



IMPLEMENTING A SUSTAINABLE PROJECT THROUGH A PPP APPROACH

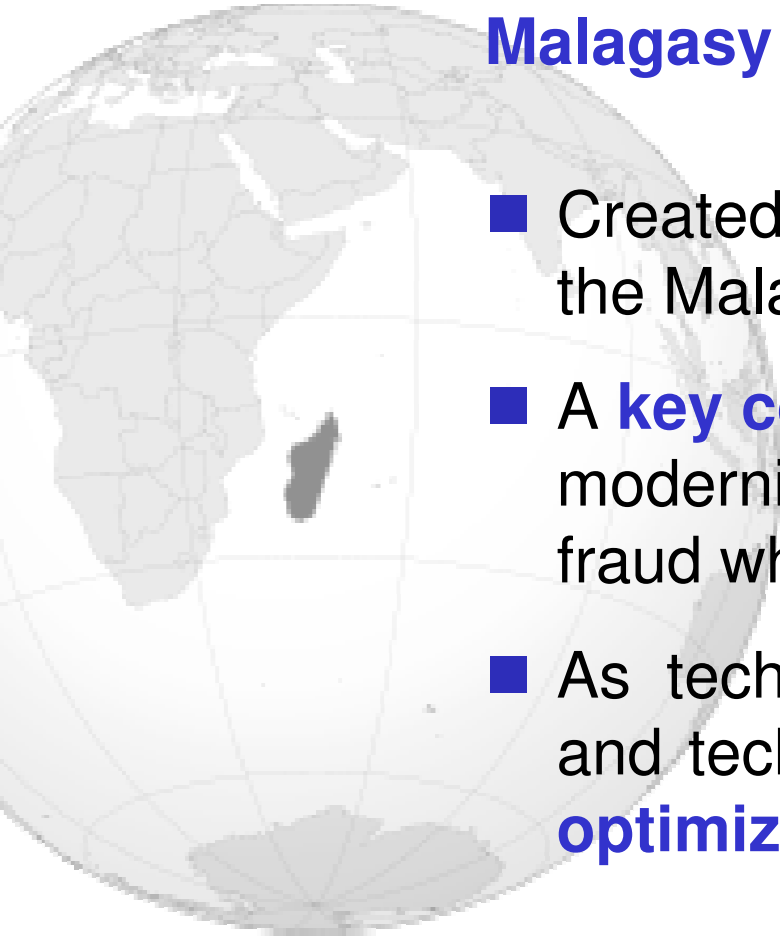
Brazzaville, 2015.



THE PUBLIC PRIVATE PARTNERSHIP...

Malagasy Community Network Services S.A.

- Created in 2007 with shareholding from both the Malagasy Gov (30%) and SGS (70%)
- A **key component** of the Customs' policy to modernize processes, secure revenues, fight fraud while contributing to trade facilitation
- As technical partner, we implement the tools and technologies for the Malagasy Customs to **optimize their performance** and go paperless



THE PUBLIC PRIVATE PARTNERSHIP...

Our principle : not to reinvent the wheel !

- TradeNet is based on the Singapour model
- Customized to fit with local specificities
- + Additionnal services to get a full package

Advantages :

- No transition through a physical SW stage
- Very short implementation period (6 months)
- Continuous improvement / fine-tunning





HOW THE PPP APPROACH DID PROVE ITSELF TO BE THE RIGHT FORMULA

- The Malagasy Single Window case -

Brazzaville, 2015.



KEY POINTS TO REMEMBER

1. Solving **financial** issues
 2. Facilitating operational management
 3. Facing **challenges** due to political situation
 4. Ensuring **transparency** in project accountability
 5. **Customs focus on its core missions**
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SOLVING FINANCIAL ISSUES...

❑ Malagasy Customs :

- shift financial risk to the partner
- focus more on its core activities

❑ GasyNet, as a partner :

- supports the investment (up to 20 millions USD)
- commits to continually update the system
- ensures the profitability and ensures the sustainability

❑ Revenues generated by the Trade are used :

- to support the Customs modernization program
- to finance incentive and capacity building program

FACILITATING OPERATIONAL MANAGEMENT...

❑ Malagasy Customs :

- provides clear guidance and takes the leadership
- validates the proposed tools, and improvements
- works on communication and change management

❑ GasyNet, as a technical partner :

- proposes systems improvement and deploys them
- organizes training and provides technical support
- secures the system and ensures ops full traceability

❑ The Trade and all other stakeholders :

- are encouraged to be actors of the reform
- are participating to working sessions on each project

FACING CHALLENGES DUE TO POLITICAL SITUATION

- ❑ Financial aid from donors were all on stand-by
- ❑ Malagasy Gov recognizes the efficiency of the system, supports the Customs reform policy and trusts their ability to secure revenues (approx 45% of annual budget)

- ❑ Malagasy Customs :
 - reinforces the partnership
 - keeps on achieving its reform and modernization policy
 - reinforces measures to secure both ops and revenues

- ❑ GasyNet :
 - stays confident in the support of the Authorities
 - keeps on achieving the investment plan

TRANSPARENCY IN PROJECT ACCOUNTABILITY

❑ Malagasy Government as Board Member :

- takes part in the management of the company
- directly benefits from the project (profitability)

❑ Malagasy Customs :

- fully benefit from the tools and owns the data
- is validating any use made of both tools and data

❑ GasyNet :

- is managing the project in complete transparency
- is bound to observe professional secrecy, with regard to confidentiality of data and systems security aspects

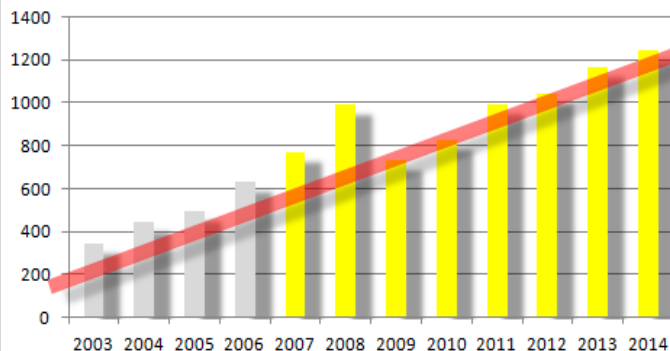
CONCLUSION

The primary mission of the PPP :

- ❑ Making advance use of information technologies
- ❑ Implementating the SW for international trade
 - Customs modernization & Trade facilitation
 - Process, data and revenue securisation
 - Performance improvement & going paperless

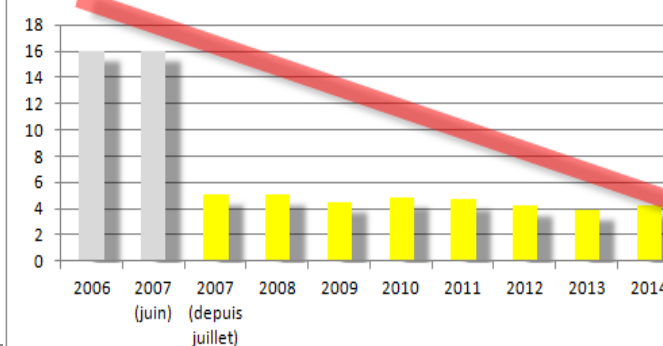
Customs revenue (billions MGA)

Source : Malagasy Customs



Clearance time at Tamatave Port (in days)

Source : Malagasy Customs & TradeNet



Year	Ease of Doing Business	Trading across borders indicator
DB 2006		
DB 2007	159	143
DB 2008	151	127
DB 2009	144	109
DB 2010	134	111
DB 2011	144	110
DB 2012	137	111
DB 2013	142	112
DB 2014*	157	110
DB2015*	160	109

Source : www.doingbusiness.org

* out of 189 economies

CONCLUSION

This could be achieved thanks to :

- ❑ the **Government's commitment** to undertake the customs reform and modernization policy
- ❑ the **Trade's willingness to finance the project**, assuming that they will be the one to benefit from it
- ❑ and the two parties' wishes to **agree on the business model** and achieve a win-win situation

« This partnership has proven itself to be a strong value. The Malagasy Customs can now focus on its core activities and pursue the reform and modernization policy in this dynamic framework, relying on a good technical and financial support. »
- Malagasy Customs -



Thank you for your attention !

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