

## EXECUTIVE SUMMARY

<b>TITLE</b>	: Expanding the Adoption of the Good Regulatory Practice (GRP) for States and Local Authorities
<b>OBJECTIVES</b>	: <ol style="list-style-type: none"><li>1. Promote good regulatory practices in rule making process to states and local governments;</li><li>2. Assist states to develop GRP policy for states and local authorities; and</li><li>3. Build capacity in conducting Regulatory Impact Analysis (RIA).</li></ol>
<b>EXPECTED OUTCOMES</b>	: <ol style="list-style-type: none"><li>1. Better understanding of the concept and benefits of implementing GRP for state government officials;</li><li>2. Establish and institutionalise good regulatory practice policy and RIA mechanisms at the state level; and</li><li>3. Increase knowledge and technical capacity for state officials to develop and conduct assessment of Regulatory Impact Statement (RIS).</li></ol>
<b>DURATION</b>	: May 2020 – December 2020
<b>TOTAL COST</b>	: RM 922,400.00
<b>BUDGET</b>	: RMK-11 NPDIR (2020)
<b>RECOMMENDED BY</b>	: PCD / GRP (RIA)
<b>COMMENT/ SIGNATURE BY PCT</b>	:

# **MALAYSIA PRODUCTIVITY CORPORATION (MPC) PROPOSAL FOR BOARD OF MANAGEMENT**

## **1.0 Purpose**

The purpose of this paper is to request approval from the Board of Management (BOM) to undertake the project on expanding the adoption of the Good Regulatory Practice (GRP) for states and local authorities.

## **2.0 Background**

In the Eleventh Malaysia Plan 2016 – 2020, Chapter 8: Strategy A2 stated that “Comprehensive and integrated governance reforms will be pursued to ensure a thriving and competitive environment for the services sector. The National Policy on the Development and Implementation of Regulations (NPDIR) to modernize the current regulatory regime will be fully implemented to include states and local governments”.

MPC also has been tasked by the Government in Services Sector Blueprint to undertake initiative on Sectoral Governance Reform. The main goal of sectoral governance reform is to create efficient and enabling policy environment that nurtures a thriving and competitive services sectors. One of the two initiatives that MPC is required to carry out is accelerating and expanding NPDIR implementation at the states and local authorities.

This policy introduces the requirement for all federal regulators to adopt regulatory impact analysis (RIA). This RIA is a process of systematically identifying and assessing the expected effects of regulatory proposal, using a consistent analytical method such as cost-benefit analysis. It is a comparative process which is based on determining the underlying regulatory objectives sought and identifying all the policy interventions that are capable of achieving them. These “feasible alternatives” are assessed using the same method to inform decision – makers about the effectiveness and efficiency of different options and enable the most effective and efficient options to be systematically chosen.

Expanding NPDIR to states and local government will instil good regulation practices at local levels as well as improving regulatory coherence between federal and states, so that any regulation or policy introduce by states or local governments is aligned with the federal regulatory policy decision and international trade.

### **3.0 Objectives**

The main objectives of the project are as follows:

- a. Promote good regulatory practices in rule making process to states and local governments;
- b. Assist states to develop GRP policy for states and local authorities; and
- c. Build capacity in conducting Regulatory Impact Analysis (RIA)

### **4.0 Outputs**

The expected outputs of the project will consist as follows:

- a. Recommendation reports of states;
- b. Online RIA training;
- c. RIA pilot projects;
- d. Regulatory Champion (RC), RIA assessors and trainers;
- e. Guidelines;
- f. Webinar sessions; and
- g. Virtual Advisory Clinics

### **5.0 Expected Outcomes**

At the end of this project, the expected outcomes may include:

- a. Better understanding of the concept and benefits of implementing GRP for state government officials;
- b. Establish and institutionalise good regulatory practice policy and RIA mechanisms at the state level; and
- c. Increase knowledge and technical capacity for state officials to develop and conduct assessment of Regulatory Impact Statement (RIS).

## 6.0 Work Plan and Estimated Costs

No	Project/Programme	Key Activities	Costs (RM)	Timeframe			
				Q1	Q2	Q3	Q4
1.	Recommendation reports including regulatory mapping	<p>Stock taking, analyse states existing rule making and propose recommendation for state GRP policy as follows:</p> <ol style="list-style-type: none"> <li>1. Perlis</li> <li>2. Kedah</li> <li>3. Penang</li> <li>4. Perak</li> <li>5. Selangor</li> <li>6. Wilayah Persekutuan</li> <li>7. Negeri Sembilan</li> <li>8. Melaka</li> <li>9. Johor</li> <li>10. Pahang</li> <li>11. Terengganu</li> <li>12. Kelantan</li> <li>13. Sarawak</li> <li>14. Sabah</li> </ol>	662,000.00				

No	Project/Programme	Key Activities	Costs (RM)	Timeframe			
				Q1	Q2	Q3	Q4
2.	Capacity building programmes	<p>Assist all states and local governments to enhance their government official's knowledge on RIA through:</p> <ol style="list-style-type: none"> <li>1. Virtual Advisory Clinic</li> <li>2. Online meeting (webex, gotomeeting, etc)</li> <li>3. Webinar sessions</li> <li>4. Pilot projects</li> <li>5. Trainings and consultations</li> <li>6. GRP Conference</li> <li>7. E-Newsletters</li> <li>8. Articles</li> <li>9. Media releases</li> </ol>	210,400.00				
3.	Online training	Develop material for online training and handbook as a guidance for regulators to implement RIA	50,000.00				

**Note: Please refer to the Appendix A for details of budget costing.**

## 7.0 Approval from BOM

The approval of the Board of Management (BOM) is sought to undertake the project on Expanding the adoption of the Good Regulatory Practice (GRP) for states and local authorities with a total of RM 922,400.00.

Prepared by:



.....  
Lee Wan Swanee  
Assistant Manager  
PCD/GRPD  
Date: 08/05/2020

Reviewed by:



.....  
Mohammed Alamin Rehan  
Deputy Director  
PCD/GRPD  
Date: 08/05/2020

## APPENDIX A (Details of Budget Costing)

No.	Type of payment	Cost (RM)
1.	<p><b>Recommendation Reports including Regulatory Mapping</b></p> <p>a. <b>Consultant</b> RM 2,000.00 x 10 days x 9 States*</p> <p>b. <b>Reviewer/Subject Matter Expert</b> RM 2,000.00 X 8 days X 14 reports</p> <p>c. <b>Project Secretariat – Junior Consultant</b> RM 1,500.00 X 8 days X 14 reports</p> <p>d. <b>Travelling Expenses</b> RM 500.00 x 2 pax x 10 days</p> <p>e. <b>Seminar / Lab / Workshop / Meetings / Public Consultation / Residential Meeting Package</b> RM 500.00 x 10 pax x 4 days</p> <p>f. <b>Publication Newsletter / Articles</b></p> <p>g. <b>Media Release</b></p>	180,000.00 224,000.00 168,000.00 10,000.00 20,000.00 30,000.00 30,000.00
	<p>Note: * Federal Territory of <i>Kuala Lumpur</i> has published National Policy on the Development and Implementation of Regulations (NPDIR) report in July 2013 and state recommendation report for Penang, Kedah, Perak and Perlis will be using the budget from BOM paper 240/2020 which was approved on 10/02/2020.</p>	
2.	<p><b>Capacity Building Programmes</b></p> <p><b>Online Meeting/Webinar Session (the rate of payment is based on approval BOM Paper PCT on 27 April 2020 – please refer to Appendix B)</b></p> <p>a. <b>Speaker/Panelist (Public/Private Sector – regardless of academic qualification)</b> (speaker/panelist: RM 300.00 per hour – speaker/panelist x 32 session/event x 2 persons) (slide preparation – RM 200.00 per hour x 32 session/event x 2 persons)</p> <p>b. <b>Moderator (Public/Private Sector – regardless of academic qualification)</b> (RM 250.00 per hour x 32 session/event x 1 person)</p> <p>c. <b>Coordinator/Secretariat</b> (RM 500.00 x 32 session/event x 1 person)</p>	19,200.00 12,800.00 8,000.00 16,000.00

	<b>d. Advisor</b> (RM 250.00 per hour x 32 session/event x 1 person)	8,000.00
	<b>e. Rapporteur</b> (RM 150.00 per page x 32 session/event x 5 pages)	24,000.00
	<b>f. Online Platform Rental including Technical Assistance</b> (RM 700.00 x 32 session/event)	22,400.00
	<b>g. Consultant</b> RM 2,000.00 x 10 days x 5 States	100,000.00
	Note: 32 sessions (4 sessions per month from May until December 2020).	
3.	<b>Online Training (Module on RIA)</b>	50,000.00
	<b>TOTAL</b>	<b>922,400.00</b>

## **APPENDIX B**

### **DEFINISI DAN TOR BAGI PERKHIDMATAN YANG MELIBATKAN PROGRAM ON-LINE**

BIL	PERKHIDMATAN	DEFINISI/TOR
1	PENCERAMAH (SWASTA/AWAM)	Seseorang yang dikenalpasti berpengalaman dalam bidang tertentu berkongsi maklumat melalui ceramah yang disampaikannya
2	PENCERAMAH LUAR NEGARA	
3	MODERATOR	Facilitate sesi bagi penceramah dan peserta serta mengajukan soalan kepada penceramah atau dari peserta
4	PENYEWAAN PLATFORM SAHAJA TERMASUK TECHNICAL ASSISTANCE	<ul style="list-style-type: none"><li>• Perkhidmatan penyewaan platform dan</li><li>• Technical support</li></ul>
5	KOORDINATOR/ SEKRETARIAT	Mendapatkan speaker & tema, kenal pasti kumpulan sasar, membuat poster/brosur, promosi & hebahan program bagi mendapatkan peserta melalui sosial media.
6	KHIDMAT NASIHAT (MELALUI VISUAL ADVISORY CLINIC (VAC)	Individu yang mempunyai kepakaran tertentu dan memberikan khidmat nasihat termasuk panduan dan maklumat kepada syarikat atau individu lain
7	RAPPOURTER	Membuat pelaporan isi-isi penting bagi tajuk yang dibincangkan.