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Malaysia

PPP Best Practices and Identifying Prioritized PPP Areas of Development for Fisheries (Policies, Arrangement, Opportunities and Challenges)

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**CTI-CFF Public Private Partnership Preparation (PPP)
Expert-Consultation Meeting on PPP Design and Arrangement**

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National PPP Policies and Arrangement

(Please provide existing policies (law and regulation) on PPP and what is the formal arrangement applied in your country)

Malaysia's PPP Evolution



What are existing PPP policies?

➤ PPP Guideline *no PPP Act but are guided by Act that are supervised by each sectors involved.

Eg: Port Privatisation Act 1990, Fisheries Act 1985

➤ Cabinet's Decision guided by Steering and PPP Committees

➤ Private sector led the growth strategy, emphasize on creativity

National PPP Policies and Arrangement

What are the Governmental Solicited Project Mechanism? What are the Governmental Unsolicited Project Mechanism?

- ✓ Identifying business model
- ✓ Feasibility Assessment
- ✓ Initial project financing
- ✓ Analysing risk

- ✓ Statement of Needs

PPP Framework

- ✓ Principle Approval
- ✓ Request for Proposal (RFP)
- ✓ Special Purpose Vehicle (SPV)





National PPP Policies and Arrangement

(Please provide existing policies (law and regulation) on PPP and what is the formal arrangement applied in your country)

Why UKAS?

1. **Negotiation** of terms and conditions, business model, technical expertise by the **PPP committee**
2. **Centralized planning and coordination** at UKAS
3. **Decentralized implementation and monitoring** by the ministries and state governments

How to determine the mode of PPP?

Development cost/ capital investment to determine the offset/ concession period

Financial indicators to assess the viability of one's company to sustain the project.

Eg: Equity Internal Rate of Return (EIRR)

Commitment from Government/ user to pay or finance the project

Tailor-made mode of PPP to suit the projects



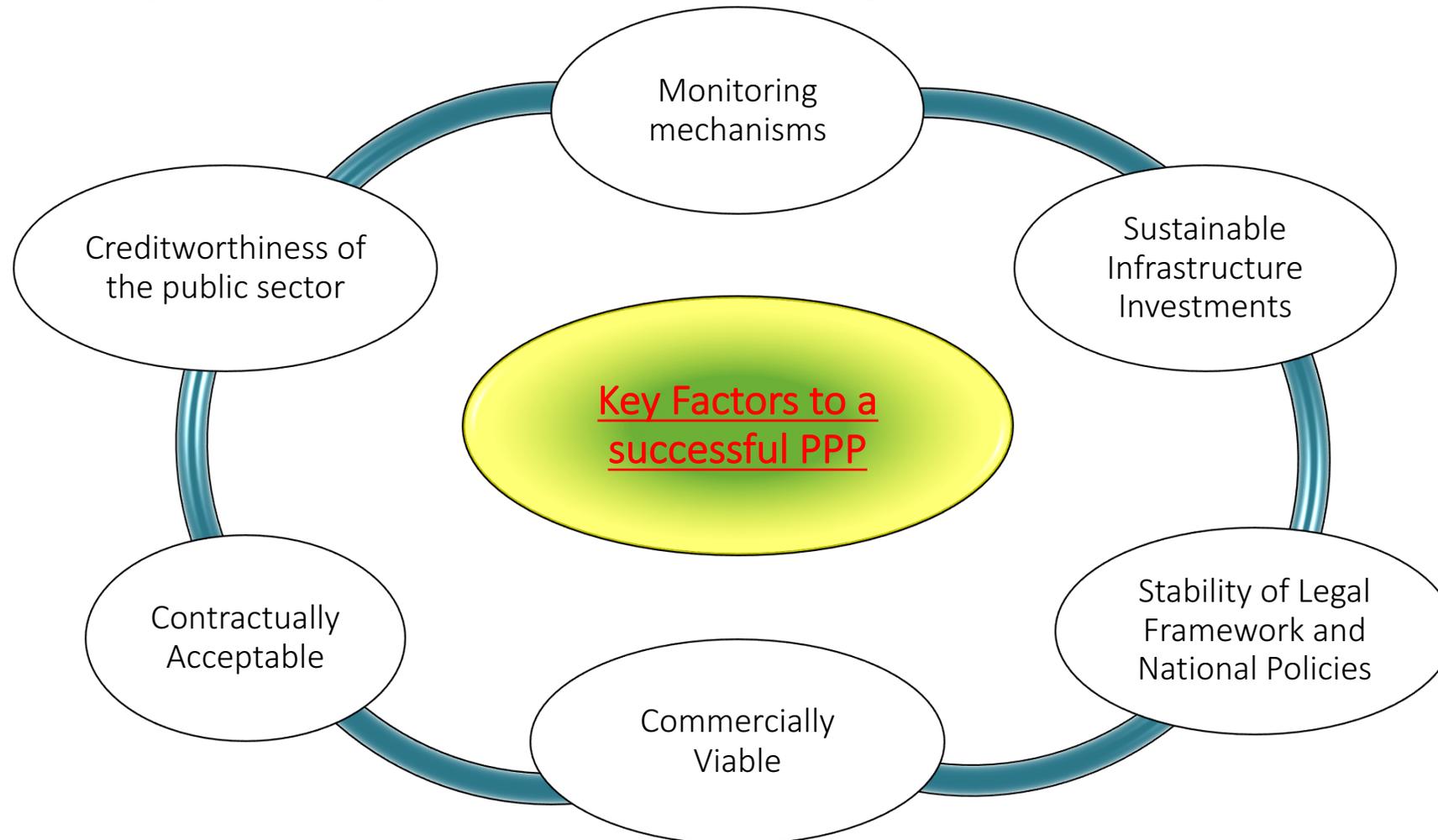
National PPP Policies and Arrangement

PPP Arrangement & Financial Schemes

PRIVATISATION	ARRANGEMENT	PRIVATE FINANCE INITIATIVES (PFI)
> RM25 million	Project Cost	>RM100 million
Minimum of 7 years	Concession Period	15 - 25 years
<ul style="list-style-type: none"> ▪ Corporatisation ▪ Land Swap ▪ Built-Operate-Transfer (BOT) ▪ Built-Operate-Own (BOO) ▪ Leasing ▪ Outsourcing ▪ Sale of Asset & Equity 	<p>Models of PPP</p> <ul style="list-style-type: none"> ▪ Built-Lease-Maintain-Transfer (BLMT) ▪ Built-Lease-Transfer (BLT) ▪ Built-Lease-Maintain-Operate-Transfer (BLMOT) 	
<ul style="list-style-type: none"> ▪ User pay services ▪ Lands/ Asset ▪ Facilitation Fund 	<p>Financial Schemes</p> <ol style="list-style-type: none"> a. Government Pay (Cash / In-Kind) b. User Pay c. Combined Payments 	<ul style="list-style-type: none"> ▪ Upfront private financing arrangement ▪ Government commitment to pay charges involved

National PPP Policies and Arrangement

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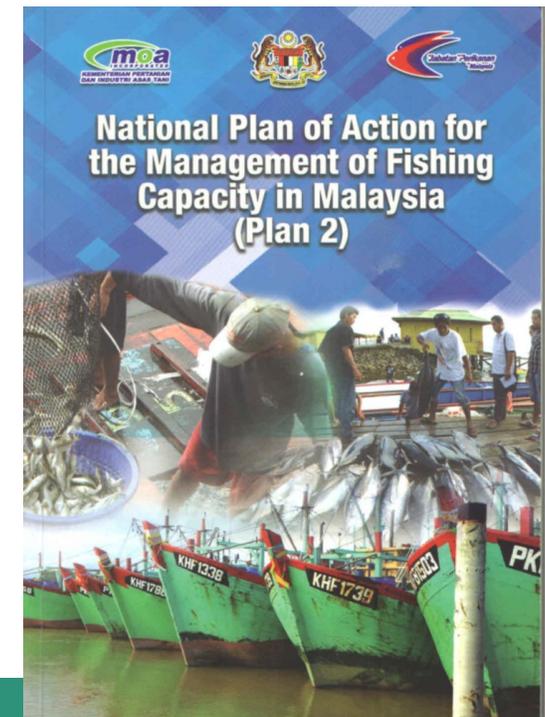
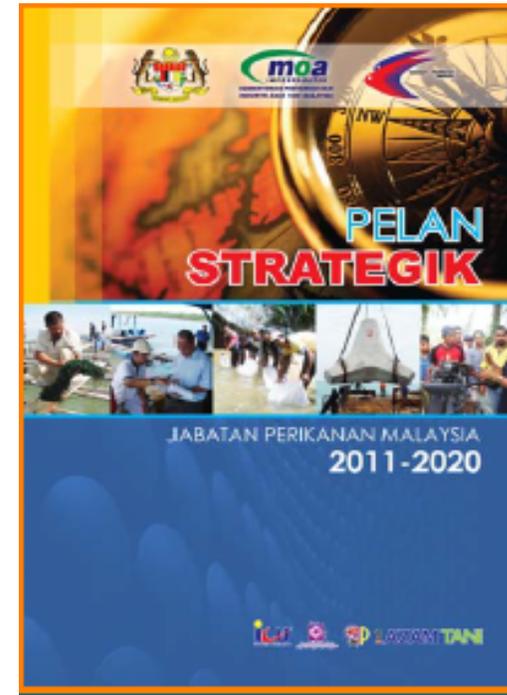
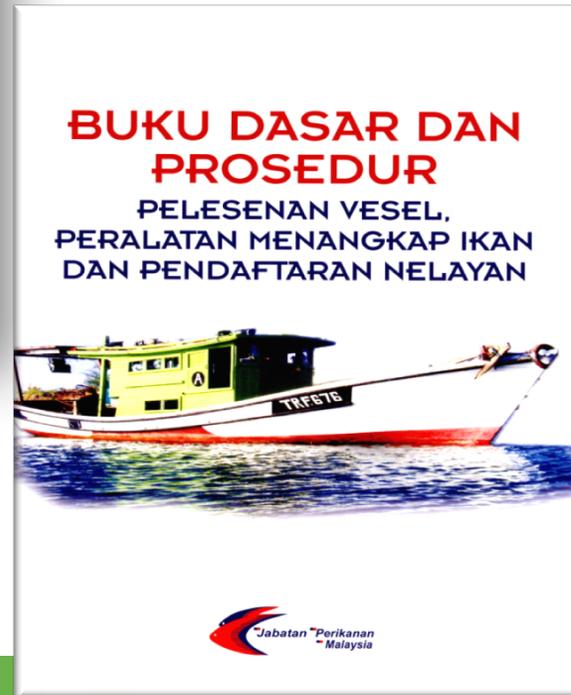
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GOVERNANCE, POLICIES AND PROCEDURES FOR FISHERIES MANAGEMENT



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FISHERIES ACT 1985 (ACT 317) AND REGULATIONS

- An Act relating to fisheries, including the conservation, management and development of maritime and estuarine fishing and fisheries, in Malaysian waters, to turtle and riverine fishing in Malaysia and to matters connected therewith or incidental thereto.
- Regulations
 1. Fisheries (Prohibition of Method of Fishing) Regulations 1980
 2. Fisheries (Maritime)(Licensing of Local fishing Vessel) Regulations 1985
 3. Fisheries (Prohibited Areas) Regulations 1994
 4. Fisheries (Control of Endangered Species of Fish) Regulations 1999
 5. Fisheries (Quality Control of Fish for Export to the European Union) Regulations 2009



Common Trade Scenario For Export of Capture Fisheries in Malaysia

PORT IN

- DOF - Catch Declaration
- LKIM – Jetty Authority
- **DOF – Dept. of Fisheries Malaysia**
- **LKIM – Fisheries Management Authority**

TRANSPORTATION

- MOH – Transporters
- **MOH – Ministry of Health Malaysia (Food Safety and Quality Division)**

DOMESTIC CONTROL AND PRE APPROVED FOR EXPORT

- LKIM – Exporters Licensing
- DOF – Vessel Licensing
- MOH – Processing Plants
- **Combatting IUU – MMEA, DOF, Marine Police and Port Authority**

PORT OUT

- MAQIS - Agriculture Products
- MOH – Food Control
- Export Documents Documents and Physical Inspection
- **MAQIS – Malaysia Quarantine & Inspection Services Dept.**



PPP experiences in **Malaysia**

(Please provide examples of past, or existing PPP priority or any projects in your country: Example governmental solicited and unsolicited projects)

2018 –
RM 53 billion

- What sectors of PPP projects are priority for your Government?

Infrastructure – Highways, Government Buildings, Transportation (GTP, spillover effect)

Putrajaya - BLT



LKIM Tg. Bako -BLMT



MITEC –O&M + Land Swap



Highways – BOT



University & Schools - BLMT



BERNAS - Privatisation



Westports- BOT



1GOVNet - BOO

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PPP Opportunities and Challenges in Fisheries Sectors, (particularly in developing a viable fisheries information systems e.g. Catch Documentation and Traceability (CDT))

Involve several ministries (Ministry of Agriculture and Agrobased Industry – DOF, LKIM, MAQIS and Ministry of Health Malaysia – Food Safety and Quality Control Division FSQD)

Seafood Supply Chain	At-sea capture (small scale)	At-sea capture (commercial scale)	Port	Buyer/ Broker	Shipper (land or boat; domestic)	Processor (1 st , 2 nd , etc)	Shipper (air or ship; export)
Current: Typical data capture method (not integrated across supply chain)	Paper	Paper	Paper	Paper	Paper	Paper and electronic	Paper and electronic
Who	Captain (DOF)	Captain (DOF)	Company and Port Authority (LKIM)	Buyer/Broker (company or agent)	Shipper (company)	Processor (company)	Shipper and Export Authority (CUSTOMS, MAQIS, MOH)
Data type	LOV and Captain's Certificate	LOV and Captain's Certificate	Catch certificate/ Document/ LOV	Purchase order	Delivery Order	Logbook, Raw material, batch ID, finished good ID	COO, Packing List, Health Certificate, Bill of Lading)



PPP Opportunities and Challenges in Fisheries Sectors,

(particularly in developing a viable fisheries information systems e.g. Catch Documentation and Traceability (CDT))

(Please provide insights on, but not limited to, the following examples of potential PPP investment areas in fisheries sectors in your country)

- Potential PPP projects

- **Infrastructure on Sustainable Fisheries e.g.:**

- Existing infrastructure
 - Supply chain information and management – System Integration
 - Study on existing post-harvest services (processing and cold storage facilities) – Standardisation
 - Fisheries Information Management System (FIMS), includes “On-the-water” IT and Port-based IT infrastructure
 - Phases by phases
 - Commercial > Small Scale



PPP Opportunities and Challenges in Fisheries Sectors,

(particularly in developing a viable fisheries information systems e.g. Catch Documentation and Traceability (CDT))

Potential Financial Schemes & Its Challenges

- Securing competitive, bids, negotiation and award
- High-upfront cost/ investments



Investment by Company



Government Commitment

User-Pay

- National Priorities/ Policies
- Creditworthiness
- Regulatory bodies
- Technical expertise
- Long term monitoring

- Market Price
- Affordability
- Small scale fisheries



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PPP Outlooks

(Please provide insights on potential steps in arranging PPP in fisheries sectors with regard to development of information systems for seafood traceability)

- Based on your country experience, do you think it is possible and feasible to develop and arrange PPP in fisheries sectors in your country e.g. PPP for improving fisheries information systems such as CDT?

PPP Areas:

- Existing Infrastructure
- System Integration

YES

Technical supports

- Human Capacity
- Training

Financial Models:

- Hybrid Models
- Private Finance Initiatives (user pay-government commitments)
- Facilitation Fund

- What do you suggest the proper way/steps to arrange PPP priority project for your country?

The **requirement of needs** should be coming from the **Government** in seeing the necessity to develop CDT. Ultimately the decision comes from the **Cabinet**. Team effort and **partnership from the surrounding regional countries** in making this CDT effort successful.

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