seen an increase in focus through compliance training and anti-corruption capacity building.

The stress, distraction, and threats that typically accompany corrupt demands are increasingly viewed as workplace safety issues for seafarers and workers in the logistics supply chain. With the digital integration of the shipping, ports, and logistics industries there is less room for accepting 'this is the way business is done'. Anti-corruption

and compliance training, Know Your Counterparty (KYC), whistleblower hotlines, and frontline staff support structures rapidly improve companies' ability to respond to and refuse corrupt demands.

Collective Action is the (Only) Way Forward

We see more push and more standards to criminalize bribery of foreign public officials – focusing on the 'supply side' of the bribery transaction. Internationally, this is part of a multi-faceted trend to address all sides of the anti-corruption equation. In this context, industry-driven collective action initiatives – like those run by MACN – have a central role to play in changing attitudes toward corruption, improving transparency, and reducing risk across the wider supply chain.

In 2023, the maritime industry does not need to wait for change. We can make it happen.

Cecilia Müller Torbrand

MACN CEO, Cecilia Müller Torbrand



MACN 2022 in numbers



HelpDesks

607 Port Calls Registered in MACN's HelpDesks (Egypt, India & Nigeria)

59 were escalated to the HelpDesks (Egypt, India & Nigeria)

Resolution Rate **100%**

200 Port Integrity Risk Scorecards

150 Country Data Pages

+11,000 Port Data Pages

MACN.dk/world-map (member link)

Further Information

Each section of this report links to the MACN website with further information, or information, you may find interesting.

Further links:

- [The MACN Timeline](#)
- [The 3 Cs of MACN](#)



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



17 PARTNERSHIPS
FOR THE GOALS



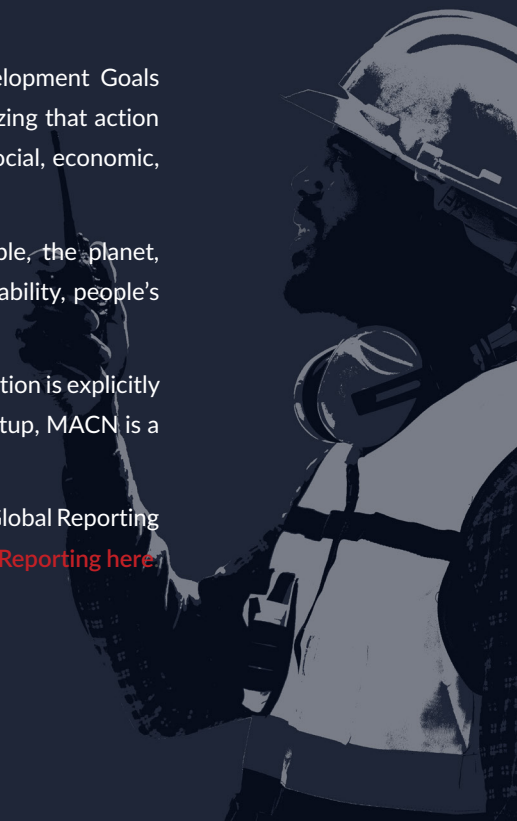
Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) aim to build a better future for all. The 17 SDGs are integrated - recognizing that action in one area will affect outcomes in others and that development must balance social, economic, and environmental sustainability.

Corruption is a major obstacle to sustainable development, as it affects people, the planet, prosperity, peace, and partnerships. Corruption is a major threat to countries' stability, people's lives, and their livelihoods.

MACN's work connects to multiple SDGs. However, the importance of anti-corruption is explicitly highlighted in SDG 16 (Peace, Justice, and Strong Institutions), and through its setup, MACN is a strong example of SDG 17 (Partnerships for the Goals).

MACN has mapped its activities to the relevant reporting frameworks such as the Global Reporting Initiative (GRI) and SASBI. Read more about the impact of MACN's work and [ESG Reporting here](#).





Collective Action

Overview

At the core of MACN's work are collective action initiatives where member companies unite with a wide range of stakeholders, including port and customs authorities, NGOs, and local government to implement a range of programs to directly address corruption risk in ports. Even if all companies have an internal defense against unethical practices, challenges will continue to exist in the operating environment if the root causes of corruption go unaddressed. Collective action is an important tool to help the private sector take proactive steps to tackle corruption.

Overall, MACN's collective action initiatives have proven to be an impactful, effective, and cost-efficient way to engage private sector leadership in combating corruption and bribery in the port and maritime sectors.

Collective action strategy

MACN has implemented collective action initiatives since 2012, based on the industry-led mapping of locations where the industry faced a large number of corrupt demands.

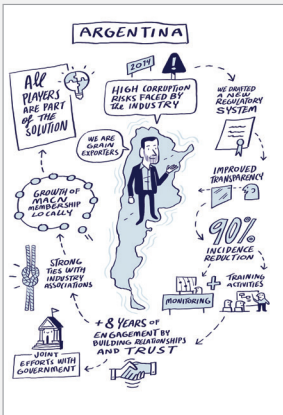
Our collective action work is dynamic, and is directed by the following factors:

- **Frequency, Severity:** Countries and ports targeted are those where the maritime industry experiences severe and frequent integrity challenges, and who are willing to address the problem.
- **Relevance:** Countries and ports targeted are those that have business relevance for the maritime industry looking 3-5 years ahead from a maritime trade perspective.
- **Commercial Leverage:** Countries and ports targeted are those where MACN has a critical mass of leverage to change behavior through collective action.
- **Feasibility:** MACN assesses the opportunity for driving change in collaborating with local stakeholders, and the drivers for this commitment, for example, local political commitments to the anti-corruption agenda and to trade facilitation.

MACN's in-country collective action work is further assessed by the following factors:

- **Impactful** - Deliver result-focused initiatives that improve the operating environment and reduce corruption.
- **Industry Lead** - Increase participation of MACN members in initiatives by focusing on countries where members face challenges and do regular business.
- **Inclusive** - Increase collaboration with key stakeholders such as governments, civil society, and the local maritime value chain.

Established Collective Action Projects



Argentina

The new regulation on waste management and disposal published by Senasa (Argentina’s Agri-Food Sanitary Agency) resulted in an increased presence of inspectors in ports. MACN continuously monitored the inspection systems and asked members calling Argentina to be vigilant. Reported corruption incidents remained low. MACN strengthened the local alliance and continued to engage with partners and industry associations, conducted training activities, and was able to resist Senasa’s initial new regulation proposition.

[MACN.dk/Argentina](https://macn.dk/Argentina)



Bangladesh

MACN continued to closely work with the Bangladesh Shipping Agents’ Association (BSAA) and the UN Global Compact in Bangladesh to mitigate corruption in the maritime sector of Bangladesh. We are now focusing on receiving more commitment from government stakeholders. Prevalent challenges are a lack of coordination between relevant authorities and bureaucratic complications in the sector. We held a launch event in May and have been busy bridging a public-private partnership.

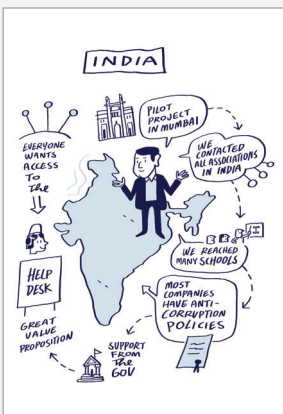
[MACN.dk/Bangladesh](https://macn.dk/Bangladesh)



Egypt

We continued to monitor Suez Canal transits and, together with our local partner Eldib Pandi, created a guide for vessels transiting the Suez Canal. There is more transparency and dialogue on Suez Canal-related matters and the authorities expressed enthusiasm in extending bridges of cooperation. We focused our 2022 efforts on engaging the Suez Canal Authority (SCA) and welcomed them to MACN’s Fall Meeting where we signed an MoU focusing on increased collaboration between the SCA and MACN.

[MACN.dk/Egypt](https://macn.dk/Egypt)



India

MACN’s ‘Say No’ campaign went live in August and over 150 participants attended. The India HelpDesk was launched in July with several mitigated incidents already being processed. Our Indian team is expanding to include an India-based Project Manager, a Senior Advisor, and a Maritime Expert. Further, formal dialogues were conducted with Indian authorities, including the Director General of Shipping and the Government of India in Mumbai, where policy and system change suggestions were discussed.

[MACN.dk/India](https://macn.dk/India)



Indonesia

MACN launched a collective action initiative in Indonesia in 2015 in collaboration with the industry, government, and local civil society, focusing on cargo clearance and container handling. Indonesia remains a priority country for MACN, as the industry reports frequent challenges related to e.g., poor transparency in regulation. MACN is supporting members to reject illicit demands in Indonesia, by developing practical guidance for members calling Indonesian ports e.g., port call procedures, escalation mechanisms, and public port tariffs, and by offering post-incident follow-up calls.

MACN.dk/Indonesia



Nigeria

We anchored our compliance training and research with Anti-Corruption Academy of Nigeria (ACAN) to further our efforts to support the government with its long-term port reform agenda. The National Port Integrity Index was launched. This further supports our work in establishing compliance functions and related training among respective government agencies operating in seaports. There is continued support from key government stakeholders for transparent and efficient operations in seaports. The project has also received international recognition and won the Anti-Corruption Collective Action Award 2022 for Outstanding Achievement.

MACN.dk/Nigeria



Pakistan

MACN continued to collaborate with our local partner, UN Global Compact in Pakistan, to further our collective action efforts, including webinar sessions focusing on the importance of training human resources in the maritime industry. MACN strengthened its local presence and formed a multi-stakeholder task force against corruption and fraud involving shortage claims on wet cargo. The challenge of corruption involving shortage claims has been an entrenched issue for many years and has become a major challenge to doing business in Pakistan.

MACN.dk/Pakistan



Ukraine

Collective action activities are paused in Ukraine. The HelpDesk is not operational currently. However, MACN continued to provide legal assistance and contacts to members in cases where issues do arise.

MACN.dk/Ukraine

Expansion and Donor Partnerships

MACN believes that every stakeholder has a role in building a sustainable and inclusive society. Support from governments, donors, and other international stakeholders is a critical part of MACN's anti-corruption and collective action initiatives. The support from donors both encourages and further motivates businesses to engage with MACN and opens doors to peer governments in high-risk markets to take part in driving change.

We believe a model of cooperation that crosses between international and national business, between governments and the private sector, and government-to-government is one of the fundamental aspects of MACN's demonstrated successes.

To date, MACN has received funding from a long list of government and private foundation donors. Diverse funding enables MACN to deepen our engagement in priority areas and to independently pursue our mission. We greatly value these contributions to our work and express our sincere gratitude to our supporters. MACN has to date been supported by several donors including:

- Ministry of Foreign Affairs of Denmark
- Foreign, Commonwealth & Development Office
- United Nations Development Programme (UNDP)
- Siemens Integrity Initiative
- Danish Maritime Fund
- TK Foundation
- Lauritzen Fonden

The coming five years will be decisive for MACN to scale and improve anti-corruption compliance in the industry and achieve measurable reductions in corruption in MACN's collective action countries – this at a time when inclusive

trade agendas are contested, and protectionism has increased.

There is great potential for scaling up MACN's collective action portfolio by expanding the geographical scope of collective action projects, and by formalizing and strengthening the tools and resources utilized for implementing collective action. Our work illustrates that anti-corruption initiatives targeting ports can have an impact on a wide variety of different industries and across supply chains and societies. Ports are discrete locations, with a limited number of stakeholders, where change and impact can be brought about rapidly. Furthermore, legal approximation, and streamlining of procedures and policies in ports are facilitated by the fact that many of the rules and regulations that exist in ports are already defined by international maritime laws and regulations and therefore do not have to be re-invented.

By supporting MACN, donor partners can promote anti-corruption compliance and a culture of integrity in the private sector and invest in collective action initiatives driving measurable reductions in corruption in ports worldwide through public private collaboration. In 2022, donor funding has enabled MACN to deliver innovative new integrity tools and replicate and further expand our collective action methodology in new countries.

Some of our achievements in 2022 include:

Through funding from the Siemens Integrity Initiative:

- MACN has operationalized a real-time Anti-Corruption HelpDesk in India.
- MACN has launched private sector integrity alliances in Nigeria, and across South Asia.

Through funding from DANIDA:

- MACN has managed to resolve 100% of the corrupt incidents being reported to the Anti-Corruption HelpDesk in Nigeria, and increased the number of companies using the HelpDesk.
- MACN has launched the Global Port Integrity Platform (see page 11 of this report).

MACN donors include:



Ministry of Foreign Affairs
of Denmark

um.dk



Foreign, Commonwealth &
Development Office

gov.uk



United Nations
Development Programme

undp.org

SIEMENS

Siemens Integrity
Initiative

siemens.com

DEN DANSKE
MARITIME FOND

Danish Maritime Fund

danskemaritimefond.dk

THE
TK
FOUNDATION

The TK Foundation

tkfoundation.bs

LauritzenFonden⁺

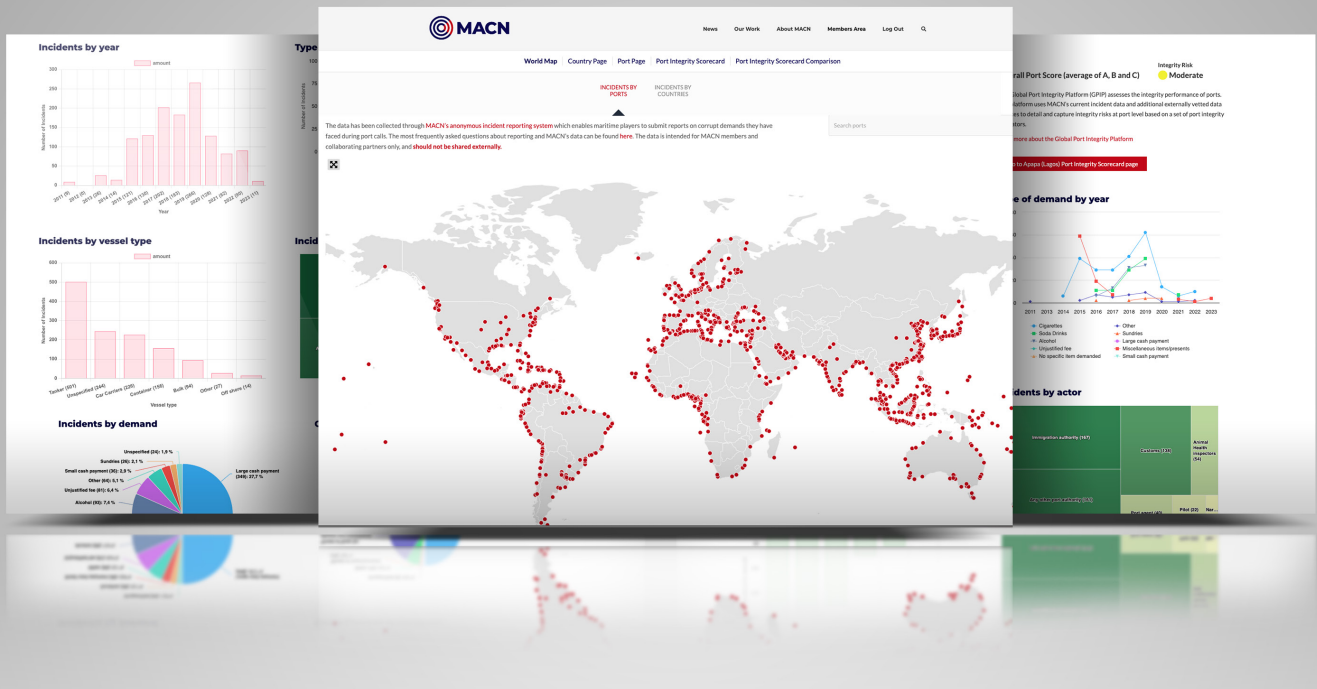
Lauritzen Fonden

lauritzenfonden.com

Capability Building

“Providing industry-leading innovative solutions to our Members.”

MACN recognizes that members and the wider industry must continuously work to strengthen their internal anti-corruption and risk management programs to be compliant with the ever-tightening regulatory framework. Following the MACN Anti-Corruption Principles, MACN has developed and shared a number of methodologies and programs. In 2022, MACN launched:



Global Port Integrity Platform (GPIP)

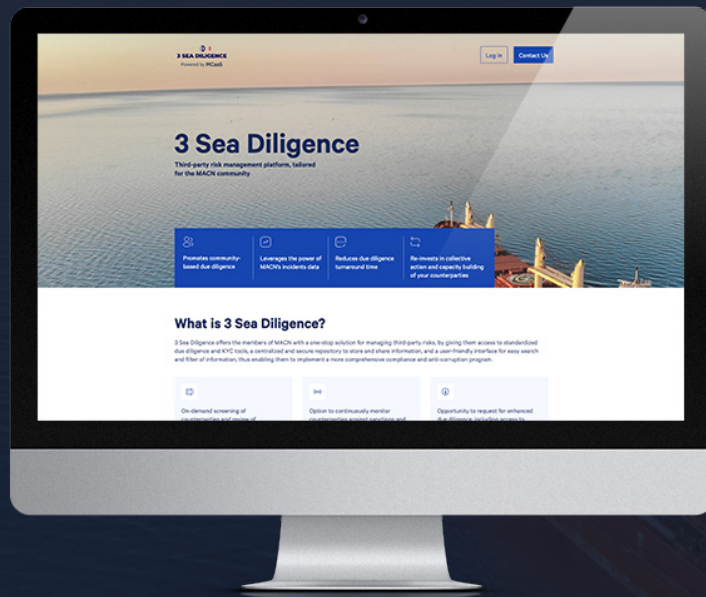
Recognizing the absence of an international standard for measuring port integrity, MACN engaged a broad group of industry players, including shipping companies, ports and terminals, industry associations, international organizations, civil society, and academia to develop the Global Port Integrity Platform (GPIP), launched in 2022.

This innovative platform provides a comprehensive assessment of integrity in ports and terminals worldwide by leveraging multiple data sources and incorporating MACN’s anonymous incident data, capturing over 50 000 incidents reported by the industry. With Port Integrity Risk Scorecards available for over 200 ports and terminals, GPIP provides valuable insights into port-level challenges.

By shedding light on corruption risks and advocating for integrity in ports, GPIP opens evidence-based conversations, paves the way for meaningful change, and empowers the maritime industry to identify and reject corrupt demands during port visits.

Read more about the Global Port Integrity Platform here:

MACN.dk/the-global-port-integrity-platform



3 Sea Diligence

In 2022, MACN launched 3 Sea Diligence. 3 Sea Diligence is an innovative platform that fosters collaboration and creates new community features to manage third-party risks. This is done while significantly reducing the time, effort, and cost associated with conducting due diligence on third parties.

In 3 Sea Diligence, MACN Members find a veritable toolbox of capabilities that empowers them to orchestrate robust anti-corruption, sanctions, and anti-financial crime compliance checks.

The platform utilizes high-quality counterparty master data and capitalizes on standardized data about integrity risks in the maritime sphere.

In particular, members who conduct due diligence reports will find significant added value in the community aspects of the 3 Sea Diligence platform, as report findings can be disseminated on the platform for the benefit of fellow MACN members, thus reducing the need to duplicate efforts.

Currently, the platform features primarily port agents, but future expansion plans will include encompassing other supplier groups.

Read more about 3 Sea Diligence here: 3seadiligence.com



Collaboration

One of MACN's goals is to be a recognized contributor and expert organization, working in partnerships, to raise integrity standards in maritime trade.

Through partnerships, MACN advocates for regulatory changes, participates in international forums to raise awareness of maritime corruption, and contributes to better ethical standards beyond MACN's own sphere of influence.

IMO Draft Guidance to Implement and Adopt Procedures Against Maritime Corruption

In 2022, MACN and the International Chamber of Shipping (ICS) supported the work of an IMO Guidance on tackling maritime corruption. The Guidance was submitted by several prominent organisations and was approved at IMO FAL 46, referencing MACN. For full recognition to the parties who submitted the Guidance, please refer to the Guidance [here](#).

Member States and international organizations are invited to bring the Guidance to the attention of all parties concerned. Member States and international organizations are also invited to bring to the attention of the Committee, at the earliest opportunity, the results of the experience gained from the use of the Guidance for consideration of action to be taken.



Together with prominent maritime associations, the International Chamber of Shipping (ICS) and MACN have worked to not only get the issue of maritime corruption on the IMO agenda but to get these guidelines developed and agreed by member States at IMO. We are very pleased that four years of work has resulted in a set of guidelines that can be implemented by Member States globally. Whilst these guidelines are non-mandatory, they are a step in the right direction and should assist MACN further in their task of eradicating bribery and corruption within the maritime industry for the benefit of all shipowners and seafarers. ICS and MACN would also thank the Republic of the Marshall Islands for coordinating the work undertaken at IMO to have these guidelines completed."

Chris Oliver, Principal Director – Marine, Head of the Marine Department, ICS



The MACN Secretariat

The MACN secretariat is responsible for progressing MACN's strategic workplans, ensuring good governance, and managing MACN's day-to-day work, including with its members, third parties, and funders.

Read more about the individual team members on [the MACN Secretariat page](#).



MACN

The leading anti-corruption initiative in the maritime industry