Global Compact
Network Bangladesh

MACN

Report on MACN Activities in Bangladesh (2021-2023)

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TABLE OF CONTENTS

INTRODUCTION 3

CORRUPTION IN THE MARITIME SECTOR OF BANGLADESH 4

PROJECT IMPLEMENTATION ACTIVITIES..... 6

KEY HIGHLIGHTS OF THE PROJECT..... 9

FUTURE PLANS FOR THE MACN PROJECT IN BANGLADESH 11

CONCLUSION..... 12

INTRODUCTION

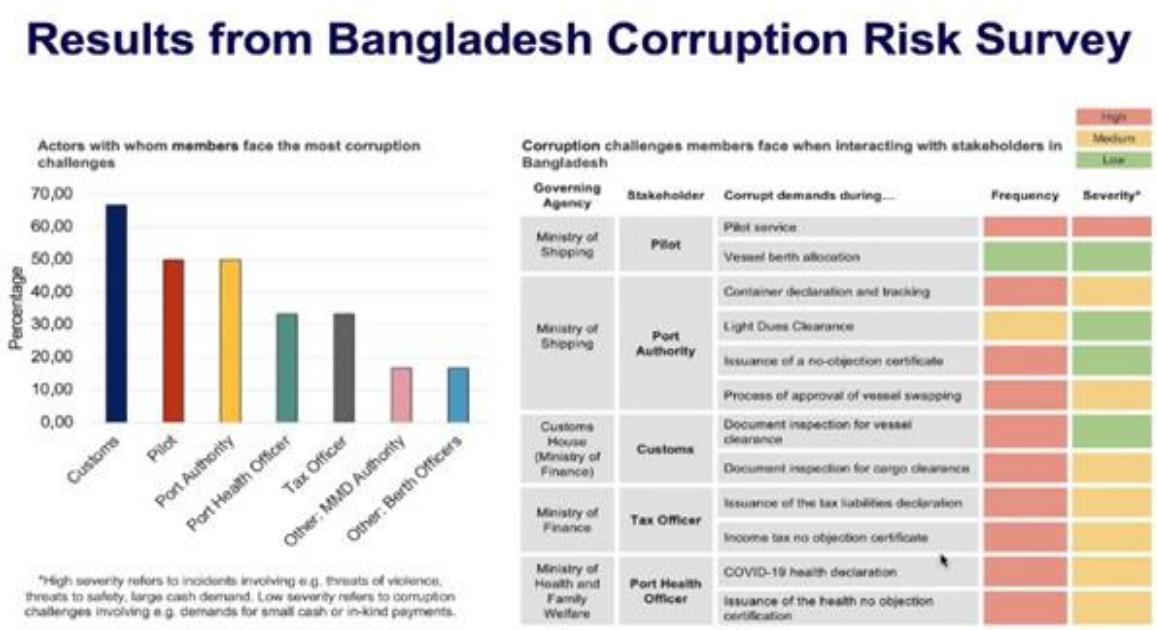
Under the Regional Expansion Program, the Maritime Anti-Corruption Network (MACN) launched its Project in Bangladesh in September 2021. The Project aims to generate stakeholders' awareness of the negative effects of corruption in the Maritime sector and develop a collective voice to say “No” to corruption. The overall objective of this project is to make seaports more effective and efficient by promoting Collective Action, and a Culture of Integrity among the stakeholders and the Maritime value chain.

The MACN Project aims to work with the Government of Bangladesh and its relevant entities to advocate for Zero Tolerance of corruption in all forms in the Bangladesh Maritime sector and initiate national-level policy advocacy in this regard. Currently, MACN Bangladesh has successfully advocated for policy changes and implementation in liaison with the Government of Bangladesh.

To implement the overall objectives of this Project, MACN Bangladesh has actively engaged with the private sector for long-term sustainability and campaigned to reduce corruption for the smooth functioning of ports and the shipping industry. MACN Bangladesh also engaged with the Chittagong Port Authority, Department of Shipping, Ministry of Shipping, Ministry of Foreign Affairs, and other public and private stakeholders.

CORRUPTION IN THE MARITIME SECTOR OF BANGLADESH

At the time of launching MACN activities in Bangladesh, the corruption Risk Survey for Bangladesh was as follows:



From the above figure, it is evident that corruption is a systemic issue in Bangladesh that transcends from one stakeholder to the other. To address corruption issues, the above figure was analyzed through the Collective Action Life Cycle, and the following intervention areas have been identified:

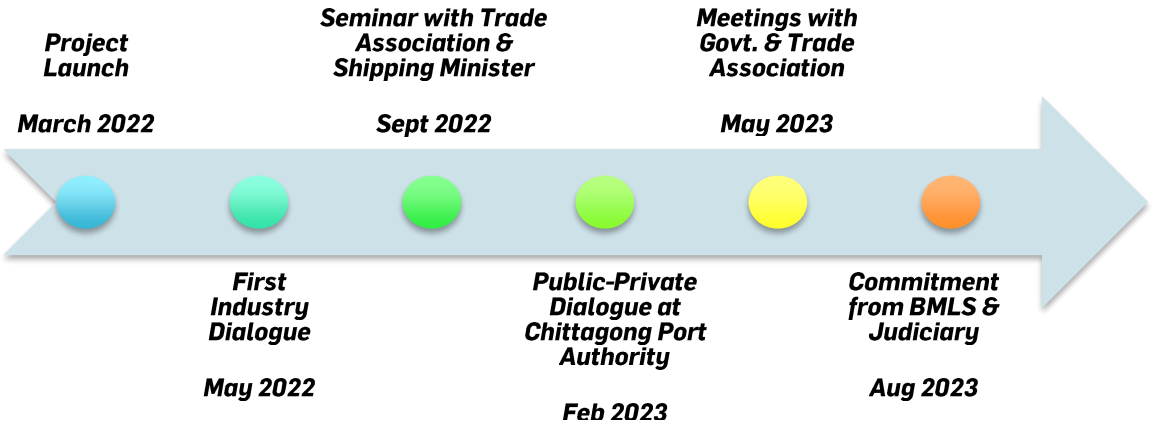
- ***Mapping & Alliance Building:*** The key concern areas of corruption were identified in the Port Clearance for vessels, Pilotage, and Ship Arrests. MACN Bangladesh discussed and consulted with local shipping companies, trade associations, government offices, and the Mainline Operators (MLOs) to enquire about the issues. Among the MLOs, MACN Bangladesh engaged with Maersk Line, Hapag-Lloyd, ONE, and OOCL. To address the issues of corruption, the key implementing partners were identified – which includes Port Authorities, the Mercantile Marine Office, the Department of Shipping, Maritime Business Associations, and Academia/Training Institutes.

- ***Scoping:*** A Scoping Study was conducted to address the risk areas of corruption. It was a priority to generate awareness via seminars and meetings. Accordingly, seminars, workshops, industry dialogue, and several bilateral talks were held with all the partners and stakeholders in the sector. Key Stakeholders engaged in this effort include Shipping Companies and Associations, Port Authorities, Government Officials, Maritime Business Associations (*BSAA, SCoB, BAFFA, etc.*), Academia and Training Institutes, and *Bangladesh Maritime Law Societies (BMLS)*.

- ***Inception:*** While engaging with partners in the maritime sector, the root causes of corruption challenges were identified and disseminated to private and public sector stakeholders. Gaining illegal advantages, both by the service provider and receiver, was considered a root cause of corruption. Furthermore, shying away from reporting corruption was a stigma and generally avoided by the stakeholders, especially due to a lack of an established anonymous reporting channel and protection for the whistleblower. Therefore, during the course of the Project, high interest has been observed among key stakeholders to engage with MACN in curbing Maritime corruption.

- ***Implementation:*** To strengthen anti-corruption efforts and build awareness, emphasis was given to the instruction of the International Maritime Organization (IMO) on Transparency in Port Activities, Single Window Concept, Instant Solutions, etc. Some of the government offices; notably, the Chittagong Port Authority, the Department of Shipping, the Mercantile Marine Office, and the Shipping Office collaborated with MACN Bangladesh to identify gaps in the current policies in the Maritime sector. Upon discussion about the challenges faced in the Port State Control Inspection (PSC), the Mercantile Marine Office in Bangladesh issued an Anti-Bribery Circular referring to MACN's concern, and that eased the sufferings of the ships during PSC inspections. MACN Bangladesh also referred to the Ministry of Shipping and the concerned departments of the Government about the problems being faced by the foreign shipping lines in getting clearance for loading import cargo. The Government is currently reviewing the matter. All these actions eased the ship clearance process in Bangladesh.

PROJECT IMPLEMENTATION ACTIVITIES



The major works of the Project implementation are detailed below:

- MACN Project in Bangladesh was formally launched virtually in March 2022. High government officials of Bangladesh, high officials of MACN Headquarters, and maritime stakeholders, attended the launch with participants totaling approximately 180. Several government officials and industry leaders spoke at this event. Thus, this Project was launched with a huge thrust and it could generate awareness among the stakeholders.

- On 18 May 2022, the first Industry Dialogue with Trade Associations and several other stakeholders was held in a local hotel in Dhaka. The theme of the event was "*Development Imperatives & Challenges in the Maritime Sector of Bangladesh*." The Secretary of the Maritime Affairs Unit under the Ministry of Foreign Affairs was present as the Chief Guest. MACN Headquarters Team from Copenhagen was present and spoke at the Event. Approximately 150 participants attended this dialogue.

- On 13 September 2022, a Seminar on Maritime Corruption and the activities of MACN was held with the Shippers Council of Bangladesh. The theme of the event was "*Mitigating Corruption for Economic Growth in the Maritime Sector*." There was a large participation of trade associations in the maritime sector in this seminar. The Honorable Minister of the State, Ministry of Shipping, attended the Seminar as the Chief Guest.

- On 20 February 2023, a Public-Private Dialogue on "*Development Imperatives and Integrity Challenges in Ports of Bangladesh*" was held at Chittagong Port. Industry leaders of the maritime sector spoke at this Event. The Chairman of the Chittagong Port gave a detailed account of the port's development initiative and highlighted how corruption hampers economic activities. More than 200 participants from different maritime organizations, including the Navy and Coastguard officers, attended this dialogue.

- In May 2023, two Seminars were conducted – one with the National Maritime Institution and one with the International Maritime Academy. Additionally, one Training Session was conducted at the Maritime University, and one Industry Dialogue was convened with the seafarer's recruiting agents in Dhaka. Representatives from the MACN Headquarters attended all these events.

- On 31 August 2023, MACN Bangladesh arranged a Seminar on the "*Role of Legislature and the Judiciary in Protecting the Blue Economy.*" Judges from the High Court of Bangladesh, a P&I Correspondent from Singapore, law practitioners from Bangladesh, marine professionals, and industry personnel spoke at this event. How corruption effects economic growth, and the role of the judiciary authorities in tackling corruption were discussed in depth. The event generated huge support for the activities of MACN in Bangladesh.

- From November 2023 to January 2024, MACN Bangladesh has been actively seeking out members to form a Working Group. The role of the Working Group will be to develop and implement strategies to identify and prevent corrupt practices in the Maritime sector. As of now, the following organizations have formally enlisted as Working Group Participants.

1. Bangladesh Merchant Marine Officers' Association (BMMOA)
2. Bangladesh Shipping Agents Association (BSAA)
3. Shippers' Council of Bangladesh (SCB)
4. Interport Maritime Limited
5. Marine Surveyors Association of Bangladesh (MSAB)
6. Ship Manning Agents Association of Bangladesh (SMAAB)
7. Chattogram Customs Agents Association

Several other Public and Private sector entities have expressed their interest in joining the Working Group and are in the process of formalizing their participation.

The themes of the events conducted under MACN Bangladesh from 2022-2023 are as follows:

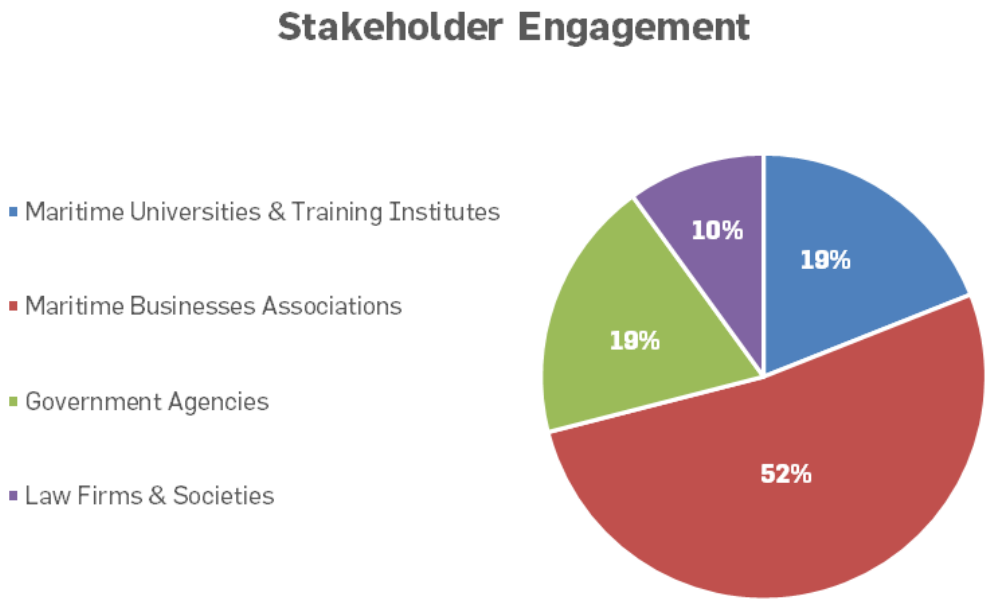
1. *Development Imperatives and Integrity Challenges in the Maritime Sector of Bangladesh*
2. *Opportunities and Challenges of the Maritime Sector.*
3. *Mitigating Corruption for Economic Growth in the Maritime Sector.*
4. *Issues of Corruption in the Maritime Sector of Bangladesh.*
5. *Development Imperatives and Integrity Challenges in the Ports of Bangladesh.*
6. *Addressing Corruption Challenges in the Global Maritime Sector and the Effect of Corrupt Practices on Seafarers.*
7. *Addressing Integrity Challenges in the Maritime Trade.*
8. *The Role of the Legislature and the Judiciary in Protecting the Blue Economy.*
9. *Three Sea Diligences.*
10. *Trajectories Towards Green Maritime Business for Sustainable Blue Economy of Bangladesh.*

The total number of participants in all these events was approximately 1500.

KEY HIGHLIGHTS OF THE PROJECT

Stakeholder Engagement

Beyond the large events, MACN Bangladesh also conducted another 30 engagements in 2022 and 2023, which included several bilateral talks, workshops, and dialogues. All these events were conducted in Dhaka and Chittagong. The nature of the stakeholders engaged is illustrated below:



Notable Achievements

Some of the notable achievements during this Project period includes engagements with prominent and influential figures and trade associations through seminars and policy intervention. The highlights are as follows:

- ***Engagements with:***
    - Chairman, Chittagong Port Authority
    - Secretary, Ministry of Shipping
    - Secretary, Maritime Affairs, Ministry of Foreign Affairs
    - Industry Leaders

- ***Seminars and Industry Dialogues:***
    - Chittagong Port Authority
    - Maritime University
    - National Maritime Institute

    - Bangladesh Maritime Law Society
    - Different Maritime Trade Association of Bangladesh

- ***Policy Interventions:***
    - Anti-Bribery Circular by Mercantile Marine Office (April 2023).
    - Court Order for Vessel Clearance (June 2023).
    - Dialogue with the Government office on Rules under the Cargo Protection Law

Several significant achievements were made in the ongoing phase of the project. The Maritime sector in Bangladesh became increasingly aware of MACN and its global activities.

Engagement with key maritime stakeholders, including the Port Authorities, Business Associations (Shippers' Council of Bangladesh, Bangladesh Shipping Agents' Association, Bangladesh Freight Forwarders Association, etc.), and the Government of Bangladesh, has been a crucial part of this phase. This engagement has created a scope for open dialogues and initiated conversations around the sensitive topic of corruption, thus fostering transparency.

Furthermore, a liaison with the Government of Bangladesh has been established, leading to a collective buy-in from relevant entities in Bangladesh on corruption issues related to the Maritime sector.

The majority of the complaints reported to MACN Bangladesh were regarding:

- The Bangladesh Flag Rule
- Fixation of Taxes by Customs
- Illegal Practices in Port State Control
- Issues related to Pilotage in the Chittagong Port
- Obtaining NOCs from Shipping Agents, and more.

Having received the complaints, MACN Bangladesh escalated the issue to the highest level of the Government Offices and the Trade Associations. Seven complaints, received from different service seekers, were mitigated with the intervention of MACN Bangladesh. This reveals that not only has MACN Bangladesh made its introduction at a national level, but also it has become a well-recognized promoter in combatting corruption in the Maritime Sector in Bangladesh. It has played a significant role in the maritime landscape of both the private and public sectors of the country. This collective agreement signifies a significant step towards addressing corruption in the maritime sector.

FUTURE PLANS FOR THE MACN PROJECT IN BANGLADESH

With the success of the first phase of the MACN Project in Bangladesh, the next phase can be initiated with great optimism and enthusiasm. The key objectives of the upcoming phase of the Project are:

- To create a significant impact on the theme of Anti-Corruption in the Maritime Sector of Bangladesh,
- To increase engagement and mobilize the private sector for long-term sustainability,
- To develop a local strategy to recruit local members in the Maritime Anti-Corruption Network (MACN)

The government of Bangladesh is positive in combating corruption in the ports through monitoring and policy advocacy. In this context, MACN Bangladesh can serve as a bridge between the Public and the Private sector.

The “Helpdesk” model of MACN can be established in Bangladesh to mitigate corruption, providing scope for improved facilitation of foreign trade in Bangladesh, and encouraging the Government of Bangladesh to promote the Maritime sector as a corruption-free business environment.

Through the extension of the MACN Project, we anticipate several outcomes:

- Increase awareness of corruption incidents through transparency, which will result in more effective mitigation measures.
- Expand MACN’s presence in the private sector, fostering a broader coalition against corruption. This will strengthen the capacity of Maritime stakeholders to resist corruption and champion ethical practices.
- Open policy dialogues to create an enabling environment for anti-corruption efforts.

These combined efforts will contribute to the long-term sustainability of the maritime sector in Bangladesh.

CONCLUSION

During the last two years' time, MACN Bangladesh worked to generate awareness of the negative impact of corruption in the Maritime sector. In implementing the Project, several workshops, industry dialogue, seminars, and bilateral talks were held with important Government Officials, Port Authorities, Industry Leaders, Academicians, and other influential figures. With all these efforts, MACN Bangladesh has made a significant achievement within the Project Implementation period.

An extension of the Project would allow a strategic continuation of MACN's activities, leveraging achievements from the current phase to drive further impact in the Maritime sector of Bangladesh. By strengthening public-private partnerships, and focusing on capacity building, it would endeavor to reshape the ethical landscape of the Maritime industry towards reducing corruption, fostering fair practices, and enabling long-term sustainability.