

## The Fifth General Meeting of The Coalition for African Rice Development (CARD)

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### Roles of the Government in Promoting the Private Sector Investment - *Sharing Malaysia's Experience*

By:  
Anas Ahmad Nasaruddin  
&  
Mohd Adnan M.N.



*Sharing Malaysia's Experience*



## Introduction

Marditech Corporation Sdn Bhd  
RPM Engineers Sdn Bhd

Provide a wide range of consultancy services  
especially in the Agriculture Sector

- Promote applications of research results in Agriculture development
- Agriculture Business Development
- Infrastructure development
- Systems development
- Policy Advisory services
- Capacity Building Programs



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## Introduction



Kadawa Rice Pilot Project



Ondo potential Granary

Recent involvement in rice development in Africa (Nigeria)

State of Kano, Nigeria

- Installed a pilot project for double cropping of rice
- Inventory and assessment of 15 dams
- Planned and designed irrigation systems for rice (1,400 ha.)
- Planned and designed 3 dams for rehabilitation
- Policy Dialogue Session for Top Official with the Government of Malaysia
- Training in Irrigation System Planning and Design for Senior and Mid-Level Managers and Engineers in Malaysia

State of Ondo, Nigeria

- Concept Plan for Irrigation Development in the State
- Implementation plans for Small and Medium Enterprise in Agro-Industry
- Policy Dialogue Sessions for Top Government Officials with the Government of Malaysia



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MALAYSIA's rice development progressed and sustained mainly because of irrigation policies and development.

The initial objectives were for poverty eradication and food security

Success in economic diversification from agriculture-base to industrial and services provide for diverse opportunities to resolve the poverty issue.

Now the irrigation for rice is for food security – to achieve and sustain a self-sufficiency level of 70% every year and, To transform production from individual farmer-based to commercial enterprises – the private investors

The Experience and Knowledge gained from the past will be valuable for planning and achieving the Vision for the Future

**Government has to execute its Duty of Care to the people and investors, local as well as foreign.**

- Prepare a conducive environment; build confidence of farmers
- Facilitate
- Invest and Protect its own investment
- Protect farmers' and private investors for long-term
- Research & Development
- Capacity Building
- Install appropriate rules, regulations and policies
- Rapid response to changes



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## Malaysia's Experience

### 1) Government needs to install a **SYSTEMATIC APPROACH** to Irrigation Development



Rice cultivation is a tradition held over hundreds of years...  
But systematic irrigation development started only 80 years ago in the 1930s.

In the early days...

- Irrigation by individuals or small groups
- Not well planned, not sustainable always
- Low yields
- Subject to climatic risks
- Inconsistent production
- Food shortages
- Poverty

Malaysia's experience....



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## Malaysia's Experience

### 1) Government needs to install a **SYSTEMATIC APPROACH** to Irrigation Development



With **SYSTEMATIC APPROACH**

- Better planning, design and operation and maintenance
- Higher chances of success of planting and production every year; better consistency
- Higher yields; higher output; higher income

**MOST IMPORTANT**

- A dedicated organisation for irrigation
- Continuously developing skills and expertise in Irrigation planning, design, operations and maintenance for Government and public
- Builds long term relationship with farmers and investors
- Builds confidence of farmers and investors to continue investing and produce rice



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### Malaysia's Experience

- 2) Government needs to install **REGULATIONS** and **RULES** to protect its own investment and also farmers' and investors'.



Malaysia has the **IRRIGATION ACT (1953)**

This ACT

- Ensures that the investment for irrigation is sustained by specifying that the land can only be used for rice cultivation
- Sets the rules for farmers' and investors to protect the infrastructure and that the systems operate and maintained as planned
- In return, commits the Authority to ensure that the system is well managed



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### Malaysia's Experience

- 3) Government must be prepared for and **RESPOND TO IMPACTS OF DEVELOPMENT** on its investment and private investors.



ALL Countries will progress economically towards a developed nation.

Progress have many impacts and threats on present investments

- By the end of the 1970s there are nearly 1,000 irrigation schemes in Malaysia
- Very heavy investments continued into the early 1980s
- But in mid-1980s, many small schemes were abandoned because of better prospects in non-agriculture sectors
- Huge investments were thus wasted
- Only large contiguous irrigation schemes survived because of **ECONOMIES OF SCALE**



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### Malaysia's Experience

- 3) Government must be prepared for and respond to impacts of development on its investment and private investors.



### The Response...

- Introduce a GRANARY POLICY
- Provide FINANCIAL and TECHNICAL support to only the large contiguous irrigation schemes.
- These are designated as GRANARIES – the Rice Bowls of the Country
- There are now 8 Granaries (240,000 ha.) and 2 new Granaries planned
- Other small schemes allowed to convert to other non-paddy landuse in stages
- Commercialisation plans activated
- Now the country can meet its Self Sufficiency Level of 70% EVERY YEAR.

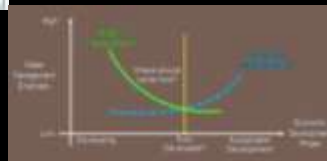


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### Malaysia's Experience

- 4) Government needs to ensure fair, equitable and sustainable water resources allocation for all sectors all the time.



As a country develops, inter-sector competition for water increases...

- Malaysia is relative water rich.
- But with development, water availability to sustain all sector development and protect the environment is DEPLETING
- Need to change from Supply Management to DEMAND MANAGEMENT for efficiency, effectiveness and economics.
- Need to change from Sectoral Approach to Integrated Water Resources Management (IWRM)
- Need to increase state of preparedness for Climate Change; need to have tools to adapt
- Need GOOD INVESTORS in rice production also care for sustainable development



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Overall, from our experience,  
The Role of the Government is



To instill in the Government System and  
business environment, the values of

- 1) A sense of URGENCY
  - respond quickly to the needs of investors
- 2) Proactive public-private sector collaboration
  - Continuous and harmonious support
- 3) Facilitation; not hampering
  - Make it simple for investors to do business
- 4) No more regulation than necessary
  - To encourage faster response from potential investors and quick business set-up
- 5) Zero tolerance for corruption
  - Always a conducive environment for business and economies to flourish
  - To build investor confidence and ensure long-term investment and sustainable investment

From PEMUDAH



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