Capacity Building: Training Government Officials in Dry Port Development

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Introduction

A dry port must fit into a complex system where the necessary supporting infrastructure (roads, railways) is in place, maintenance is assured, and the regulatory and institutional systems are properly designed to optimize the involvement of both the public and the private sector.”

Vandervoort and Morgan (1999)
Institutional framework

- Planning, development and operation of dry ports involve amongst others, the issuance of licenses, provision of guidelines on investment policies and guidelines on land use for development, consequently, coordination of many agencies is necessary.
Institutional framework

- One of the ways of improving coordination could be thorough clearly defining roles of various departments and agencies as well as the process involved in implementation of legislations and regulations. Familiarity with the existing institutional and regulatory environment would allow dry port project developers to follow the prescribed processes necessary to in obtain necessary the approvals.

- In most cases both central and local governments are involved in dry ports, often at the planning and approval stage of a project as well as during its operation.
Institutional framework

- For example in Indonesia, the Ministry of Transportation, Ministry of Finance and Governor of West Java were involved in approving the Cikarang dry port project. The location, construction and operation permit was issued by the Ministry of Transportation, while the Ministry of Finance issued permit for temporary storage areas (TPS) and implementation of the Customs Advance Trade System (CATS). Therefore, coordination among various level of government is also necessary.
Institutional framework

- At the operational stage, government departments including customs and other inspection departments are directly involved in the daily operations of dry ports.
- As large numbers of agencies from central as well as local government are involved in planning, development and operation of dry ports coordination among all concerned agencies is of paramount important.
In this regard, one of the approaches countries may consider is to review the mandates of existing institutions and consider whether the provision of authorities to a single institution to regulate and coordinate works related to dry ports would be appropriate.
Regulatory framework

• Regulations on dry ports in a country or region are often embedded in regulations on infrastructure, transport or multimodal transport, land, logistics, port, investment, and trade and transport facilitation.

• All these policies and regulations can have direct impacts on dry ports in terms of the time and cost of approval of the dry port project in the early stages and costs and revenues at the operational stage.
Regulatory framework

• With regard to harmonizing policies and regulation, countries may take similar approach to that outlined above for institutions, reviewing existing provisions that are relevant to dry ports and considering the initiation of policies and regulations that are conducive to the development of dry ports.
Regulatory Framework

• One of approach often cited is the provision of “one stop service” during the planning as well as the operational stages, where representatives of all concerned agencies are located under one roof to offer services and advice to potential developer of a dry port project. While, during operations all related services are made available at dry ports that facilitate the clearance of export and import cargoes.
The way forward

- Various agencies and departments of central, provincial and municipal governments are involved in planning, development and operation of dry ports in Asia. Further, policies and regulations related to dry port are normally embedded within other sectoral policies and regulations. Therefore, coordination among agencies and harmonization of policies are essential to further promote development of dry ports in Asia.
The way forward

As regulatory and institutional issues have direct impacts on development of dry ports, member States need to consider the following issues for their promotion and development:

(i) Development of institutional and regulatory frameworks for dry ports in their countries;

(ii) Coordination of different government ministries/departments and the private sector to create an environment that is conducive to development of dry ports;
The way Forward

(iii) Harmonization of relevant policies and regulations guiding the development and operation of dry ports; and

(iv) Sharing the best experiences of promoting the development of dry ports among member countries.
Indonesia

- The Ministry of Transportation is the authority for giving approval for construction and operation of the dry ports in Indonesia.
- Local governments are also involved from planning stage.
- Other ministries such as the Ministry of Trade, Ministry of Public Works and Ministry of Finance are also involved in the development of the dry ports.
- Cikarang Jababeka dry port will be the largest and busiest dry port in Indonesia when it will operate in full capacity.
- Other dry ports such as Surabaya, Cirebon and Cilegon are very close to the seaports. Potential locations for dry ports are Batam, Medan, Dumai, Yogyakarta and Makasar.
- In order to make dry ports “single window system” the relevant authorities such as Customs, Ministry of Finance and the Quarantine Service, Ministry of Agriculture may wish to consider providing their services at dry ports.
Thanalaeng Warehouse is the existing dry port in the Lao PDR. Other potential locations that have been identified for dry ports development are Savanakhet and Champasack.

The Department of Transport, Ministry of Public Works and Transport is the main agency dealing with dry ports. Other institutions involved in their planning, development and operations are:
- Department of Customs, Ministry of Finance;
- Department of Immigration, Ministry of Public Security;
- Department of Quarantine, Ministry of Agriculture and Forestry;
- Lao National Chamber of Commerce and Industry;
- Lao International Freight Forwarders Association (LIFFA).

The following laws and regulations have direct impacts on establishment and operations of dry ports.
- Land Transport Law;
- Traffic Law;
- Customs Law;
- Investment Promotion Law.
So far, investment on dry ports in Nepal has only been by the government sector. Multilateral donor agencies are assisting in development of dry ports. In order to facilitate Nepal’s international trade, the government has encouraged the private sector to participate developing dry ports using the Public Private Partnership (PPP) model. The following laws and regulations have direct impacts on establishment and operations of dry ports.

- Private Financing Act 2006
- Foreign Investment Policy and Technology Transfer Act 1992
- Land Policy and Land Acquisition Act 1977
- Environment Protection Act/Rules 1997
- Multimodal Transportation of Goods Act 2006
- Export and Import Act 1957
- Motor Vehicle Act 1993
- Labor Act 1992
Republic of Korea

The Ministry of Land, Transport and Maritime Affairs (MLTM) is the regulatory authority in the Republic of Korea. MLTM encourages private sector investment in development of dry ports and logistics centres. Proposals from the private sector are reviewed by the Public and Private Infrastructure Investment Management Centre (PIMAC) to check whether proposals correspond with the government’s long term plan and investment priority. The Government provides some support for development of dry ports in the form of land acquisition cost and part of project costs.

The Uiwang ICD was developed by a public-private partnerships in 1992. The Korean Railroad Company and Private Transportation companies have invested in the Uiwang ICD. Logistics center at Gunpo, Pajoo and Pyongtaek are now under construction.
The idea of 'Dry Port' or 'Inland Port' as the best alternative to a seaport was developed by the Malaysian Government. The main aim is to provide all the facilities and logistic services that are available at seaport at strategic inland location. It is basically an extension of port facilities into the hinterland of a seaport, except in this case without the sea and for the reason the term 'Dry Port' is being used.
IPOH ICT

Based on this concept, Malaysia established its first 'Dry Port' at Jalan St. John, Ipoh in the state of Perak. It was incorporated under the Company's Act as a private concern under the name Ipoh Cargo Terminal (ICT) in November 1989 under the auspices of the Ministry of Transport with the participation of Keretapi Tanah Melayu Bhd, Perak State Economic Development Corporation (SEDC), Port Klang Authority (PKA), Penang Port Commission (PPC) and Johore Port Authority (JPA).
IPOH ICT

Established primarily to help and provide the Perak-based traders an alternative in choice of ports for their business, ICT has now become the main port of import and export for most of the major and small scale industries located within Kinta Valley and its surrounding.
Objectives

ICT provides the Perak-based traders an alternative in the choice of ports for their business. Where once the port was a few hundred kilometers away, it is now virtually next door to them thus having better control of the movement of their goods. With the development of ICT, exporters and importers can now have their goods cleared and customs duty paid at ICT instead of at the seaport.
Train Service

ICT plays both a supplementary and complementary role to existing ports in the country as a one stop centre cargo carriage and acceptance. ICT operates daily dedicated train services provided by Keretapi Tanah Melayu Berhad (KTMB) to and from Port Klang under its Pit Stop Operation (PSO) concept. The 2 daily trains move from Ipoh to Port Klang and from Port Klang back to Ipoh with a capacity of 35 bcf of wagons or 70 TEUS of containers per train.
Container Handling

• ICT operates 24 hours a day and 6 days a week. The working days are from Monday to Saturday. The normal working hours are from 8.00am to 12.00 midnight. However, the service on Sunday and Public Holiday can be provided upon request.
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Container Storage

Container Storage Yard Specification:

Container Yard No 1
- Laden / Empty Stacking 1.8 ha (3.96 acres)
- Capacity 800 TEUs - 3 high.

Container Yard No 2
- Laden / Empty Stacking 3.0 ha (6.60 acres)
- Capacity 1440 TEUs - 4 high
Maintenance and Repair of Container

Ipoh Cargo Terminal also provides container Maintenance and Repair service. The service is handled by well-trained team. Each container entered ICT area will be survey and the team submit the report to the respective party.
Haulage Services

The local haulage to and from ICT to the various industrial zones within the Kinta Valley are being provided by about 9 container haulage operators based at Ipoh on a round trip basis. They are:-

Multimodal Freight Sdn Bhd
MISC Haulage Services Sdn Bhd
Syarikat Logistic Petikemas Sdn Bhd
Sentiasa Hebat Sdn Bhd
Kontena Nasional Bhd
Pintaran Timur Malaysia Sdn Bhd
Ipoh Logistic Sdn Bhd
Priority Haulage Distribution Sdn Bhd
Capacity and capability building is defined as the empowerment which encompasses the ability, will and skills to initiate, plan, manage, undertake, organize, budget, monitor/supervise and evaluate project activities. Thus capacity and capability building are related to the organizational and functional levels as well as to individuals, groups and institutions.

*The Entebbe Workshop definition*
Empowerment is the new embellishment on the older concept of capacity building. It is also different in its emphasis. It emphasizes the notion of power. People must be empowered to do their own things nay, people must self-empower, they must not wait for somebody else to empower them. Linguistic revolutions provide useful insights into new trends. The word empowerment is one such concept. However, we shall treat capacity building and empowerment as essentially meaning the same thing.
Capacity building in Governments

One of the most fundamental ideas associated with capacity building is the idea of building the capacities of governments in developing countries so they are able to handle the problems associated with environmental, economic and social transformations. Developing a government's capacity whether at the local, regional or national level will allow for better governance that can lead to sustainable development and democracy.
To avoid authoritarianism in developing nations, a focus has been placed on developing the abilities and skills of both national and local governments so power can be diffused across a state.

Capacity building in governments often involves providing the tools to help governments best fulfil their responsibilities. These include building up a government's ability to budget, collect revenue, create and implement laws, promote civic engagement, be transparent and accountable and fight corruption.
<table>
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<tr>
<th>Training development phases and related standards</th>
<th>Was standard met?</th>
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<tbody>
<tr>
<td>Planning—This phase involves the development of required documents necessary to initiate a training effort that adheres to FLETA Standards, including updating and validating the curriculum every 3-5 years.</td>
<td>Yes</td>
</tr>
<tr>
<td>Analysis—This phase of curriculum development involves convening a panel of subject matter experts identifying the needs, evaluating content, defining the target audience, and identifying the critical job tasks.</td>
<td>Yes</td>
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<tr>
<td>Design—This phase requires the development of course goals, lesson objectives, and specific skills and knowledge the trainee will obtain. It also includes identifying the appropriate delivery method and location</td>
<td>Yes</td>
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<tr>
<td>Development—This phase involves the process of creating and submitting draft and final course materials, including gathering and organizing course content by removing redundant or unnecessary information and dividing the content into a logical structure of lessons and topics.</td>
<td>Yes</td>
</tr>
<tr>
<td>Evaluation – This phase involves determining training effectiveness. This also includes delivering the pilot course in a controlled environment and ensuring that the curriculum is aligned with the agency mission.</td>
<td>Yes</td>
</tr>
<tr>
<td>Delivery Considerations – This phase involves the delivery of the pilot course as well as the final acceptance of training materials.</td>
<td>Yes</td>
</tr>
</tbody>
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Source: GAO analysis of CBP information.
Training for Relevant Malaysian Government Officers at Dry Ports

• LAWS OF MALAYSIA Act 155 IMMIGRATION ACT 1959/63
• LAWS OF MALAYSIA Act 235 CUSTOMS ACT 1967
• Protection of New Plant Variety (PNPV) Act 2004
• Fisheries Act No.317 (1985)
• ASEAN Ministerial Understanding on Fisheries Cooperation (1983).
• Environmental Quality Act No.127 (1974)
• Environmental Quality (Sewage and Industrial Effluents) Regulations (1979, as amended).
• Fisheries Act No.317 (1985).
• Fisheries (Cockles Conservation and Culture) Regulations (2002).
• Fisheries (Prohibition of Import, etc., of Fish) Regulations (1990).
Training for Relevant Malaysian Government Officers at Dry Ports

Fishermen's Associations Act (1971).
Food Regulations (1985, as amended).
Waters Act No.418 (1920, as amended).
Manual of ASEAN Good Shrimp Farm Management Practices ETC.
Train The Trainers

• Trainers to facilitate the training for each government officers training modules must undergo refreshment trainings on regular periods
• They shall also be assessed regularly in order that their teaching methods and contents are updated and relevant with current and future situations
• They shall be able to conduct assessment of each trainee government officers at all levels to know the training effectiveness
Conclusions

• Capacity building of government officers at the dry port is essential and important in order to ensure effective and efficient operations of a dry port
• Training modules shall relate to the up to date and relevant laws and need to be conducted on regular basis for both trainers and trainees
• Training evaluations need also to be conducted on periodical basis to ensure government officers are well verse in their authority subjects
• The whole team of government officers of various department and agencies manning the dry port shall be trained as a team towards achieving common goals.
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