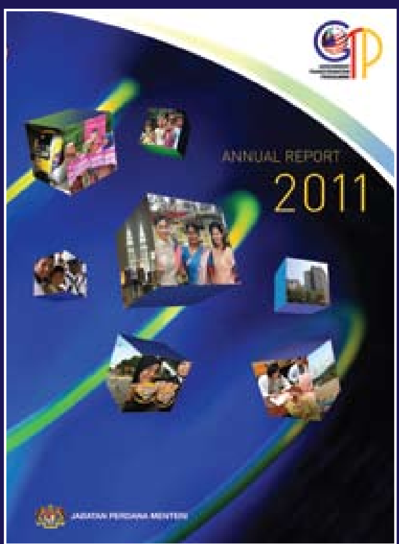
GOVERNMENT TRANSFORMATION PROGRAMME

ANNUAL REPORT 2011

JABATAN PERDANA MENTERI



Cover Rationale

The cover design portrays a dynamic spiral of energy that is reflective of the transformational properties led by the initiatives within the seven National Key Result Areas (NKRAs) of the Government Transformation Programme (GTP). The direction of the luminous ascend illustrates the transformational change - a change that provides positive outcomes that effectively meet the key concerns of all Malaysians via the delivery of Big Fast Results, driving Malaysia towards achieving Vision 2020.

Contents

Making Strong Strides Forward

Progress of the Government Transformation Programme

Dato' Sri Mohd Najib bin Tun Abdul Razak

Prime Minister, Malaysia

In 2011, the Government Transformation Programme (GTP) once again delivered on its promise to bring about transformational change. We made strong strides forward on all fronts and not only achieved, but in some cases exceeded, the stretched GTP targets and milestones. All in all, 2011 was the year the government machinery sustained its momentum, running harder, faster and better to deliver real results to our key stakeholders – the people of Malaysia.

On behalf of the Malaysian government, it is my privilege and honour to share the second Annual Report of the GTP with you.

Upon the GTP's launch in 2010, the government promised improved service delivery and a new landscape of sustainable Big Fast Results to the Malaysian people or the rakyat. We resolved that if Malaysia was to build strong foundations and pursue its ambition of becoming a high-income nation by 2020, the government had to deliver transformational change first.

In the GTP's inaugural year, each of the initial six National Key Result Areas (NKRAs) – Reducing Crime, Fighting Corruption, Improving Student Outcomes, Raising Living Standards of Low-Income Households, Improving Rural Basic Infrastructure and Improving Urban Public Transport – delivered significant results. We overcame great challenges, set new performance benchmarks and delivered positive life-changing outcomes for the rakyat.

An independent panel of international experts, providing an outside-in view of our progress, regarded the GTP as delivering amazing results and driving real transformation for real people.

Spurred on by 2010's achievements, we were determined not to let up the pace in 2011, but to set higher goals and deliver consistent and better results. We introduced a seventh NKRA to address an issue close to the hearts of the people – that of Addressing the Rising Cost of Living.

Making Strong Strides Forward

I am both delighted and humbled to report that the GTP has once again delivered results that matter. The impact on the nation has been nothing short of astounding. Once again, the GTP has touched millions of Malaysians far and wide. Urban or rural, lives have been transformed for the better with a true sense of permanence and real empowerment. All seven NKRAs impacted positively on the lives of Malaysians regardless of race, religion or socio-economic status, staying true to the ideals of 1Malaysia. The achievements of 2011 also demonstrated that the results of the previous year were no mere coincidence. Rather, they bore testament to the strong strategic planning and relentless determination of the government to realise its targets and deliver results.

Where the idea of such transformational change in such a short time was previously deemed impossible, the GTP accomplished the impossible. And it did this without an overly large budget or expansive resources. Instead, it took the passionate and committed civil service, supported by the right action plans, result-oriented goals and a people-centric focus, to make a difference.

In the true spirit or transparency, accountability and unbiased disclosure, this Annual Report provides an accurate account of the GTP's wins and shortcomings, the key lessons learnt, and our plans going forward to safeguard the interests of the rakyat. As we fine-tune our targets in pursuit of even better results for 2012 and beyond, we welcome public feedback, constructive criticism and suggestions on how to better the GTP effort.

Today, the GTP has earned the praises of respected subject matter experts and leaders from the developing and developed nations. They have applauded the GTP's thoroughness, its unconventional approach and its transformational effects. They have also lauded the way the GTP's pioneering work has enhanced the civil service and become the worthy subject of case studies. Aside from benefitting the people, the GTP has ultimately changed the way the government works – making us more transparent, accountable, efficient and service-oriented. When I mentioned in 2011, that the days of "government knows best" are over, I meant it. I expected the government to embrace the culture of being a people-friendly, proactive organisation that has the people's interests at heart. The GTP is testament of this.

Two years may seem a short time to some, but for us as a nation, it has thus far been a very eventful journey. While we can look back on our achievements with a sense of pride and satisfaction, we must also recognise the fact that the journey has only just begun. The GTP in its entirety is a nine-year plan divided into three horizons spanning three years each. We are still in our first horizon (2010-2012) and there is much more work to be done before 2020.

With turbulent times ahead for the world's economies, we expect the journey forward to be fraught with challenges. However, we are determined not to rest on our laurels but to forge strongly ahead. Our focus remains clear. We will maintain the momentum of big wins and unprecedented firsts to achieve our ambition of becoming a developed, harmonious, prosperous and high-income nation by 2020. As we continue to run the race well and make strong strides forward as a united 1Malaysia, we will ensure that all of Malaysia crosses the finishing line.

Dato' Sri Mohd Najib bin Tun Abdul Razak
Prime Minister
Malaysia

2 April 2012

Continuing to Run the Race Well

An overview of Year 2 of the GTP

Tan Sri Dato' Haji Muhyiddin bin Mohd Yassin

Deputy Prime Minister, Malaysia

Following the GTP's delivery of admirable results in 2010, its maiden year of implementation, the Malaysian government set itself the challenge of not just delivering a repeat performance, but of bettering this performance. As such, we set ourselves bigger goals, higher targets and faster delivery schedules.

To facilitate these stretched targets and achieve stronger outcomes in 2011, we capitalised on the strong momentum gained in the preceding year as well as ramped up the government machinery to work at full speed. As such, 2011 saw the government machinery maintaining an unyielding focus on its goals. Various new measures and initiatives were adopted and constant refinement of processes enabled the various NKRA teams and the government as a whole to stay the course. By the year's end, we had successfully reached our 2011 milestones.

This is something that we can all be proud of. However, we must constantly remind ourselves that the race we run is not a sprint, but a marathon. We still have nine more years to go until 2020 before we reach the finishing line. Our job is to keep this good momentum going and we will accomplish this through a clear leadership focus.

Overall, the year in review saw us delivering another round of big wins. Each NKRA made significant progress and delivered tangible outcomes in the areas that mattered most to the rakyat. In July 2011, a seventh NKRA – Addressing the Rising Cost of Living – was introduced to help ease the people's burden and enable them to better cope with the rising cost of living.

The aim of this newest NKRA is simply to provide immediate relief to the rakyat through quick measures, while formulating long-term strategies to address the rising cost of living. Even prior to the roll out of this seventh NKRA, the government had already been playing a proactive role in countering the rising cost of living. From 2010 to July 2011 alone, we spent a total of RM36.7 billion on cash hand-outs, food and petrol subsidies and other forms of assistance to the rakyat. Follow-on initiatives such as the 1Malaysia generic products, eKasih programmes, rural basic infrastructure improvements and government hospital subsidies, as well as a host of initiatives covered by other NKRAs and standalone programmes, all helped ease the rakyat's burden.

Not stopping here, we continue to do more. Initiatives such as free education in government schools, 1Malaysia clinics that only charge RM1 for treatment, affordable housing under the PR1MA initiative and several other forms of assistance, have actually cushioned much of the impact of the rising cost of living. Without these subsidies, the cost of living would be much higher. Rest assured, that the government will continue to listen to needs of the rakyat as we engage with them at the grassroots level.

The GTP continues to enhance the lives of millions in our nation. It is proof that when you challenge yourself, great things are possible. Perhaps even more telling, is that the results speak about what is possible for Malaysia as a nation and as a people: that despite our diverse ethnic, cultural and religious backgrounds or outlooks on life, we are capable of making strong strides forward as a nation when we leverage our capabilities, strengths and potential as a focused and united 1Malaysia.

The year 2012 will be the final year of Horizon 1 (2010 – 2012) of the GTP. By then, the required building blocks for Malaysia's continued development should be in place. Given the current global economic climate, 2012 will be a challenging year for all of us but we aim to persevere by continuously monitoring and tracking the progress of GTP implementation. I am confident that through disciplined follow-through actions, we will be able to better 2011's results.

As Chairman of the Delivery Task Force, I call upon all ministries and agencies to continue the fine work you have been doing to ensure sustainable outcomes for the GTP. As we endeavour to take the GTP to new heights of success in 2012, I trust that all our stakeholders, especially the rakyat, will continue to lend us their full support. Rest assured that the government is determined to overcome all obstacles and drive greater positive change for our nation and its people. By working together, we will accelerate our efforts and move closer towards achieving our economic ambitions.

Tan Sri Dato' Haji Muhyiddin bin Mohd Yassin
Deputy Prime Minister
Malaysia

2 April 2012

Big Fast Results 2011

In its second year of implementation, the GTP once again delivered on its promise to go further, better and faster in delivering transformational change. 2011 saw the Najib administration setting ambitious goals and stretched targets that truly challenged the government machinery. The aim was to push the envelope and challenge public servants to rise above and beyond the call of duty. Akin to the preceding year, 2011's GTP efforts yielded quick and big wins and several firsts for the Malaysian people. Once again, a landscape of undisputed, resounding change was created while millions of lives were empowered. The civil service exceeded expectations and delivered outcomes that many thought impossible. The following Big Fast Results provide a snapshot of 2011's achievements.

Big Fast Results 2011

Reducing Crime NKRA

Street Crime down

39.7%

Index Crime down

11.1%

Malaysia experiences back-to-back, double digit reductions in nationwide crime

For the second consecutive year, Street Crime and Index Crime rates were down by a marked 39.7% and 11.1% respectively. This is the first time Malaysia has experienced double-digit, back-to-back reductions in crime testifying that innovative police programmes are making strong headway.

Malaysia declared

"most peaceful

SEA nation"

"most safe

among 19 others"

For the first time ever, Malaysia attains "most peaceful" and "safest nation" titles

Malaysia's position as the most peaceful country in Southeast Asia and the 4th safest in the Asia Pacific region behind New Zealand, Japan and Australia was validated by the 5th edition of the Global Peace Index (GPI) 2011. Malaysia was also ranked the safest country among 19 upper middle income countries by the World Justice Project's Rule of Law Index 2011. Both external validations underscored the good progress made under the Reducing Crime NKRA.

151

local municipals become safer

Most extensive implementation of the Safe City Programme

Compared to just 12 PBTs (Pihak Berkuasa Tempatan or local municipal councils) in 2010, the Safe City Programme was extended to an additional 151 PBTs nationwide with 8,329 enhanced lighting posts, 1,311 safety mirrors, 104.3 km of railings and bollards installed for the public's safety.

Big Fast Results 2011

Reducing Crime NKRA (continued)

Over
27,000
security personnel deployed

Largest rollout of security personnel in crime hotspots

With the expansion of the Omnipresence Programme into Sabah and Sarawak, over 27,000 security personnel comprising policemen as well as RELA (People's Volunteer Corps) and JPAM (Malaysian Civil Defence Department) members, were deployed in crime hotspots nationwide. At any one time, there are now 2,500 security personnel on the ground at crime hotspots to increase police visibility and deter crime.

82 Selangor police stations become more customer-oriented

For the first time ever, the public are able to rate police services

Via maiden Customer Service Rating Machines deployed in all 82 police stations in Selangor, members of the public are able to immediately rate the services received at police stations and give their feedback.

Fighting Corruption NKRA

64 companies sign the CIP in 2011

Ground-breaking Corporate Integrity Pledge (CIP) launched

This novel effort to directly engage the corporate sector in the fight against corruption is a first in the country's history. The CIP initiative fostered ground-breaking collaboration between the government and the private sector when 64 companies including some of Malaysia's largest public capped companies, pledged their support in 2011.

Fighting Corruption NKRA (continued)

A **first** for the civil service

Novel reward and recognition guidelines for public servants developed

For the first time in the history of the civil service, reward and recognition guidelines were introduced for civil servants who report incidences of corruption and graft.

5

key agencies join forces against corruption

Unparalleled cooperation between key enforcement agencies

An Anti-Corruption Campaign, complete with a new mascot, Agent Lang was conceived with the support of the five key enforcement agencies. It fostered unprecedented, unparalleled co-operation between the Royal Malaysian Police, Road Transport Department, the Royal Malaysian Customs Department, the Immigration Department and the Malaysian Anti-Corruption Commission.

Improving Student Outcomes NKRA

3,089

pre-school classes rolled out - double 2010's figure

Largest ever increment of new pre-school classes

A total of 3,089 new pre-school classes were built in 2011 by government agencies and the private sector. This, the largest ever increment of new pre-school classes, is more than double 2010's figure and includes 45 classes built in remote areas in Sabah and Sarawak.

Big Fast Results 2011

Improving Student Outcomes NKRA (continued)

New tools
bolster pre-school, examination and learning disability efforts

Launch of several innovative educational firsts for Malaysia

Several innovative systems and tools were introduced in 2011 to enhance the overall education system. These included the national pre-school information system (Sistem Maklumat Prasekolah Kebangsaan or SMPK) which enables data monitoring and evaluation of pre-school centres and students; a national level web-based data system, the School Examination Analysis System for all public schools; and an instrument to identify children with symptoms of learning disabilities.

Close to
900,000
students benefit from LINUS

Largest implementation of literacy and numeracy screenings

A total of 891,327 Primary 1 and Primary 2 students underwent the literacy and numeracy screenings (LINUS) programme in 2011. Cohort 1 (Primary 2) students achieved a 97.5% literacy rate and a 98.6% numeracy rate in 2011, while Cohort 2 (Primary 1) students achieved a 91.0% literacy rate and a 95.4% numeracy rate.

40.25%
drop in low performing schools nationwide

Highest drop in number of low performing schools

In 2011, over 40.25% of schools moved out of the lowest performing primary and secondary school classifications (Band 6 and 7) into higher bands. The number of low performing schools dropped from 636 in 2010 to 380 low performing schools in 2011.

Raising Living Standards of Low-Income Households NKRA

63,147 poor households elevated

Largest number to benefit from poverty eradication

2011 saw over 63,147 poor households (including 12,510 from Sabah and 11,401 from Sarawak) participating in the 1AZAM programme. 1AZAM centres on providing economic opportunities that enhance the productive capacity of low-income households so that they are lifted out of poverty and become self-sustaining.

110% of 1,000 women entrepreneurs trained to date

Over 3,000 women entrepreneurs developed to date with significant income rises

Another 1,100 women entrepreneurs were successfully trained in 2011 and their income raised from an average of RM750 per month to RM3,500 per month or more, bringing the total number over the past two years to 3,100. The target is to develop 4,000 women entrepreneurs by 2012.

12,578 poor are given the chance to be self-sustainable

Over 12,000 lives elevated through micro credit loans

Some 12,578 participants successfully received micro credit loans and training for small businesses or services-based self-employment from Amanah Ikhtiar Malaysia (AIM). This initiative is doing much to elevate the livelihood of the poor.

Big Fast Results 2011

Improving Rural Basic Infrastructure NKRA

3.2 million
rural lives elevated

Second successive year of rapid, large scale rural development

In 2011, some 998,357 lives were positively impacted through the provision of housing, water supply, electricity and roads.

- Additional roads built added up to a cumulative total of 1,796.1km – which is longer than the breadth of Peninsular Malaysia.
- A total of 109,500 rural homes were connected with clean water supply.
- Cumulatively, 54,270 units of houses were electrified.
- Approximately 31,327 rural homes were built or refurbished ahead of schedule.

In total, some 3.2 million lives in rural areas in Peninsular and East Malaysia have been touched in the last two years.

Improving Urban Public Transport NKRA

Puduraya is transformed into
world-class
Pudu Sentral

First makeover of a Malaysian icon in 35 years

The refurbishment and re-launch of the Puduraya Terminal into the modern, convenient and user friendly Pudu Sentral transport hub has totally transformed this Malaysian icon and given travellers a world-class facility.

Improving Urban Public Transport NKRA (continued)

468 Klang Valley bus stops refurbished

Largest ever bus stop refurbishment exercise

2011 saw 468 bus stops in the Klang Valley refurbished while 306 new bus stops are currently under planning and design. As bus stops are one of the first contact points for bus passengers, their condition is crucial to encourage the use of public transport.

An additional **470** buses for the Klang Valley

Largest rollout of buses in the Klang Valley

The introduction of 470 RapidKL buses increased the frequency of buses across the Klang Valley as well as passenger utilisation of public transport.

Malaysia's **first** seamless ticketing system is introduced

For the first time ever, commuters get to enjoy a seamless travelling experience

For the first time in Malaysia's history, bus passengers can enjoy a seamless ticketing experience via the new Bus Ticketing System across all RapidKL buses. With this system, customers need only use a transit card for fare payment.

After a string of resounding wins in its inaugural year, the Government Transformation Programme (GTP) entered its second year with renewed focus on more game-changing results for 2011. Stretching nationwide, the GTP impacted the innermost parts of rural Sabah and Sarawak as well as the urban landscapes of the Peninsula. The lives of millions of Malaysians were elevated regardless of whom, what and where they were.

An Overview of the Government Transformation Programme (GTP)

Malaysia's GTP – a catalyst for national transformation

When the Government Transformation Programme (GTP) was launched in 2010, it aimed to address key areas of concern to the Malaysian people while serving as a catalyst for Malaysia's transformation into a developed, high-income nation. The GTP centred on getting civil servants more deeply involved in preliminary planning for the National Key Result Areas or NKRAs. Under the programme, measurable targets were assigned, a specific delivery chain created and a clear and unhindered reporting framework set in place. These and other measures would serve as the catalysts that would engender a more collaborative culture among public servants and drive service delivery improvements for the people or rakyat.

In its inaugural year, the GTP exceeded all expectations delivering a new era of transformational change for Malaysia and the civil service via a series of Big Fast Results that were robust, enduring and truly enriching. As GTP initiatives came into effect, the lives of millions of Malaysians, both urban and rural, were transformed for the better with a true sense of permanence and real empowerment. The second year of GTP implementation too delivered results that made a difference and brought Malaysia closer towards its economic ambitions.

The GTP has indeed proven itself to be a catalyst for national transformation and will continue to drive positive change. Together with Malaysia's other catalysts for national transformation – the Economic Transformation Programme (ETP), Malaysia's New Economic Model (NEM) and the Tenth Malaysia Plan (10MP) – the GTP is complementing the cohesive efforts to transform Malaysia into a progressive, high-income nation as per Vision 2020.

This section aims to provide you with an overview of the GTP and the developments to date.

Understanding the GTP

These two main objectives of the GTP underpin all efforts to date:
- It is centred on the priorities that matter most to the rakyat i.e. People First.
- It seeks to create fundamental changes on a nationwide basis to deliver big fast results i.e. Performance Now.

Priorities that matter most to the Rakyat

Delivering fundamental nationwide changes

GOVERNMENT TRANSFORMATION PROGRAMME

An Overview of the GTP

The NKRAs – the pillars of the GTP

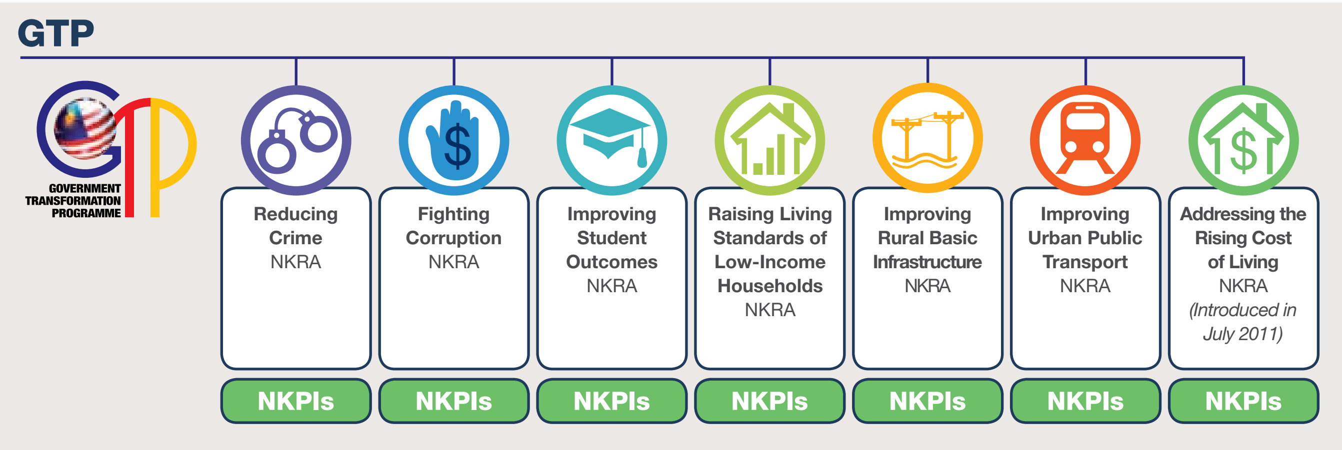
To achieve the GTP's objectives, seven National Key Result Areas (NKRAs), requiring big and fast results have been conceived as the pillars of the GTP. These NKRAs address particular areas of concern to the rakyat. They represent a combination of short-term priorities to address the rakyat's urgent concerns as well as equally important long-term issues affecting the rakyat that require immediate attention. The NKRAs were determined based on public feedback collected via a variety of innovative channels.

The NKRAs to date are:

- Addressing the Rising Cost of Living (led by the Deputy Prime Minster and introduced in July 2011)
- Reducing Crime (led by the Minister of Home Affairs)
- Fighting Corruption (led by the Minister in the PM's Department, Law and Parliamentary Affairs)
- Improving Student Outcomes (led by the Minister of Education)
- Raising Living Standards of Low-Income Households (led by the Minister of Women, Family and Community Development)
- Improving Rural Basic Infrastructure (led by the Minister of Rural and Regional Development)
- Improving Urban Public Transport (led by the Minister of Transport)

Each NKRA has its own National Key Performance Indicators (NKPIs) – specific targets which are to be achieved in the interests of the people or rakyat.

Overview of the GTP, NKRAs and NKPIs



The GTP initiative is led by the Prime Minister and his Cabinet, and is supported by the Chief Secretary to the Government (KSN) and the civil service. The Performance Management and Delivery Unit (PEMANDU) within the Prime Minister's Department is tasked with driving this initiative. The NKRAs are jointly owned by the Cabinet, with the responsibility for delivery resting on a Lead Minister, who is formally appointed and monitored by the Prime Minister.

The MKRAs – ensuring ministerial accountability

Running parallel to the NKRAs are the Ministerial Key Responsibility Areas or MKRAs. These are areas not covered by the NKRAs but are deemed important enough to receive attention at the ministerial levels. These MKRAs include targeted outcomes that the rakyat can see and feel. The MKRAs in turn call for the delivery of Ministerial KPIs (MKPIs) or specific targets to be achieved in the interests of the rakyat.

The MKRA initiative underscores the Prime Minister's commitment towards creating a performance-based leadership and accountability within government starting right from the Executive – the Cabinet. Ministerial performance is reviewed and assessed based on the achievements of the MKRAs and MKPIs. Prime Minister-Minister Performance Reviews are conducted every six months to ensure each Minister's MKPIs are progressing on track. More details on the MKRAs can be found in the relevant section of this Annual Report.

National Priorities = NKRAs	NATIONAL LEVEL (driven by PM)	MINISTERIAL LEVEL
KRAs Key Result Areas	**NKRAs** National KRAs: Areas identified as most important priorities for the country (e.g. reduce crime)	**MKRAs** Ministerial KRAs: Areas identified as the key responsibilities of each Minister (e.g. faster delivery)
measured by **KPIs** Key Performance Indicators	**NKPIs** National KPIs: Indicators that measure performance within an NKRA (e.g. reduce number of snatch thefts)	**MKPIs** Ministerial KPIs: Indicators that measure performance within an MKRA (e.g. reduce processing time for licenses)

An Overview of the GTP

Malaysia's ambitious nine-year transformation plan

The overall GTP aims to deliver early successes while paving the path for Malaysia to achieve its ambition of becoming a developed, high-income nation by 2020. To ensure GTP efforts are focussed and sustainable, an ambitious nine-year plan spanning three horizons has been developed:

Horizon 1 (2010-2012) of the GTP

Under Horizon 1, the GTP is to serve as a new engine for change and deliver substantial outcomes to the rakyat quickly. This includes setting and achieving targets within NKRAs and Ministerial Key Result Areas (MKRAs), so as to address the priorities of the rakyat.

Within Horizon 1, existing efficiency measures to improve government productivity are expected to continue. In addition, the government is committed to publishing an annual report in the first quarter of each following year (the 2010 Annual Report being our inaugural one), incorporating public feedback and debate, and instituting performance management mechanisms to ensure delivery of NKRA and MKRA targets.

Horizon 2 (2012-2015) of the GTP

Under Horizon 2, the change within government is expected to be even more pervasive. The important aspects of daily life (defined here as NKRAs and MKRAs) should have improved significantly. The structure of the economy should have evolved in line with the New Economic Model into higher-value-added sectors, and government productivity should have been further enhanced.

Horizon 3 (2015-2020) of the GTP

Under Horizon 3, fundamental changes to Malaysian society as envisaged by Vision 2020 should have happened. The rakyat should be experiencing a new sense of being Malaysian, a higher level of prosperity and better public services. By then, the government would have become smaller and more agile, and should be working increasingly in partnership with the private sector to provide public services efficiently. Innovative and rakyat-centred models of public service delivery – centred on choice and competition – should be in place by then.

Delivering Big Fast Results

The most outstanding feature of the GTP is its endgame objective: delivering Big Fast Results. This calls for the delivery of unprecedented results that matter to the people in the quickest manner possible, in line with the overarching concept of “People First, Performance Now”. These never-achieved-before results can only be attained by setting ambitious targets, whereby substantial improvements are felt immediately by the people.

In realising this ambition, the GTP unlike other initiatives in the past, relies on “stretched targets” – challenging NKPIs under each NKRA to bring about the desired positive outcomes. In rolling out the GTP, the government has resisted the tendency to set modest or soft targets. This will ultimately defeat the objective of delivering quick and significant improvements and the development of a high-performance culture in the government. Only when we challenge ourselves, are we propelled to grow and deliver ground-breaking results.

The differences between the GTP and previous national plans are clearly evident in the areas of target and strategy formulation, execution and implementation of measures, the extent of public involvement and government participation, as well as the measurement of results. The GTP has also broken new ground in terms of the marked service delivery improvements within the government as well as the creation of a people-oriented mind-set and high performance culture within the public sector.

The most telling distinction of the GTP is the results achieved thus far. In its first year of implementation, the GTP delivered many big and quick wins in every NKRA. In its second year, although targets were further stretched, many big and quick wins were still achieved. The many outcomes achieved under the GTP may be viewed in greater detail under the respective NKRA and MKRA chapters.

An Overview of the GTP

The GTP's unique approach

The GTP's unique approach is unprecedented and it bears several distinguishing characteristics from any previous government plan or programme in Malaysia. These include:

- An emphasis on KPIs and results rather than budget expenditure. Under the GTP, budget exhaustion is not viewed as a sign of achievement or progress. Instead, the grain is to achieve budget savings, without compromising targets. This key lesson is serving as a best practice for the government going forward.

- A detailed level of planning unseen before in the history of government. Plans under the GTP can be drilled down to the smallest detail i.e. from the 30,000 foot view right to the three foot level. Every implementation stage, tactical initiative and action plan as well as the individuals accountable are identified, tracked and monitored. Data, statistics and figures are audited to reflect the true nature of the outcomes. In essence, a high degree of precision and accountability has been adopted in the implementation of the GTP.

These and other novel aspects of the GTP have enabled it to go beyond conventional benchmarks of accomplishment. These measures allow the GTP to serve as a practical and comprehensive action plan that is primarily focussed on delivering targeted results and positive outcomes for the people's immediate benefit.

2010 – Malaysia's transformation begins

2010 marked a new era of transformational change for Malaysia as the GTP delivered a series of Big Fast Results for the country. In its inaugural year, expectations were surpassed with outstanding results recorded in all initial six NKRAs (Reducing Crime, Fighting Corruption, Improving Student Outcomes, Raising Living Standards of Low-Income Households, Improving Rural Basic Infrastructure and Improving Urban Public Transport). These included many unprecedented firsts for Malaysia.

Sir Michael Barber, esteemed member of the International Panel Review (IPR) Committee which was tasked with providing an independent, third party assessment of the GTP stated: "The successes achieved were nothing short of amazing." Other IPR panellists and respected international experts also echoed similar sentiments, stating that the GTP had truly given Malaysians remarkable victories and life-changing outcomes as well as brought about new levels of change. Such was the success of the GTP that leaders of other countries have looked to it as a case study for their own countries to emulate.

While 2010's results were indeed encouraging, the government was fully aware that the momentum of achievement had to be continued and improved upon to yield further transformational change. The decision was made to push the envelope on 2011's GTP efforts.

2011 – Setting higher benchmarks

Considering the benchmarks set in 2010, the task that lay ahead was daunting. But having committed itself to the process and with the rakyat expecting nothing less than an equally impressive string of results, it was imperative that the government continued to focus on Big Fast Results.

As such in 2011, the government once again resisted the temptation to set modest targets but instead tasked each NKRA with setting even higher benchmarks. The way forward was to adopt stretched targets that would be realised through out-of-the-box thinking and unconventional methods. These higher targets were to deliver more unprecedented wins and firsts, more positive outcomes, and greater public service delivery.

Year 2 saw several changes being made to the GTP, particularly within the NKRAs. The changes were made based on lessons learnt from Year 1 as well as feedback from the ground. These were then incorporated into the formulation of the NKPIs, the set targets and the various initiatives.

In July 2011, in response to the public's concerns about the rising cost of living, a seventh NKRA was established. The Addressing the Rising Cost of Living NKRA aims to address the rising cost of living by providing assistance to needy groups as well as addressing potential issues in the supply chain. The solutions provided would include the provision of subsidies and financial aid, as well as improvements to current procurement processes and the delivery of essential goods and services to the public, among other initiatives.

Delivering real outcomes, empowering real people

With the addition of a new NKRA and the refining of existing NKRAs and their respective NKPIs, the GTP was implemented in full force in 2011. Even as the various initiatives were cascaded nationwide, its impact was comprehensive and all encompassing. Stretching nationwide, the GTP covered the innermost parts of rural Sabah and Sarawak as well as the urban landscapes of the Peninsula. The lives of millions of Malaysians were impacted for the better regardless of whom, what and where they were.

An Overview of the GTP

The improvements brought on by the GTP have been robust, enduring and truly enriching. Take the case of the Raising Living Standards of Low Income Households (LIH) NKRA. In 2011 alone, 63,147 poor households were given the opportunity to participate in the 1AZAM programme. Created to provide economic opportunities that enhance the productive capacity of low-income households, the 1AZAM programme helped lift a substantial number of Malaysia's poor out of poverty and become self-sustaining.

Under the Improving Rural Basic Infrastructure (RBI) NKRA, some 998,357 lives were changed for the better in 2011 in the rural areas of East and Peninsular Malaysia even as they were accorded access to roads and housing as well as a clean water and electricity supply. Cumulatively, the RBI NKRA helped elevate the lives of some 3.2 million rural Malaysians over a two-year period.

Such stories were abundant and prominent in 2010 and 2011, proving that they were the norm and not the exception. The growing belief in the success of the GTP is now also being felt by the public. Over the course of the year, with more Malaysians experiencing the positive outcomes of the GTP, the rakyat voiced their support as proven by the positive feedback received. The initiative has been accepted for what it truly is – a sincere and committed effort to better the lives of all Malaysians.

Measuring the GTP

To ensure that the GTP achieves measurable, quantifiable outcomes and to ensure public transparency and accountability are upheld, we continue to benchmark the programme. As in 2010, scoring for the GTP continues to be measured at two stages. The first is at the individual NKPI level where each NKPI has its own set targets. The results of the NKPIs are then tabulated to provide a composite for the overall NKRA. In ensuring that the achievements under the respective NKRA are truly substantial and credible, three varying scoring methodologies are brought into play. The finer details of these are outlined in the section titled "2011 NKRA Performance and Expenditure Budget" on pages 304 to 312 of the Annual Report.

The NKRA scoring system continues to be refined to ensure it remains transparent, open and as precise as possible. From the collection of NKPI data to the tabulation of statistics and formulation of findings, stringent care has been taken to ensure that the performance measurement process remains accurate and unbiased to preserve the integrity of the findings. Where it is deemed appropriate, independent third parties are appointed to undertake data collection efforts. The government's specific focus has been on presenting the data truthfully – reflecting both successes and shortcomings to gain an accurate picture of the GTP's performance.

Independent third party verification

In the interest of transparency and to uphold the validity of the GTP, the government has once again invited distinguished international experts to sit on the GTP's International Panel Review or IPR Committee. The IPR process that began in 2010 with a selection of subject matter experts, once again featured prominently in the validation and verification of GTP outcomes for 2011. The full results of the IPR Committee's findings can be viewed on pages 278 to 298 of this Annual Report. The purpose of the Committee is to independently assess the entire programme's scope and to provide their impartial views as well as to share ideas to facilitate further improvement.

In addition to the IPR Committee, to ensure the authenticity and accuracy of results, an independent third party, PricewaterhouseCoopers Malaysia (PwC), was engaged in early 2010 and subsequently in 2011 to perform certain agreed-upon procedures (AUP) on the GTP. The AUP served to validate that the information and data inputs used in determining selected reported NKPIs were in agreement with the information provided by participating ministries, agencies or departments. The respective NKPI calculations were also checked against the guidelines and formulae prescribed by PEMANDU.

It is important to note that, based on the AUP performed in 2010, PwC highlighted a number of exceptions to the reported NKPIs and identified opportunities to improve the processes and the quality of information of the overall GTP. PEMANDU and the relevant Ministries then undertook the prescriptive actions to effect these improvements. These recommendations implemented over the course of 2011 ensured continuous improvements were made to data integrity efforts and the accuracy of the reported NKPIs for 2011. Based on their 2011 findings, PwC has reported that the actual 2011 NKPI results have been validated according to the AUP.

Ensuring accountability to the rightful stakeholders

2012 marks the final year of Horizon 1 of the GTP and there is still much more work to be done, with efforts needing to be stepped up. As the GTP moves into its third year, the government will continue to ensure it remains transparent and accountable by presenting GTP data in its true nature to the rightful stakeholders of the programme – the people of Malaysia.

Even as the GTP was established based on the concerns of the rakyat, the people's vote of confidence and their endorsement of the outcomes to date will add further credence to overall GTP efforts. Going forward, the government remains committed to working hand in hand with all Malaysians, regardless of race, religion or social status to fast-forward Malaysia's transformation into a developed, high-income nation.

2011

Results of the Seven National Key Result Areas (NKRAs)

1. Addressing the Rising Cost of Living

2. Reducing Crime

3. Fighting Corruption

4. Improving Student Outcomes

5. Raising Living Standards of Low-Income Households

6. Improving Rural Basic Infrastructure

7. Improving Urban Public Transport

Addressing the Rising Cost of Living

Together

Tackling everyday concerns

Addressing the Rising Cost of Living

Tan Sri Dato' Haji Muhyiddin bin Mohd Yassin

Deputy Prime Minister

"The goal of the latest NKRA – the Addressing the Cost of Living NKRA – is to provide immediate relief to the rakyat through quick measures while also formulating long term strategies to address the rising cost of living. This is in line with the aspirations of the "People First, Performance Now" philosophy of the government. In 2011, we looked into ways to improve the agriculture supply chain to ensure minimal food loss during the production and supply process. We also continued to monitor and control prices of essential items and manage our subsidies, which are already among the highest in the world. A host of rakyat-focused initiatives including Bantuan Rakyat 1Malaysia financial assistance, 1Malaysia Clinics, Kedai Rakyat 1Malaysia and the Menu Rakyat 1Malaysia have been implemented. It is our hope that all these efforts will go a long way in helping ease the people's burdens, while at the same time helping Malaysia move closer towards its economic ambitions."

Easing the people's burden

Exactly two years to the day that the GTP and its six NKRAs were introduced to the public on 27 July 2009, the Prime Minister announced the seventh NKRA – the Addressing the Cost of Living or COL NKRA. In the two years since the first six NKRAs were announced, the cost of living in Malaysia had risen to affect a majority of the population in varying degrees. Many Malaysians were feeling the pinch, but were not quite aware that this phenomenon was occurring worldwide. The COL NKRA was conceived to manage the rising cost of food and essential items as well as develop strategies to reduce the impact of the rising cost of living on the rakyat.

Today so many global factors are contributing towards increasing our cost of living. One of the root causes is the rise in global food prices due to a drop in crop production and increase in input costs. The erratic changes in global weather patterns too have resulted in reduced crop yields. Some countries have taken to stockpiling – further affecting limited supply. On top of this, the volatility of fuel prices has compounded the problem.

It is these and several other factors that have caused the prices of goods to rise dramatically. Unfortunately, the poor and developing countries are the ones affected the most. The cold hard facts are that world prices will not return to the levels they were at five years ago.

Malaysians are not alone in facing this problem, nor is the country the worst affected. Nonetheless, it is the government's duty to do what it can to manage these rising costs and seek ways to slow their effect on the rakyat. This is where the latest NKRA comes in. The goal of the COL NKRA is to provide immediate relief to the rakyat through quick measures while also formulating long-term strategies to address the rising cost of living.

Delivering real benefits, meeting real needs

Although less than a year old, the COL NKRA has already proven its effectiveness by delivering a series of Big Fast Results for the Malaysian people, in particular the working and middle class segments of society. Other groups too have benefitted including all primary and secondary school students as well as students pursuing tertiary education.

The various COL initiatives undertaken such as the Bantuan Rakyat 1Malaysia (BR1M) programme, Back-to-Scool financial assistance, Bantuan Buku 1Malaysia (BB1M), 1Malaysia Clinics, Kedai Rakyat 1Malaysia (KR1M) and the Menu Rakyat 1Malaysia have provided immediate aid to millions of Malaysians. The rakyat's concerns about food, education and other living expenditure too have been addressed even as government initiatives have cushioned the impact of the rising cost of living.

Addressing the Rising Cost of Living

This is how the COL NKRA initiatives have benefitted Malaysians:

BIG WINS

- Under the BRIM initiative, some 5.2 million Malaysian households earning RM3,000 and below each received one-off RM500 financial assistance from the government. Over 75% of all households in the country benefited from the RM2.6 billion budget set aside for this exercise
- Some 5.3 million primary and secondary school-going children received RM100 to cover "back-to-school" and other expenses under a RM530 million exercise. Beginning with the 2012 school year, government school fees have been removed. For the first time in Malaysia, public education is free of charge
- Approximately 1.3 million students in public and private local institutions of higher learning, matriculation streams as well as Form 6 benefited from a RM260 million Bantuan Buku 1Malaysia (BB1M) initiative that saw RM200 book vouchers being distributed nationwide to each of these students
- Today, medical treatment is virtually free and affordable for the rakyat with 1Malaysia Clinics only charging RM1 for treatment while senior citizens get free treatment
- With the launch of Kedai Rakyat 1Malaysia (KR1M) stores, Malaysians are today able to purchase groceries at prices 30-40% less than conventional stores
- Following the launch of the Menu Rakyat 1 Malaysia, a pre-packaged menu where breakfast is set at a standard rate of RM2 and lunch at RM4, all Malaysians have an affordable alternative for breakfast and lunch

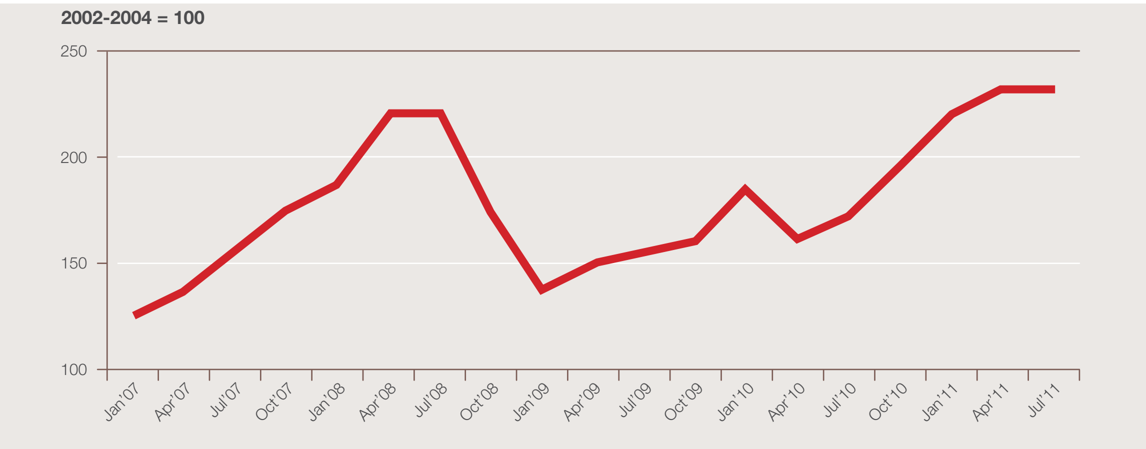
It was never envisaged that the COL NKRA would be able to deliver such tangible wins in such a short time. Across the board, the response from the public has been nothing short of positive, with each initiative receiving growing support and the rakyat's approval. These achievements are all the more impressive given that the COL NKRA is still less than a year old.

OVERVIEW

Rising global food prices – a key factor

Between 2007 and 2008, a dramatic worldwide increase in food and fuel prices occurred but this subdued soon after fuel prices tapered off. The same phenomenon occurred once again in mid-2010 and going forward this is expected to be a recurring global trend.

FAO Global food prices have grown tremendously



Source: World Bank / United Nation

In recent years, major commodities producers have been facing unpredictable weather conditions due to climate change. Severe droughts and floods have resulted in bad crops and shortage of essential produce such as wheat and sugar. Countries like Russia, Canada, and Australia, major exporters of wheat, have had less to export, which has driven up the global price of this commodity.

When these exporting countries announce their lower production levels, and consequently lower exports, it causes panic buying in the market, forcing prices up further. These are among the many factors that have caused the prices of goods to rise. Unfortunately, the poor and developing countries have been the most affected.

Addressing the Rising Cost of Living

> "The price hikes in subsidised items such as sugar, diesel, petrol and electricity tariff remain at the heart of the issue for Malaysians."
>
> Kow Kuan Hua, Nielsen Malaysia
> Managing Director.

Malaysia is not alone

Malaysia is not alone in dealing with the increased cost of food items, nor are we the most affected. Malaysians are still better off than many other countries and the government's pro-active stance in addressing this matter has to some extent offset the negative effects of this global phenomenon. Thanks to government subsidies, Malaysians can still buy sugar at RM2.20 per kg while those in neighbouring countries such as Thailand and Indonesia need pay RM2.90 and RM3.65 per kg respectively. Still, Malaysians must accept the reality of higher food prices, at least for the near future. It is unlikely that prices will go down to the levels of five years ago.

The rising cost of living is most evident among our urban population. [1]The Economist Intelligence Unit (EIU) reported that the cost of living in Kuala Lumpur had risen by nearly 25% over the past two years. With their lifestyles impacted, the rakyat have naturally voiced their concerns. More Malaysians have expressed their grievances regarding how they now have to pay more to enjoy the same lifestyle and consumption patterns that they did three to five years ago. The Nielsen Global Online Survey 2011 confirms this fact. The survey shows that Malaysians are increasingly concerned about making ends meet. The cost of living remains a topmost priority with fuel and food prices being the biggest talking points.

The facts speak for themselves:

- Malaysia saw a 9.3% increase in retail fast-moving consumer goods (FMCG) although this came in a period of surging inflation which saw the consumer price index hit a two-year high of 3% in March 2011 and continuing to rise to 3.5% in June 2011.
- 84% of Malaysians claimed they have changed their spending patterns to save on household expenses.

In short, the rising cost of living is a very real development in Malaysia. Even as the rakyat feel the pinch, they have become more concerned, especially the lower and middle-income households.

1 The Economist Intelligence Units is the forecasting and advisory services arm of the Economist publication

Addressing the Rising Cost of Living

Govt addressing cost of living problem

Tackling rising costs

Govt focuses on easing the people's burden

Govt to study new ways to overcome price hike

Help for earners of less than RM3,000

Govt draws up strategies to overcome rising cost of living

Bid to fight rise in living costs

Six-point resolution to be presented to government before Budget 2012

The 'Protect our Pockets' Six-Point Resolution

DPM lauds proposals to aid the poor

Govt looks into rising cost of living

Issue included in list of NKRAs

Hard to make ends meet with high cost of living

Unite to control prices, mitigate inflation

Addressing the Rising Cost of Living

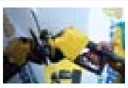
Doing more for the people

Even before the roll out of this seventh NKRA, the government had already been playing a proactive role in countering the rising cost of living. From 2010 to July 2011 alone, the government spent a total of RM37.6 billion on cash hand-outs, subsidies and other forms of assistance to the rakyat.

RM37.6 billion invested in easing the people's burdens

Since 2010 to June 2011, the Government has spent approximately RM37.6 billion providing assistance in various forms. The assistance has taken the form of the initiatives under the other NKRAs or as standalone activities.

Non-exhaustive

	Intiatives	Descriptions	Cost
	Housing (NKRA)	• Program Bantuan Rumah - Build new houses and refurbish houses for hardcore poor • DBKL Houses for sale **(Under the RBI NKRA)** • SPNB – Rumah Mesra Rakyat and Abandon houses	1.07 bil
	Roads (NKRA)	• Federal trunk roads – building major arteries • Connection roads inter/intra villages **(Under the RBI NKRA)**	3.80 bil
	Cash assistance for the poor (NKRA)	Temporary cash assistance before 1AZAM programme will bear fruits and lift them out of poverty **(Under the LIH NKRA)**	0.02 bil
eKasih	Loans and grants via 1AZAM (NKRA)	Economic activities targeted to extreme poor and poor households that registered in eKasih system **(Under the LIH NKRA)**	0.69 bil
	Pre-school fees vouchers (NKRA)	Vouchers for pre-school age children to attend private pre-school of their choice. Voucher is given up to the fee amount of the school	0.01 bil
	RM1 treatment at govt. hospitals	Government subsidize almost 97% of all healthcare cost at government hospitals and clinics	13.00 bil
	Fuel	Petrol, Diesel and LPG	18.99 bil
		TOTAL	**37.58 bil**

Addressing the Rising Cost of Living

At a glance, the assistance rendered has been substantial. When viewed in detail, it is clear that almost all the rakyat have benefitted from some form of government subsidy or assistance. With subsidies given to cover the price of petrol (RON 95), cooking gas, sugar, palm cooking oil, electricity and toll, almost every Malaysian has enjoyed the benefits derived from these subsidies.

The following examples portray how Malaysians from different walks of life, have received assistance:

Items Subsidised

- Petrol RON95
- Cooking Gas
- Sugar
- Palm Cooking oil
- Healthcare (Gov clinic)
- Education (family)
- Toll
- Electricity (single)

Single Working Adult
Spending Per Month on subsidised Items

Total cost at Market Price RM446 − **Total Spent** RM300 = Govt. Subsidy **RM146** **32.79%**

Household with Husband and Wife (1 breadwinner) and 1 Child in Full Boarding School (best case scenario, where govt subsidises the most) Spending Per Month on subsidised Items

Total cost at Market Price RM783 − **Total Spent** RM360 = Govt. Subsidy **RM424** **54.16%**

Recently, the Prime Minister announced several additional measures under Budget 2012. These included free education in government schools, 1Malaysia clinics that only charge RM1 for treatment, affordable housing under the PR1MA initiative and several other measures. Unaware to many Malaysians, these forms of assistance have actually cushioned much of the impact of rising cost of living. Without which, the cost of living would be much higher.

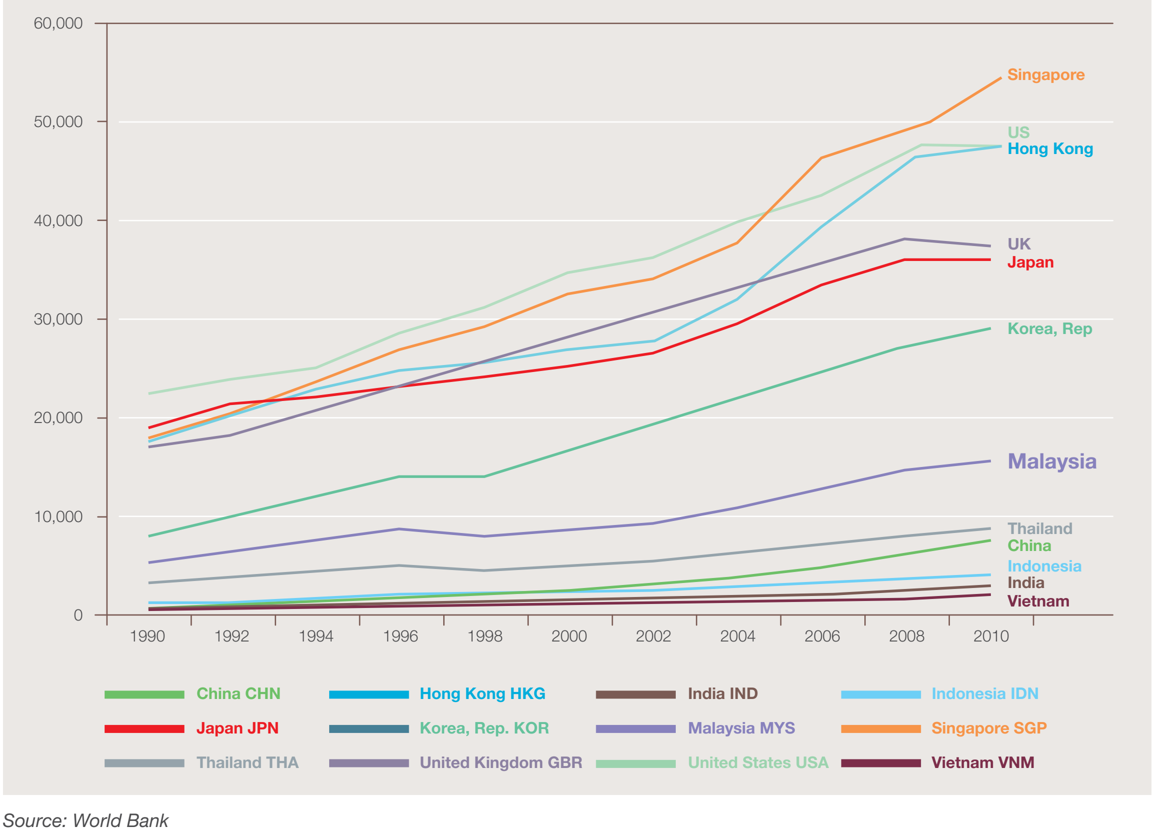
The government is also prepared to do more. Via the COL NKRA, the resources of the administration have been directed to look into the situation. The COL NKRA aims to spearhead comprehensive efforts to deliver big, fast results that will deliver an immediate and tangible effect to the rakyat. At the same time, the government is devising strategies to improve production and supply chain distribution. Inefficiencies within the system will be removed so that goods can be produced and made available to Malaysians faster, better and more cost effectively. This, by and large, is the ultimate goal of the COL NKRA. It will not just focus on providing aid to address the rising cost of living, but will approach the issue in a comprehensive manner where every facet will be given due attention. Under this approach, the assistance provided will offer immediate relief while the structural mechanisms too will be reviewed to ensure the changes are sustainable.

PUTTING THINGS IN PERSPECTIVE

Malaysia's strong economic fundamentals

While there is no denying that cost of living has increased, the issue should not be viewed in isolation but in tandem with the country's socio-economic status. Since 2005, Malaysia's Purchasing Power Parity (PPP) has been growing. The country's GNI per Capita (PPP adjusted) has also been growing consistently (since 1990) and currently puts the country higher than most ASEAN countries.

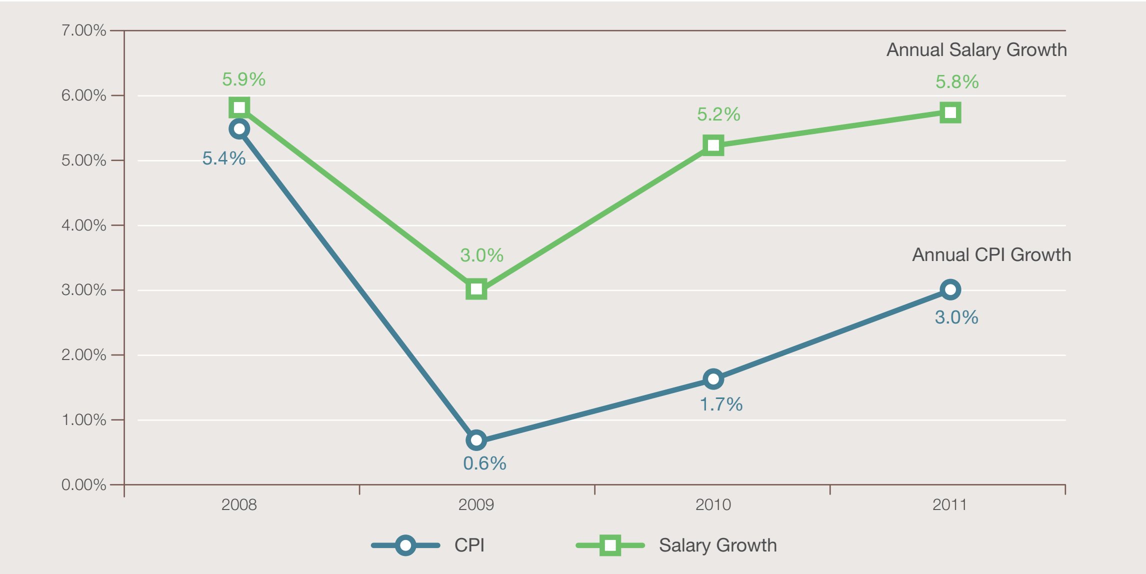
Malaysia's GNI per capita (PPP adjusted) is still better than other countries in Asia and growing...



Source: World Bank

Most importantly, salaries on average have stayed ahead of the Consumer Price Index (CPI).

Malaysia's average salary growth has been higher than CPI growth (inflation)



Source: Kelly's Services, Aon Hewitt, DOSM

Notes:
i. Salary Growth rate for 2008–2009 is based on Kelly's Services' report while 2010 is from Aon Hewitt
ii. 2011's salary growth rate was projected by Aon Hewitt
iii. CPI for 2011 is updated as of Jan – Jun 2011 by DOSM (department of Statistics Malaysia)

These statistics infer that the rising cost of living is not a result of a weakening economy. Rather, it is due to the earlier mentioned global developments.

This view is further supported by data on the proportion of household income set aside for essential goods and services. Statistics provided by the Department of Statistics, Malaysia show that over a 10-year period, the proportion of household income provided for food, housing and transport (the three biggest expenditures for Malaysians) has not increased dramatically. In certain cases, the proportion of household income spent on certain categories of goods and services has actually reduced.

Addressing the Rising Cost of Living

Table 1: Household Consumption by Purpose

	2000	2009	2000-09
	% total household consumption		
Food and non-alcoholic beverages	24.1	21.8	23.0
Alcoholic, beverages and tobacco	2.2	2.3	2.1
Clothing and footwear	3.5	2.4	2.7
Housing, water, electricity, gas and fuels	21.7	16.7	18.9
Furnishings, household equipment and maintenance	5.9	5.2	5.4
Health	2.1	2.1	2.0
Transport	12.6	13.1	13.4
Communication	4.9	7.4	6.3
Recreation and culture	4.3	4.9	4.5
Education	1.5	1.6	1.5
Restaurants and hotels	5.8	9.7	7.5
Miscellaneous goods and services	11.6	12.7	12.8

Source: Department of Statistics, Malaysia

This infers that income levels have maintained parity with the cost of many goods and services.

Changes in lifestyle and consumption patterns

While global food prices are a deciding factor, there are other factors that also influence perception with regarding to living costs. The appreciation in prices of cars and houses – which have doubled or increased significantly, is one factor. The change in consumers' consumption patterns is also a factor.

With rapid development and lifestyle changes, more Malaysians are choosing more affluent consumption patterns such as fine dining, overseas holidays and increased retail spending. With these changes, naturally one's cost of living would also increase as a greater portion of personal disposal income is consumed for these purposes.

Malaysians are also spending more than ever. A recent newspaper report mentioned that Malaysians generally overspend. On average 41 Malaysians are declared bankrupt every day, mainly due to credit card debt. Many of these folk are below 40 years old. It was also reported that almost 5 million Malaysians frequent the over 300 shopping malls across the country every weekend.

Poor financial management among many young Malaysians is also another factor. As a result, many find they are living beyond their means, resulting in cash flow problems. Many are quick to cite the rising cost of living as the reason for their predicament. Another factor could be media reports as well as information received from hearsay and daily conversations. Such sources may not necessarily provide the truest reflection of the situation on ground.

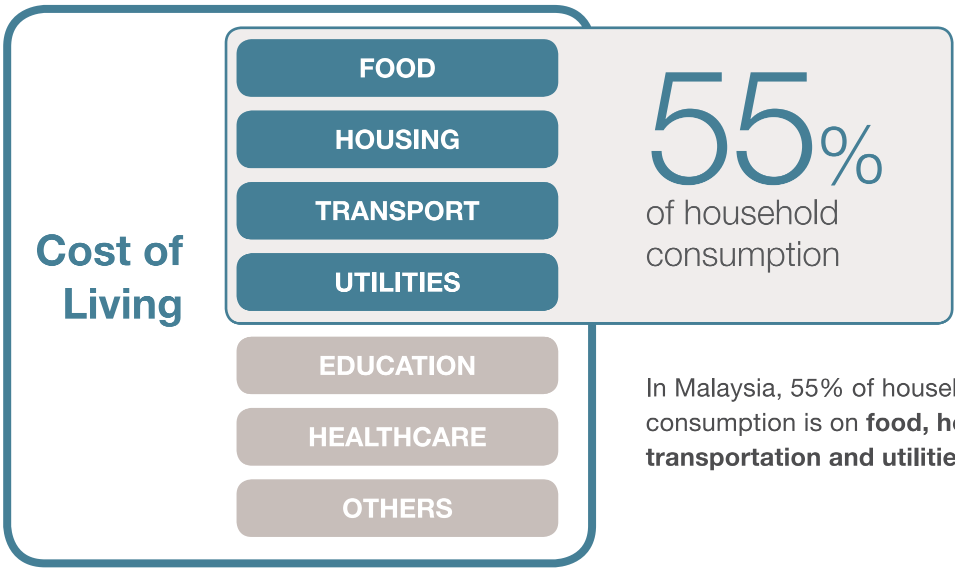
While all these factors can be considered when providing a balanced view of the issue of the rising cost of living, the government wishes to express clearly that these reasons will not become excuses nor hinder the government's commitment to assist the rakyat.

COST OF LIVING OBJECTIVES

2011 NKRA OBJECTIVES

Establishing key focus areas – food, housing, transportation and utilities

Even as government findings show that Malaysians on average spend 55% of household expenditure on food, housing, transportation and utilities, the COL NKRA focuses a large portion of its efforts in these areas. However, areas such as education and healthcare also received due consideration as needed.



In Malaysia, 55% of household consumption is on **food, housing, transportation and utilities**

Prior to establishing these key focus areas, the COL NKRA sought to pinpoint an approach that would ensure that all deserving Malaysians, particularly those in the low and middle income groups, would be given assistance so that no one would be left behind.

However, as resources were limited, the government needed to be astute in its approach. Not only did the government face the mammoth task of addressing difficult issues with little room for error, the public too was expecting quick and effective action. As such, the COL NKRA needed to be successful right from the onset and deliver on the GTP's premise of Big Fast Results.

In establishing the key areas of focus, several questions needed to be answered. For instance, how would the government identify beneficiaries and recipients? Would it be via income levels and occupation or via the number of members in individual households? Would location play a part in the equation. Or would all these variables be taken into account? Would it be demographic-based i.e. families, single parents, schoolchildren and so on? How could we ensure there was no duplication on top of the existing subsidies for which the government was already investing close to RM37 billion?

All of these factors were considered in the formulation of the overall COL NKRA approach, but perhaps the most critical one was the one concerning the needs of the rakyat – what were the rakyat's biggest needs? It became apparent that any initiative under the COL NKRA would have to answer this pivotal question on top of all the others.

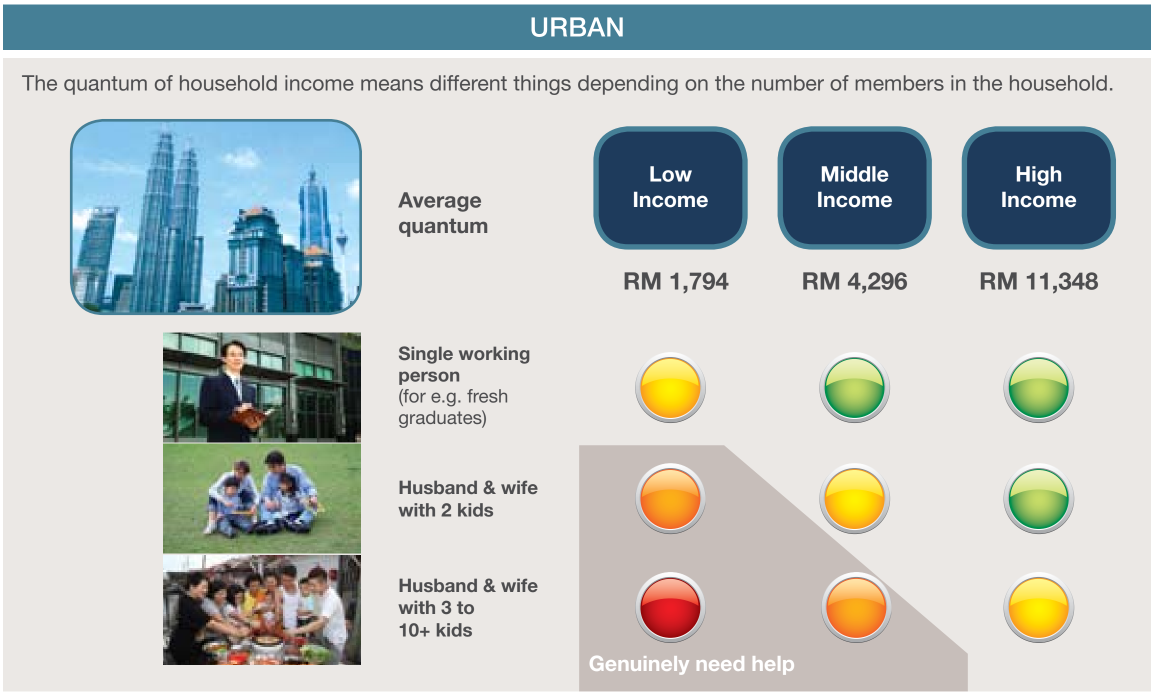
Establishing affected target groups

Upon establishing the key focus areas for this NKRA, the next step was to identify and streamline the affected targeted groups. In doing this, it was not feasible to rely solely on information relating to individual income levels, rather other factors had to be taken into consideration. These factors included the number of individuals living in a household and the location of the household, whether in an urban or rural area.

This streamlining exercise was important for the following reasons:

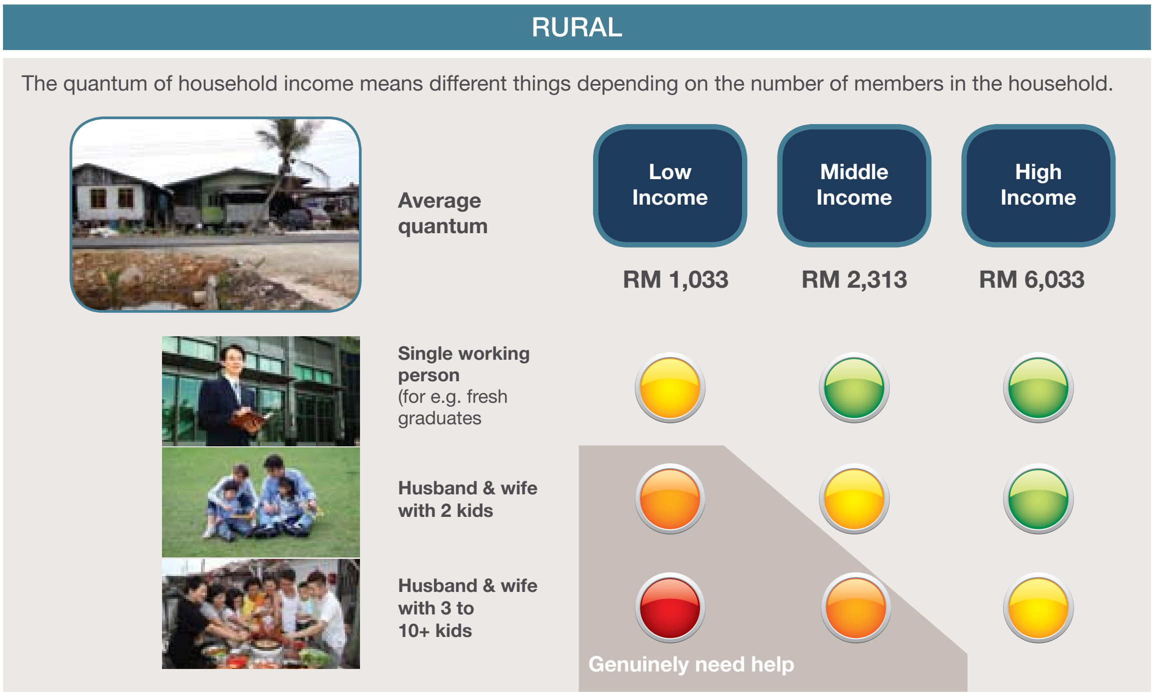
- Only truly deserving cases would be selected for assistance
- That the right quantum of assistance be delivered based on their needs
- There was no wastage of tax payers' funds
- There was no abuse of the system

Using the National Census 2011 as the base, every household in Malaysia – over 6.4 million – was categorised based on income levels, location (urban or rural), number of members in the household and other supporting criteria. The following classifications were then developed:



Source: EPU, 2009

Addressing the Rising Cost of Living



Source: EPU, 2009

The exercise, despite its complexities was completed in record time, providing the COL NKRA with a comprehensive and accurate database of beneficiaries.

KEY PARTICIPANTS

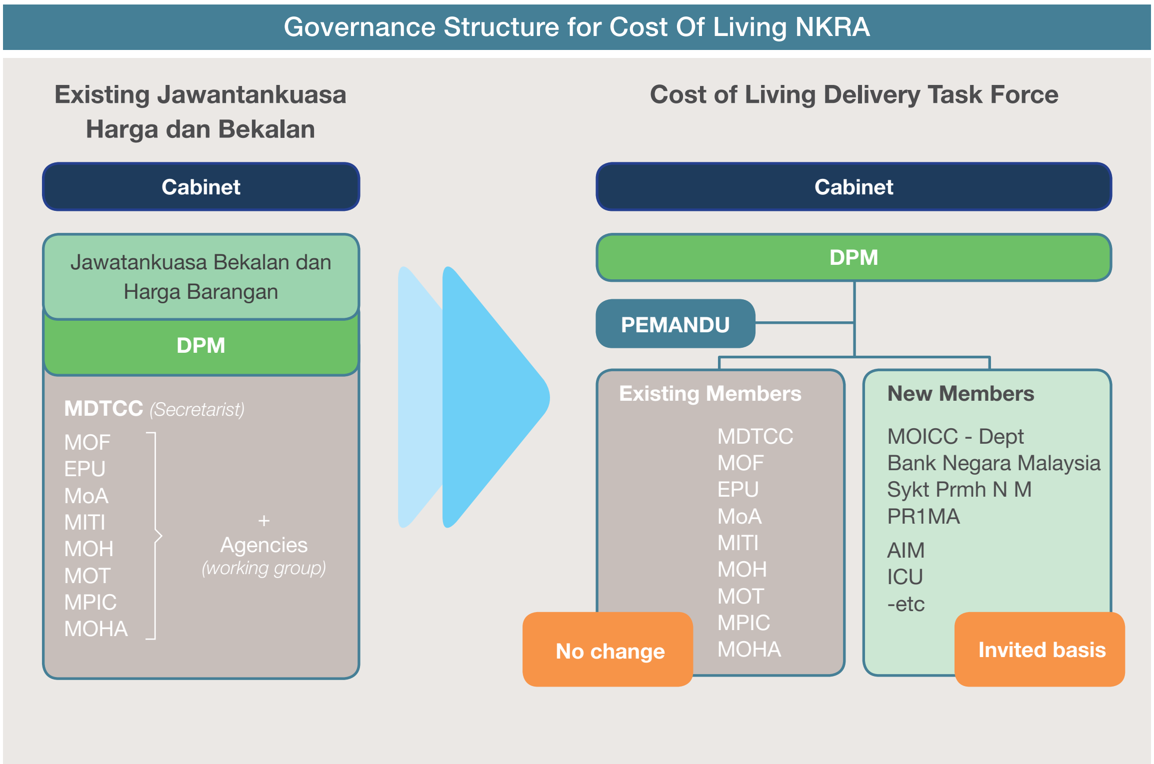
In rolling out the COL NKRA, we restructured the existing governance structure of the Cabinet Committee on Price and Supply to provide for greater scope and effectiveness. A key reason for this exercise was because the Cabinet Committee on Supply and Price only oversaw food and essential items.

With this new enhanced structure, the COL NKRA participants can also focus on Budget 2012 projects. This includes initiatives such as affordable housing, cash hand-outs, medical assistance, and cheaper transportation, among others. With this bigger purview, the COL NKRA has become more effective in addressing all areas where the rakyat require assistance.

The governance structure of the COL NKRA is overseen by the Cabinet with the Deputy Prime Minister at the helm. PEMANDU serves as the Secretariat and Advisor to the Cost of Living Delivery Task Force (DTF) and anchors this NKRA's KPIs. There are permanent members who are the existing members of the Cabinet Committee on Supply and Price while other participants are invited on a case-to-case basis. The permanent members of this NKRA consist of these government ministries:

- Ministry of Domestic Trade, Cooperative and Consumerism
- Ministry of Finance
- Economic Planning Unit
- Ministry of Agriculture and Agro-based Industry
- Ministry of International Trade and Industry
- Ministry of Health
- Ministry of Transport
- Ministry of Plantation Industries and Commodities
- Ministry of Home Affairs
- Ministry of Education
- Ministry of Higher Education

Addressing the Rising Cost of Living



COL NKRA INITIATIVES

The government resolves to do more

While the government had invested approximately RM37.6 billion (between 2010 and June 2011) providing assistance in various forms to the rakyat, it was prepared to do more especially in light of the rising cost of living. Under the COL NKRA, strategies were conceived based on five key areas or buckets, developed at the Cabinet Workshop held on 10 August 2011. These buckets are:

- Providing immediate relief measures
- Reducing transport cost
- Reducing food cost
- Providing affordable quality housing
- Others

From these buckets, several initiatives were included as NKRA initiatives. These include both existing and new initiatives as announced under the Prime Minister's Budget 2012 speech:

No	Initiatives	Existing/ New Initiatives
1	**Subsidy on essential food items**	Existing
2	**1Malaysia Rakyat Welfare Programme (KAR1SMA)** - Financial assistance to senior citizens, poor children and the disabled	Existing
3	**Kedai Rakyat 1Malaysia (KR1M) -> (MDTCC)** - Provide generic consumer goods which are up to 40% cheaper - Extend 1Malaysia products to TUKAR - Extend 1Malaysia products to FELDA retail stores - Extend 1Malaysia products to convenient stores and petrol stations	Existing New New New
4	**Menu Rakyat 1Malaysia** - Offering breakfast at max. RM2 and lunch at max. RM4	Existing

Addressing the Rising Cost of Living

From these buckets, several initiatives were included as NKRA initiatives. These include both existing and new initiatives as announced under the Prime Minister's Budget 2012 speech: (Continued)

No	Initiatives	Existing/ New Initiatives
5	**Financial assistance from government** - One-off RM500 assistance given to households with a monthly income of RM3,000 and below - Schooling assistance of RM100 for every student from Year 1 to Form 5 nationwide - RM200 book voucher to all Malaysian students in public and private local institution of higher learning, matriculation and Form 6 students nationwide	New

SUCCESSES & ACHIEVEMENTS

OUTCOMES

It is heartening to note that just under the first year of its inception; the COL NKRA has achieved significant success. To date, all COL NKRA initiatives and action plans have been well received by the rakyat.

Bantuan Rakyat 1Malaysia (BR1M) financial aid

In December 2011, the government announced one-off financial aid of RM500 for households earning RM3,000 and below. The move received overwhelming nationwide response. In the same month, application forms were distributed to the public via the Federal Development Department and its branch offices, Inland Revenue Board (IRB) service counters as well as state agencies. Forms were also downloadable from the respective agencies' websites and published in major newspapers. In early December 2011, the government introduced a toll-free hotline – 1-800-222-500 to answer enquiries and provide clarification in relation to the RM500 cash aid and BR1M vouchers. The toll free line operates from 9.00 am to 5.00 pm during the work week.

"I am not working, so the daily expenses of my wife and I are borne by our children. We will use the RM500 from BR1M for our Chinese New Year preparations as angpow for our three beloved grandchildren."

- Senior citizen, Kee Luak Kuang, 71, from Sungai Air Tawar

The distribution of funds to households began in January 2012. Beneficiaries received their RM500 in the form of cash or via BR1M vouchers. The vouchers could be cashed at branches of Bank Simpanan Nasional, CIMB or Maybank. This mammoth task saw a large part of the government machinery springing into action to ensure each recipient received his or her RM500 stipend promptly. In addition, special arrangements were undertaken to ensure the entire exercise did not burden the people.

Those who qualified received notification letters from the government with details on where and how to collect their cash aid or BR1M vouchers. In making it fast and easy for people, beneficiaries needed only to produce their National Registration Identification Card (NRIC) and their letters of notification as verification. The simple process would enable the money to be distributed quickly and ensure that only genuine applicants would be eligible. In Sarawak, special arrangements were made for the funds to be disbursed via the respective district offices. This was because many applicants lived in the interior regions and would have to make a long journey to collect their BR1M aid.

By January 2012, millions across the country had come forward to receive their aid. RM2.6 billion was set aside for this exercise and over 5.2 million households or some 75% of all households in the country benefited from it. Many beneficiaries have expressed their appreciation to the government for its timely and caring assistance. In certain political constituencies, the distribution of funds had to be implemented over several phases. In the constituency of Jerlun, Kedah for instance, over 30,000 recipients were identified with RM15 million being disbursed over 10 sessions.

Those who did not qualify for the initial round of assistance or those who had yet to apply were given a second opportunity to do so. The government extended the deadline from January to February 2012 to give as many people as possible a chance to apply and ensure that no deserving Malaysian was left behind.

RM100 aid to all primary and secondary school children

The initiative to distribute RM100 to all schoolchildren from Standard One to Form Five was successfully rolled out before the end of the school term. Some schools in rural areas could only disburse the aid during the school holidays. The aid was distributed to parents via their children's respective schools. Over 5.3 million children benefited from this back-to-school assistance. The government allocated RM530 million for this particular initiative.

Coupled with the removal of school fees, this was definitely a welcome initiative for many parents, especially from the lower and middle-income groups. The amount was timely in helping parents meet the expenses of school-going children and helped reduce the burden of buying new school uniforms and other essentials.

Addressing the Rising Cost of Living

Bantuan Buku 1Malaysia (BB1M)

The Bantuan Buku 1Malaysia (BB1M) initiative was announced by the Prime Minister in his Budget 2012 speech. Under BB1M, RM200 book vouchers were distributed nationwide to all Malaysian students in public and private local institutions of higher learning, matriculation streams as well as Form 6. The voucher is valid for a three month period beginning 1 January to 31 March 2012.

Approximately 1.3 million students are slated to benefit from this RM260 million initiative. With rising living costs, many students may find it difficult to purchase books as money is allocated for other necessities. The BB1M vouchers will ensure that students have the means to purchase textbooks and relevant reading material while maintaining their focus on their education. The assistance also motivates students to study. Thus far, 1,250,715 students have received the vouchers.

Kedai Rakyat 1Malaysia (KR1M)

The opening of the initial Kedai Rakyat 1Malaysia (KR1M) stores have brought tremendous benefits to many. To date, there are 27 KR1M stores nationwide with total turnover exceeding RM12.6 million. The rakyat now have a store where they can shop for daily household items at below market prices. Some 250 household items are being sold under 1Malaysia brand at significantly reduced prices. For example, consumers can purchase two-litres of floor cleaning detergent for RM5.90 at KR1M stores as compared to RM9.50 for a similar product at regular retail stores. The public response to KR1M outlets has been strong as they can reduce their expenditure by 30% to 40% based on a common basket of goods purchased. Products have been moving quickly off the shelves with frequent stock replenishments needed. Between October and December 2011 alone, over 600,000 sales receipts were recorded at KR1M stores. In meeting demand, exhausted products are re-stocked within the same day. This is testimony that the rakyat can enjoy essential items at reduced prices.

The stores have also brought entrepreneurship opportunities to many rural and small medium enterprises. A large portion of the goods stocked at Kedai Rakyat 1Malaysia stores are sourced from these suppliers. The products have also been made available at 250 FELDA D'Mart stores. This has enabled FELDA settlers to purchase everyday items including milk and diapers at reduced prices.

Introduction of the Menu Rakyat 1Malaysia

The Menu Rakyat 1Malaysia is a pre-packaged menu where breakfast is set at a standard rate of RM2 and lunch at RM4, both of which are very much within the spending power of most Malaysians. It was introduced at selected restaurants in the Klang Valley and received overwhelming public response. The menu consists of a complete nutritious meal consisting of rice, meat and vegetables with a drink. It is meant to provide Malaysians with an affordable alternative for breakfast and lunch. The Menu Rakyat 1Malaysia is available to all Malaysians.

PUBLIC PERCEPTION

Based on the many initiatives that were successfully rolled out to the rakyat in the form of healthcare services, cash assistance for low-income households and students as well as subsidies for essential items, it is evident that the people have readily accepted and responded well to the various COL NKRA initiatives. The public will be able to feel the tangible impact of these initiatives on their lives with the successful implementation of the projects announced under Budget 2012. There is also a growing perception that the government is sincere in wanting to make a difference in easing the rakyat's burdens.

This is especially important as perception is important to the success of the COL NKRA. The existing perception among the public is often based on rumours, isolated shopping experiences and so on. Hence, the government's efforts under the COL NKRA must be tangible, transparent and felt soonest by the people in order to deliver the true picture and change mind-sets.

GOING FORWARD INTO 2012

While the COL NKRA is still in its first year, the various initiatives have gone a long way in helping ease the rakyat's burden and promoting some stability amidst an environment of volatile price changes. It has brought a positive impact to millions of Malaysians from all walks of life as well as well as different age and income groups from both the urban and rural areas.

Going forward into 2012, the COL NKRA will deliver additional benefits above and beyond what has already been provided. The following initiatives will be rolled out in stages to provide additional assistance to the rakyat:

Addressing the Rising Cost of Living

Intervention measures through Cost of Living Index

Acknowledging the fact that consumer expenditure varies by region and lifestyle, the COL NKRA will be developing a dynamic Cost of Living Index with a fixed basket of consumption reflective of the expenditure of an average Malaysian.

The prices of the goods and services tracked will be sourced from popular marketplaces within specific rural and urban areas in all states with different income groups. The Cost of Living Index will serve as the key guide for this NKRA's DTF members when it comes to decision making relating to intervention policies and budget allocations. The decisions will be supported by expert views and data from central agencies and ministries that play a key role in managing the supply and demand of goods and services consumed daily.

Additional 1Malaysia Clinics – providing affordable healthcare

The Government aims to continue providing quality and affordable healthcare for the rakyat through the launch of 50 new 1Malaysia clinics in 2012, bringing the total number to 100. The clinics, located in urban areas, have seen an average of 100 patients being treated daily at each clinic. With the opening of the new 1Malaysia clinics this year, more Malaysians especially from low-income households will be able to seek medical treatment at these clinics at a cost of only RM1.

More KR1M Stores and Menu Rakyat Malaysia

In addition, more KR1M stores are being planned nationwide. The new locations include several towns and major townships. Inspired by the success of KR1M, the Domestic Trade, Cooperatives and Consumerism Ministry is looking to implement more Kedai Ikan Rakyat 1Malaysia (KIR1M) which sell fish. At present, there is one such store operating in Setiawangsa, Kuala Lumpur. Based on the same concept as KR1M, these stores will sell popular fish such as ikan kembung and ikan bawal at 40% to 50% lower than market price.

In making the Menu Rakyat 1Malaysia more accessible to the people nationwide, the government is encouraging more food outlets, including stall operators, to join the programme. Participation by a larger number of outlets will help ensure that all Malaysians nationwide have access to nutritious and affordable meals. At present, there are almost 1,067 such outlets across the country and the target is to have 3,000 outlets by the end of 2012. Plans are in the pipeline to improve the supply chain to deliver further cost reductions of essential goods and services as well as to use idle land for food production.

Projek Rumah 1Malaysia (PR1MA)

The PR1MA or 1Malaysia Housing Project will a first-of-its-kind project in Malaysia. It is primarily aimed at middle-income earners who cannot afford expensive homes, but at the same time do not qualify for low-cost housing. It is strictly for first time, Malaysian home-owners earning not more than RM6,000 monthly, be they from the government, private sector or self-employed. Successful applicants will be entitled to a loan of 105% (the additional five per cent is to cover insurance and legal fees) of the house price and a maximum loan tenure of 30 years. Applicants are not able to sell their homes for the first 10 years. They also benefit from stamp-duty exemption. In support of the initiative, the 1Malaysia Housing Programme Corporation was established to plan and coordinate the projects under the PR1MA programme.

Fully aware of the situation on the ground, the government is serious about undertaking measures to ease the burden of al Malaysians. These new initiatives together with the existing measures aim to provide the rakyat, particularly, the working and middle class population, a sense of security and the assurance that they will not have to bear the brunt of rising living costs. The government will continue to stand with the rakyat and support them in line with the spirit of 1Malaysia, People First, Performance Now.

Continuing to feel the pulse of the people

The speed of delivery and the quality of the assistance under the COL NKRA has touched millions of Malaysians. This bears testament to the government's commitment to care and help the rakyat, regardless of race or religion. We will continue to extend assistance to those who need it most, as and when it is needed, as well as where it is needed. We remain committed to placing the needs of the rakyat first and will continue to feel the pulse of the people to address their concerns.

At the same time, the government will continue with its goal of transforming Malaysia into a high-income nation. The ultimate vision is to raise the income levels of all Malaysians so all may enjoy a higher quality of life as experienced in developed countries.

Plans under the ETP will continue to be emphasised as part of the Government's long-term goal. The Government is also looking at establishing a minimum wage as a supportive measure in addressing the issue of rising cost of living. All in all, we will work hard to ensure the rakyat's concerns about the cost of living are managed effectively amid global uncertainties.

Reducing Crime


Together
Building a safer nation

Reducing Crime

Dato' Seri Hishammuddin bin Tun Hussein Onn

Minister of Home Affairs

"Reducing crime and ensuring a safe and peaceful Malaysia is a continuous and daily effort. Every day, the government, police and rakyat all over the country work hard to achieve these aims, and I am pleased to announce, we are getting there with significant progress made. In 2011, we delivered another year of solid results with lower crime rates reported nationwide. The good results to date are the outcome of strong collaboration between all parties involved and we will continue to carry out these cross-ministerial and cross-agency activities. While our work is far from over, we will ensure continued improvements in reducing crime in the years ahead. We urge all Malaysians to come together to continue the fight against crime. The journey may be a long and arduous one, but we are committed to ensuring that the rakyat in any part of our nation are safe at all times."

Malaysia is a safer place today

Malaysia's position as one of the "most peaceful" and "safest nations" has been bolstered following external validations by independent third parties outside of Malaysia. Much of this is undeniably due to the aggressive efforts under the Reducing Crime NKRA which has been working overtime to keep crime at bay and make Malaysia a safer place for all.

In the fifth edition of the Global Peace Index (GPI) released in May 2011, Malaysia was declared the most peaceful country in Southeast Asia and the 4th safest in the Asia Pacific region behind New Zealand, Japan and Australia. The country rose three spots to 19th place, supplanting Singapore as the highest-ranked Southeast Asian nation. In its GPI rankings, the Sydney-based Institute for Economics and Peace also placed Malaysia as the 19th safest and most peaceful country out of 153 nations worldwide. This is the fifth successive year that Malaysia has improved on its GPI score.

The World Justice Project (WJP) Rule of Law Index 2011 too has ranked Malaysia safest among 19 upper-middle income countries and 12th globally. Malaysia's 12th position out of 66 countries covered under the WJP's assessment on Order and Security, has placed the country ahead of the United States (13th position), followed by Britain, Belgium and France. A multinational and multidisciplinary effort to strengthen the rule of law worldwide, the WJP is supported by a host of globally renowned foundations and associations including the Neukom Family Foundation, the Bill & Melinda Gates Foundation and LexisNexis. The Rule of Law Index evaluates the implementation and enforcement of laws in practice and their effects on people's lives.

In the 2011 Global Competitiveness Report (GCR) conducted by the World Economic Forum in the sub-category of Business Costs of Crime and Violence, Malaysia's ranking improved by 30 positions from 93rd in 2010 to 63rd place in 2011.

On the home front, the National Current Issues survey by the International Islamic University Malaysia found that the percentage of Malaysians still alarmed about crime has dropped significantly from 33% in 2010 to 21% in 2011. Statistics released by the General Insurance Association of Malaysia too found that there had been a drop in the number of reported vehicle thefts based on the number of claims it received. In 2010, PIAM received 38,897 reports of stolen vehicles as opposed to 42,136 reports in the preceding year – a strong 9.4% reduction. Additionally, other external validations, both local and international, have proven that Malaysia has indeed made significant progress in reducing crime.

Reducing Crime

Validation of the success of crime fighting efforts in Malaysia

World Justice Project

#1 safest
In 19 upper middle income countries

#12 safest
Overall, ahead of USA and Britain

Global Peace Index

#1
safest and peaceful in SE. Asia

#4
safest and peaceful in Asia Pacific

#19
safest and peaceful globally

WEF Global Competitiveness Report

#63 in 2011, from #93 in 2010

+30 improvement in ranking

PIAM (Persatuan Insurans Am Malaysia)

9.4%
reduction of vehicle claims cases in 2010 vs. 2009

'Public Satisfaction with PDRM' survey

13.9%
increase of satisfaction with PDRM from 56.6% (Jan'11) to 70.5% (Dec'11)

International Islamic University of Malaysia Survey

12.0%
reduction of concern about crime from 33% (2010) to 21% (2011)

Malaysia's fight against crime

Tremendous effort has been made to eradicate crime in Malaysia in recent years. The Reducing Crime NKRA was conceived in 2009 as a response to the rakyat's growing concerns towards rising crime rates in Malaysia. At that time, crime was reportedly the second most important issue to the rakyat after the economy based on the various surveys conducted. The decision to designate crime as an NKRA under the GTP marked the beginning of a new era in crime fighting efforts for Malaysia. The Ministry of Home Affairs via the Royal Malaysian Police Force (Polis DiRaja Malaysia or PDRM) and other agencies were tasked with making fighting crime a priority under the Reducing Crime NKRA.

2010 – A new era of crime fighting begins

In its inaugural year, the Reducing Crime NKRA adopted an unprecedented approach with a focus on delivering quick and big wins that had a direct and tangible impact on the lives of the rakyat. Efforts were concentrated on the message that crime does not pay and that Malaysia will not tolerate criminal activities. Initiatives such as the strengthening of security forces and law enforcement agencies, equipping them with better facilities and apparatus, installing closed-circuit television (CCTV) cameras at high-risk areas and crime hotspots, implementing the Omnipresence and Safe City Programmes, as well as providing counselling to youths and communities, dramatically improved public safety. 2010 was the year in which criminal activity was dealt a stiff blow, PRDM's reputation was redeemed and the rakyat's confidence restored.

2010 also saw the Reducing Crime NKRA delivering many "firsts" and record-breaking achievements. Some of these milestones included the dramatic reduction in Street Crime and Index Crime – down by 35% and 15% respectively. These reductions, the first in four years and the highest ever in Malaysian history since Independence, were achieved on the back of significant reductions in crimes in densely populated locations such as Kuala Lumpur, Selangor, Penang and Johor. A total of 2,001 additional violent crime cases were cleared in 2010 alone, while public fear towards crime dropped by a marked 5.7%.

2011 – The battle intensifies

In 2011, the onus was to build on the outstanding work already achieved in 2010 and to deliver even stronger results in tackling crime. Challenging NKPIs were once again set with bold new initiatives and proven existing measures spearheading NKRA efforts. Unprecedented levels of cooperation were seen throughout the year involving the police, law enforcement agencies such as RELA (Ikatan Relawan Rakyat Malaysia or the People's Volunteer Corps) and JPAM (Jabatan Pertahanan Awam Malaysia or the Malaysian Civil Defence Department), as well as the municipal councils and the public.

We are pleased to report that 2011 proved to be a highly successful year with another string of impressive wins achieved. Further reductions were made in Street and Index crime. The Omnipresence and Safe City programmes were expanded successfully – increasing the police presence on the ground while boosting the target hardening effort. Improvements in frontline service delivery to the public were also emphasised via the PDRM Customer Service Rating initiative implemented in police stations throughout Selangor. Last but not least, public satisfaction with the police increased as per survey findings by TNS Research International.

Reducing Crime

The following is the list of big wins for 2011 under the Reducing Crime NKRA:

BIG WINS

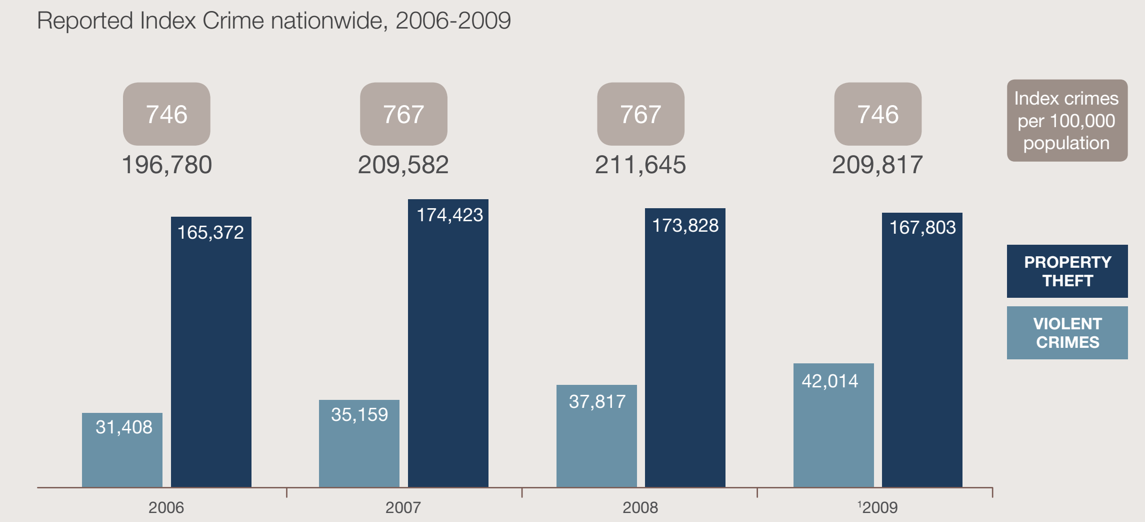
- 11.1% drop in Index Crime
- 39.7% drop in Street Crime
- Satisfaction with the Royal Malaysian Police Force (PDRM) has increased to 70.5%
- More than 3,000,000 volunteers registered with RELA and JPAM
- 3,931 RELA personnel trained as Police Volunteer Reserve (PVR)
- 1,607 JPAM personnel trained as Police Volunteer Reserve
- Omnipresence Programme expanded to Sabah (5 districts), and Sarawak (4 districts)
- An additional 30,000 Skim Rondaan Sukarela (SRS) members recruited bringing the total strength to 147,000
- Customer Service Rating (CSR) devices rolled out in 82 police stations in Selangor with 95% of respondents indicating satisfaction with services rendered by PDRM enquiry officers
- Safe City Programme implemented in 151 PBTs (Pihak Berkuasa Tempatan or local municipal councils) nationwide with 8,329 enhanced lighting posts, 1,311 safety mirrors, 104.3 km of railings and bollards installed
- Over 8,000 confiscations and arrests from National Operations (Ops Lejang, Rentap, Pintu, Lusuh)
- MyDistress service launched in Selangor with 68,925 registered users to date

OVERVIEW

A real need to make Malaysia safer

Crime in Malaysia had essentially been on the uptrend since the 1970s. The years between 2006 and 2009 gave rise to a marked rise in crime with Street Crime being one of the main contributing factors to this trend. Statistics from various surveys also confirmed the rakyat's concerns – that both incidences of Index and Street Crime had risen dramatically between 2006 and 2009.

Increase in crime rates from 2006 to 2009



[1] In 2009, the improvement seen in Quarter 4 is due to the introduction of the Reducing Crime NKRA

Source: PDRM

These concerns had reached a level where crime could no longer be seen as an isolated occurrence that happened only to certain individuals. Crime had become widespread with Malaysians nationwide becoming victims daily. The situation had grown critical.

As crime became a national level issue, news of criminal activity continued to be featured strongly in the national media. The topic was on the minds of most Malaysians, where it was frequently discussed animatedly at social gatherings across the country. Many residential neighbourhoods resorted to hiring security guards and placing safety barriers to control the traffic flow in their areas. Crime began to take a psychological toll not just on victims, but society in general. It struck fear in

Reducing Crime

the hearts of many and was jeopardising the rakyat's quality of life. Directly or indirectly, the basic right of every Malaysian to live without fear was being compromised.

This was contrary to the 1Malaysia principle of developing a safe, peaceful and united Malaysia. The severity of the problem and the fact that it was having a significant effect on the rakyat warranted that the government address the situation quickly. However, the Najib administration realised that to make Malaysia a truly safe place, it needed a more strategic and comprehensive approach; one that would enable the appropriate resources and focus to be directed at the problem together with innovative solutions and initiatives that would deliver Big Results Fast. As such, the government formulated the Reducing Crime NKRA which would feature an end-to-end lifecycle and cross-ministerial and cross-agency collaboration. Today, Malaysia has a comprehensive, end-to-end programme to reduce crime effectively nationwide.

The Crime NKRA features an end-to-end lifecycle and cross-ministry/agency collaboration

Crime Prevention	Crime Detection and Arrest	Criminal Prosecution	Prison and Rehabilitation
• Crime Awareness and Prevention Campaign • Safe City Programme	• National Operations, e.g. Ops Lejang, Ops Rentap, Ops Pintu • Omnipresence Programme • CCTV Installation	• IO:IP Improvement • Violent Crime Backlog Clearing • Witness Management	• Prison Improvement • DRUG Lab initiative to upgrade PUSPENs • Supervision and Post-Release Programme

Improved Public Perception: Upgrade and Enhance PDRM Services

- Engage Media as Partners in Crime Prevention
- PDRM Facebook
- PDRM Twitter
- Fear-of-Crime Survey
- Balai League Table
- PDRM Frontline Improvement Programme
- Satisfaction with PDRM Services Survey

The successes achieved in 2010 justified the Reducing Crime NKRA's aggressive approach. Although these early victories were impressive, it only marked the beginning of overall crime reduction efforts. In 2011, the battle continued with a doubling of our efforts to create a safer and more peaceful Malaysia.

2011 CRIME NKRA OBJECTIVES

2011 NKPIs

In 2011, the Reducing Crime NKRA built upon the existing five NKPIs established in 2010:

No	NKPIs	2011 Target
1	Reduction in reported Index Crime	5%
2	Reduction in reported Street Crime	40%
3	Reduce fear of becoming victims of crime	50%
4	Increase the number of arrest cases brought to trial (charge rate)	20%
5	Increased public perception on police performance	60%

5% reduction in Index Crime

Index Crime comprises 14 different crime categories[1]. These are crimes that are deemed as being serious in nature and which occur with sufficient frequency and regularity that they can serve as an index to the overall crime situation in Malaysia. Reducing Index Crime is a direct measure aimed at reducing the rakyat's daily exposure to potential crime. Success here will have a direct impact on crime rates and the overall index results. The Reducing Crime NKRA set out to achieve a 5% reduction in overall reported Index Crime every year from 2010 to 2012. Nine key initiatives were introduced.

[1][Note: Index Crime are (1) theft, (2) snatch theft, (3) motorcycle theft, (4) car theft, (5) heavy machinery theft, (6) break-in day, (7) break-in night, (8) unarmed gang robbery, (9) unarmed robbery, (10) armed gang robbery, (11) armed robbery, (12) assault, (13) rape, (14) murder]

Reducing Crime

9 key initiatives to reduce Index Crime

Targets will be achieved through 9 key initiatives

5% reduction in reported Index Crime by December 2011

Motorcycle Theft

1. Motorcycle Theft Stake Out
2. Motorcycle Security Features

House Break-ins

3. House Break-in Stake Out
4. House Security Features

Car Theft

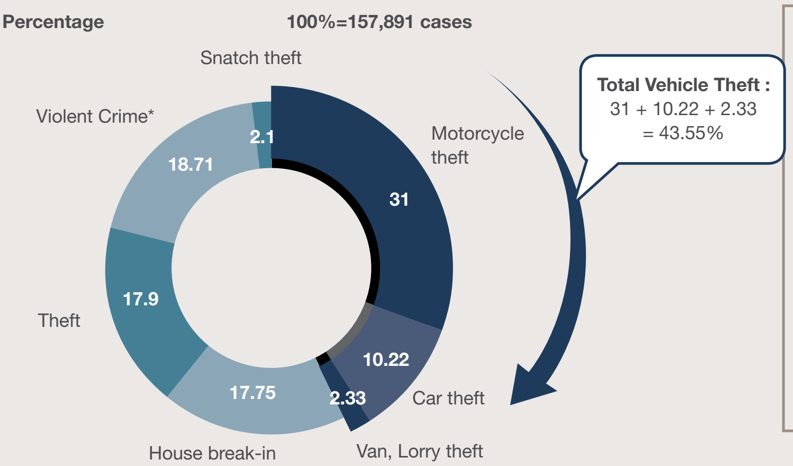
5. Car Theft Stake Out
6. Car Securities Features

7. Proportional Insurance Premiums
8. Strict enforcement by PBTs on illegal workshops
9. Increase availability and usage of mobile across devices

Vehicle theft was one of the critical areas addressed under this NKPI in 2011. The singling out of vehicle theft was significant as it comprised 43.55% of Index Crime and is the single most important lever for reduction of Index Crime.

Vehicle Theft comprises 43.55% of Index Crime and is the single most important lever for the reduction of Index Crime

Reported Index Crime Cases, January - December 2011



Vehicle theft results in losses of RM 896.2 mil per annum

- Motorcycle RM 180.9 mil
- Car RM 444.9 mil
- Van, Lorry RM 270.4 mil

* Violent Crime comprises 7 Crime Types; (i) Murder, (ii) Rape, (iii) Robbery with Firearms, (iv) Robbery without Firearms, (v) Gang Robbery with Firearm, (vi) Gang Robbery without Firearms, (vii) Assault

As such, 2011's target was to realise a 10% reduction in both cannibalisation of spare parts and cross border smuggling, which would contribute significantly to a decrease in Index Crime. Various measures were instituted to achieve this purpose. Existing initiatives that proved to be effective in 2010 were maintained. These included confiscations and arrests from national police operations, stake-outs, use of decoys and strengthening of partnerships to fight crime. In 2011, a Vehicle Theft Reduction Workshop was held with several parties including PDRM and the Vehicle Theft Reduction Council. Its aim was to formulate strategies and initiatives to reduce vehicle theft.

40% reduction in Street Crime

Street Crime comprises three different crime categories which are snatch theft, robbery without firearms and gang robbery without firearms. As Street Crime has a visible and direct impact on the rakyat, an ambitious target was set as in 2010. It is acknowledged that improvement in Street Crime would have a considerable positive effect on the public's perception of fear, as well as their satisfaction towards the police force. Thus, the target was set to reduce Street Crime by 40% in 2011 using 2009's figure as a baseline.

In 2010, the Reducing Crime NKRA achieved a 35% reduction in Street Crime exceeding the set 20% NKPI target. This was a phenomenal result even by the GTP's standards of stretched targets. Having set such a high benchmark in 2010, a similarly high percentage reduction was warranted going forward to maintain the momentum of the NKRA and the morale of the law enforcement agencies. However, a further 40% drastic reduction using 2010's baseline was deemed unfeasible due to the threshold of effectiveness for crime reduction activities. As such the original baseline of 2009 was used as a yardstick to measure 2011's target reduction.

The key initiatives implemented in 2011 to realise this target included the expansion of the Omnipresence Programme, the extension of the Safe City Programme to 151 PBTs, and the introduction of the Prison Improvement Programme. On top of this, additional Care and Cure Clinics as well as Care and Cure Service Centres for drug addicts were set up.

Reduction to 50% in "fear of becoming a victim of crime"

Alongside PDRM's efforts to tackle crime, it was also crucial to tackle the public's fear of crime. The effect of fear is debilitating on society at large. The fear of taking a neighbourhood stroll with the family or the fear of not going out at night, are everyday manifestations of how fear disrupts lives. In reality the streets, towns and neighbourhoods have become safer with less crime but fear is still keeping people locked away indoors. If people remain fearful, the full impact of the Reducing Crime NKRA will not be seen and felt.

2011 saw the independent research company, TNS Research International (TNS), recommissioned to conduct two surveys, one of which was the Fear of Becoming a Victim of Crime survey. The survey involved interviewing members of the public nationwide. By gauging public sentiment, the Reducing Crime NKRA will have a secondary indicator of the public perceptions of the NKRA as a whole and the various efforts instituted under it.

20% arrest cases brought to trial

In tandem with efforts to reduce Index Crime and Street Crime, several initiatives to bring criminals to justice were also introduced. The significance of having perpetrators face the law for their actions cannot be diminished. Apart from reflecting the government's will to fight crime, it also provides a sense of justice and vindication to the rakyat. It also inspires greater confidence in the legal system and sends a clear message that crime does not pay. There is no tolerance for crime in Malaysia and those engaging in it will face the consequences.

In 2011, an ambitious target of 20% was set for arrest cases brought to trial. To ensure the target was met, efforts were undertaken to leverage the improved criminal justice system, increase the number of Investigation Officers (IOs) and enhance evidence gathering techniques.

An increase to 60% on "public satisfaction with police performance"

This NKPI was established to gauge the public's perception of PDRM. In line with this, Customer Service Rating or CSR devices were rolled out to all 82 police stations in Selangor with the goal of expanding this initiative nationwide in 2012.

To further enhance relationships between the rakyat and the PDRM, top PDRM leaders including the Inspector-General of Police (IGP), Deputy Inspector-General (DIG), Directors and Chief Police Officers (CPOs) continued to undertake high profiling policing measures in strategic locations. Activities to interact with the public were stepped up including the re-institutionalised Hari Bertemu Pelanggan (Meet the Public Day) on a bi-weekly basis, where CPOs and Officers in Charge of Police District (OCPDs) engage the public directly. This enabled the senior ranking officers to engage the public directly without any bureaucracy and vice versa.

Events such as roundtables were also held with NGOs to discuss new initiatives that would be effective in addressing public sentiment on crime matters and PDRM. The Roundtable on Women's Concerns on Crime held in September 2011 highlighted safety of women in parking lots and called for closer collaboration between the public and PDRM.

The highly successful Balai League table from 2010 was carried forward into 2011 to create a performance-driven culture for all police personnel. The Balai League Table ranks all 753 police stations in Malaysia based on their performance in fighting crime and other notable wins. This initiative serves to inculcate a performance driven culture within the police force in an effort to aggressively reduce the crime rate in Malaysia. Every quarter, police stations across the country stand to be winners of individual categories, based on the crime rate reductions within their areas.

Reducing Crime

KEY NKRA PARTICIPANTS

Once again, the Reducing Crime NKRA involved a collaborative effort between the Ministry of Home Affairs, PDRM as well as 30 other agencies. The participating agencies included the following organisations:

01 Attorney-General Chambers (AGC)

02 Federal Courts

03 Ministry of Housing and Local Government (Kementerian Perumahan dan Kerajaan Tempatan or KPKT)

04 National Anti-Drug Agency (Agensi Anti-Dadah Kebangsaan or AADK)

05 People's Volunteer Corps (Ikatan Relawan Rakyat Malaysia, better known as RELA)

06 Malaysian Civil Defence Department (Jabatan Pertahanan Awam Malaysia or JPAM)

07 Public Service Department of Malaysia (Jabatan Perkhidmatan Awam Malaysia or JPAM)

08 Ministry of Federal Territories and Urban Wellbeing (Kementerian Wilayah Persekutuan dan Kesejahteraan Bandar or KWPKB)

09 Ministry of Youth and Sports (Kementerian Belia dan Sukan Malaysia or KBS)

10 Legal Affairs Division, Prime Minister's Department (Bahagian Hal Ehwal Undang-undang, JPM or BHEUU)

11 National Unity and Integration Department (Jabatan Perpaduan Negara dan Integrasi or JPNIN)

The inclusive approach ensured greater effectiveness of the implemented measures, while creating adequate buy-in. It also optimised manpower and resources as well as allowed for improved coordination between the various bodies involved.

To ensure crime fighting activities progressed smoothly and were not impeded, a structure has been put in place to facilitate decision-making and deal with roadblocks. The Ministry of Home Affairs has established an NKRA Delivery Division headed by the Ministry's Secretary General, Tan Sri Mahmood bin Adam. Within this division is a Delivery Management Office (DMO) led by the Under Secretary for the Reducing Crime NKRA. The DMO team oversees the implementation of all NKRA initiatives and is supported by the Reducing Crime NKRA team at PEMANDU. Under the DMO, there are four NKRA Delivery Units. These comprise a coordinator from the DMO, staffed by key representatives from PDRM, the Federal Court, AGC, AADK, RELA, JPAM and KPKT.

The Crime DMO updates the implementation status of all NKRA initiatives on a weekly basis and highlights problems to PEMANDU's CEO at a Problem Solving Meeting (PSM). The PSM is held once every four weeks and deliberates on ways to remove roadblocks and resolve issues encountered by the DMO in the course of implementing the various initiatives.

Every six weeks, the Crime NKRA team together with the Minister of Home Affairs, reports on the progress made and highlights issues to the Deputy Prime Minister at the Delivery Task Force Meeting (DTF).

INITIATIVES

The following provides an overview of the key Reducing Crime NKRA initiatives undertaken in 2010 and 2011:

Follow-on initiatives from 2010

In 2011, the Reducing Crime NKRA further built upon several key initiatives introduced in 2010:

2010 Initiatives	2011 Initiatives
Omnipresence programme in 4 hotspot states	Omnipresence Programme expanded to Sabah (5 stations within 5 district hotspots), and Sarawak (6 stations within 4 district hotspots)
Safe City Programme implemented in 12 PBTs	Safe City Programme - rolled out to 151 PBTs
496 CCTVs installed and currently in operations in crime hotspots	496 CCTVs to be rolled out as phase 2 in 2012
AADK Drug rehab programme	10 Care and Cure Clinics set up for drug addicts; 39 Care and Cure Service Centres set up
6,000+ confiscations and arrests from National Operations (Ops Lejang, Rentap, Pintu, Lusuh)	8,000+ confiscations and arrests from National Operations (Ops Lejang, Rentap, Pintu, Lusuh)
Balai League Table	Balai League Table

Reducing Crime

"Police omnipresence, community policing and communication with the public via various media channels are the three aspects the police department is looking at. We deployed 40,000 personnel from the police, Rela and JPAM this month to fight crime in major towns to give us additional presence on the streets and assist in crime prevention operation. The increased public participation in voluntary patrol schemes in their neighbourhoods also points to greater confidence in the force."

- Tan Sri Ismail Omar, Inspector-General of Police

News paper clippings/photo on the various initiatives

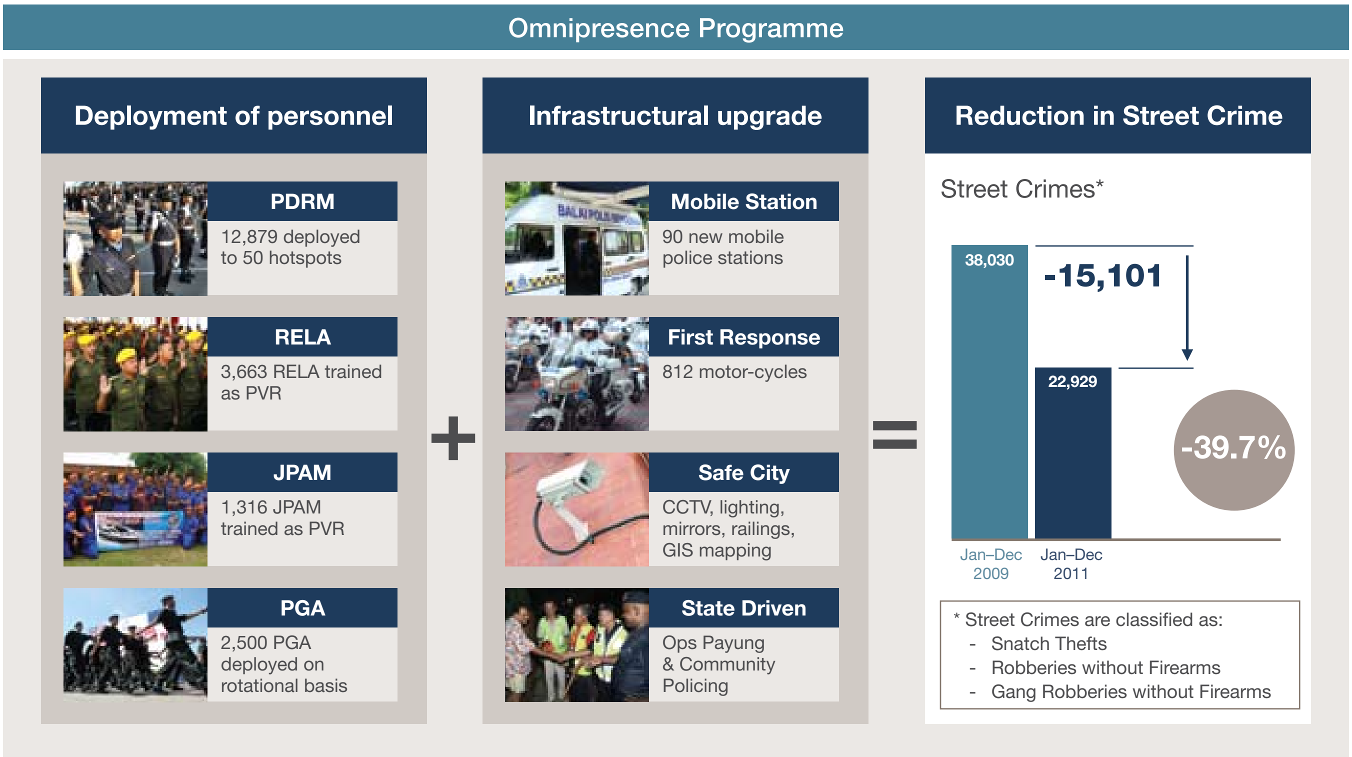
A stronger security omnipresence

The Omnipresence Programme is an initiative that leverages on combined resources based on a Public-Private-Police partnership approach. Under the programme, personnel from various other government agencies (aside from PDRM) are mobilised to create an omnipresence of troops to patrol crime prone areas and supplement PDRM officers. The omnipresence of security personnel at crime hotspots aims to ensure a significant drop in the Crime Index. With more visible patrolling taking place, especially in high-crime hotspots, perceptions about security will improve for the better. Combined with CCTV surveillance, would-be perpetrators have very little opportunity to commit crimes. Add community policing to the equation (via neighbourhood watch groups or the Rukun Tetangga) and there is an unparalleled sense of security on the ground.

Under 2011's Omnipresence Programme, an additional 21,624 police personnel were deployed to 57 hotspots to fight crime while there was also increased use of Mobile Police Stations and First Response motorcycles. Integral to the programme are the various supporting components. Under 2011's Feet-on-Street initiative, which involves RELA and JPAM members trained as Police Volunteer Reserve (PVR) to assist PDRM, approximately 3,931 RELA and 1,607 JPAM members respectively were trained as PVR members.

Under the Skim Rondaan Sukarela (SRS) initiative, some 30,000 members were registered in 2011 to do voluntary night patrolling around their respective residential areas; while under the Rakan Cop programme, over 460,000 registered members of the public to date are being utilised as the "eyes and ears" of the Police Force in the collective battle against crime. The General Operations Force or Pasukan Gerak Am, better known as the PGA, too have been deployed to urban hotspot areas with high density and traffic volume. In 2011, over 2,500 PGA members were deployed to hotspot locations.

Reducing Crime



In 2011, an emphasis was placed on capability building – improving the effectiveness of the Omnipresence Programme via out-of-the box thinking and methods. This included the Blue Ocean Strategy of closer collaboration between the police and the military. It also consisted of civilian re-assignment, PGA deployment to hotspots, front-line improvements as well as addressing public perception.

During the year, the Omnipresence Programme was expanded nationwide to include Sabah (covering five stations in five district hotspots and Sarawak (covering six stations in four district hotspots).

Planned rollout of the Omnipresence Programme

Wave 1:
Immediate strengthening

FY 2010

Key Concept

Mobilise, ***increase capacity***, and create immediate visibility

Key Initiatives

- Hotspot-based deployment
- Volunteerism, i.e. RELA, JPAM, RT-SRS, Community Policing
- Upgrade of infrastructure, and equipment

Wave 2:
Out-of-the-box thinking

FY 2011

Key Concept

Build capability, apply blue-ocean and enhance perception

Key Initiatives

- National Blue Ocean initiatives
  - Civilian Reassignment
  - PGA Deployment to hotspot
  - ATM joint-patrol, joint-training, recruitment
- Frontline Improvement

Wave 3:
Sustainable momentum

FY 2012/3

Key Concept

Institutionalise change, build confidence to continue

Key Initiatives

- World Class Policing
- Crime Awareness programme targeted on focus groups
- IT System Enhancement

Reduction of Crime Rate

Changing Public Perception

Champions for Change

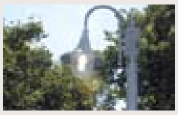
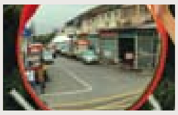
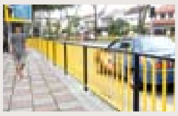
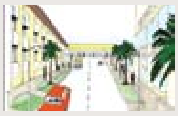
From 1 January 2012, about 40,000 personnel from RELA, the Civil Defence Department and the police will be deployed to 57 hotspot areas to fight crime.

Reducing Crime

Aggressive expansion of the Safe City Programme

The Safe City Programme (SCP) is a target-hardening initiative designed to make cities safer and less conducive to street crime. It calls for proactive participation by many bodies including the police force, local municipal councils, the National Anti-Drugs Agency, the Welfare Department, local communities and businesses to join crime fighting efforts. In 2010, the Ministry of Home Affairs allocated RM36 million to reactivate and expand the SCP to 12 local municipal councils or Pihak Berkuasa Tempatan (PBTs) nationwide. These efforts brought about unparalleled new levels of cooperation between various bodies and proved the SCP's worth as a crime prevention mechanism. In 2011, another RM72 million was set aside for SCP expansion to another 151 PBTs, clearly showing that the government is very serious about ensuring that our cities are kept safe.

Implementation status of Safe City Programme 2011

	2010 at 12 PBTs	**2011** completed at 151 PBTs	
Lighting	2,594 units	**8,329 units**	
Safety Mirrors	343 units	**1,311 units**	
Bollards and Railings	33.1 km	**104.3 km**	
Safe City Monitoring System (SCMC)	12 PBT hotspots 42 Balai hotspots 3 types of street crimes 53% SCP coverage	**12 PBT hotspots 50 Balai hotspots 9 types of crimes 81% SCP coverage**	
CPTED	CPTED Implementation Guide and awareness	**Implemented since July 2011 in all PBTs in P. Malaysia through *One Stop Centre***	

Ministry formed Safe City Steering Committee (3 meetings) 151 PBTs formed Safe City Committee, under KSU directive

** The Safe City Programme was rolled out to all PBTs by 31 December 2011*

"The SCP aims to address urban insecurity and promote the culture of crime prevention. Local authorities can play an extremely vital role in the development of community-wide approaches for crime prevention as they are in a strategic position to initiate, coordinate and implement these programmes. These strategies include bolstering the capacity to address and reduce crime, advocating crime prevention initiatives, as well as planning and effecting capacity building programmes."

- En Kamalruddin Shamsudin, Deputy Director-General (Planning) of the Federal Department of Town and Country Planning Peninsular Malaysia

To ensure the momentum of SCP efforts is maintained, the Ministry of Home Affairs has formed the Safe City Steering Committee which meets three times annually. Each new PBT has also formed their respective Safe City Committee under the directive of the Secretary General of the Ministry of Housing and Local Government (Ketua Setiausaha, Kementerian Perumahan dan Kerajaan Tempatan). Participating PBTs have been directed to ensure that SCP activities are a compulsory agenda item to be discussed at their monthly meetings and the results and updates of these crime prevention measures are regularly submitted to the Ministry.

At the heart of the Safe City Programme, is the Safe City Monitoring System (SCMS) which integrates crime data from the Police Reporting System (PRS) and land use information via a geographical information system (GIS) platform. (The GIS platform comes under the purview of the Federal Department of Town and Country Planning, Ministry of Housing and Local Government). While other jurisdictions abroad have only started GIS-based crime mapping, Malaysia has gone a step further with its SCMS in a manner never attempted before.

After a police report is lodged via the SCMS, the police are able to take immediate action via the PRS and GIS to pinpoint the location of the crime. Through sharing information and undertaking monitoring within a digital environment, the SCMS is helping drive collaborative efforts to reduce crime. It is also enabling SCP initiatives to be measured, ensuring existing and potential crime hotspots are identified and monitored, as well as allowing the police and the public to report crimes online.

Through the web-based SCMS, PBTs and crime prevention agencies are able to access crime hotspot information. The PBTs also utilise the SCMS to update the status of works relating to new bollards, lighting, CCTVs and pedestrian walkways under their respective jurisdictions. The Ministry of Housing and Local Government as well as the Ministry of Home Affairs, then monitor the implementation progress of these projects and ensure they meet the NKRA's crime fighting objectives.

Reducing Crime

Mohd Hatim Abdullah, the president of the Taman Tun Dr Ismail (TTDI) Resident's Association, says he has received positive feedback from residents since TTDI was included under the Safe City Programme.

"From my interactions with the residents, 99% of them felt unsafe before the programme. Now, when I meet them, they tell me how safe they feel and how much improved TTDI is. The main thing which they are happy about are the brighter street lights. Our streets are no longer dark and the perception is that because of that, TTDI is a much safer place for us now.

"When we can see the changes - the railings, the new street lamps and safety convex mirrors - not only are the changes visual, we can also feel the changes and I know for a fact that our residents here are very happy and grateful that they now live in a safer area."

Taman Tun Dr Ismail (TTDI) pioneers Safe City Programme

On October 2011, the township of Taman Tun Dr Ismail was selected to pioneer the Safe City Programme. Prior to this, TTDI was experiencing an average of 30 crime cases a month involving house burglaries, car break-ins and snatch thefts. Under a RM1.45 million budget set aside to make TTDI safer, several safety features were installed in line with residents' requests. These included railings along pedestrian pathways, safety mirrors and additional street lights. The brightness of existing street lights too was increased from 100 watts to 250 watts. Seven new closed-circuit television (CCTV) cameras are also due to be installed at TTDI. Three emergency hotline notice boards have also been put up along Jalan Burhanuddin Helmi, Jalan Tun Mohd Fuad and Jalan Dato' Sulaiman.

While residents had also requested for a perimeter fence made of galvanised steel to be put up along the border of TTDI and Kampung Sungai Penchala, however, due to budget constraints a chain link fence was erected instead. Some of the playgrounds in TTDI too have been lit up to deter youngsters from hanging out and indulging in bad habits. Going forward, TTDI's residents will continue to work closely with the government and DBKL to establish TTDI as a safer township.

Safe City Programme status in TTDI

Lighting	1 unit of new flood lights and 150 enhanced lighting posts
Safety Mirrors	5 safety mirrors installed at commercial areas
Railings & Bollards	2,280 m of railings, separation paths, or bollards installed
GIS Mapping	Safe City Monitoring System (GIS Crime Mapping system completed)
CCTVs	2 CCTVs installed at commercial area
CPTED	**CPTED - Crime Prevention Thru Environmental Design** • SCP Implementation Guide • Planning Guidelines for CCTV in Commercial and Public Spaces

Preparing for CCTV rollout

While an additional 496 CCTVs were installed in 50 hot spot locations in 2010, the second phase of CCTV implementation will only be rolled out in 2012 due to unavailable circumstances. To date, these CCTVs are helping enforcement personnel to be more effective in performing monitoring and surveillance activities, as well as responding to incidences of crime. Not only is this enabling more efficient deployment of police patrols, the footage from CCTV cameras allows public prosecutors to strengthen their cases against criminals by tendering it as evidence in court. Enforcement agencies too are leveraging this technology to combat corruption with CCTVs being installed at Customs and Immigration hotspot checkpoints to ensure officers comply with procedures and enforce the law.

Continued support of drug rehabilitation activities

Under the Agensi Anti-Dadah Kebangsaan (AADK) Drug Rehab Programme, 16 additional Care and Cure Service Centres (CCSCs) were set up in 2011, bringing the total to 39. In addition, four Care and Cure Clinics C&Cs were set up in 2011 bringing the total to 10. There was also the roll out of Triage System in Tampin, Melaka in March and Gambang, Pahang in April to screen addicts for assignment to Pusat Pemulihan Penagihan Narkotik PUSPEN.

Effective national police operations

With the goal of making Malaysia one of the world's safest countries and our cities peaceful and secure, PDRM once again took the fight against crime to our streets with unrelenting conviction. Through operations such as Ops Rentap, Lusuh, Lejang and Pintu over 6,000 confiscations and arrests were made:

- Ops Rentap, targeting the prevention of car theft, was carried out in January, February and October 2011 whereby 379,766 vehicles were searched and 1,552 arrests made. Some 665 vehicles were confiscated and 30 perpetrators charged.
- Ops Lusuh, focusing on equipment and cable theft, was carried out in March, April and September 2011. About 47,439 people were searched, resulting in 297 arrests, 227 confiscations and 48 perpetrators charged.
- Ops Lejang was carried out in May, June and December 2011 to prevent motorcycle theft. About 409,936 vehicles were searched with 1,900 arrests made, 993 motorcycles confiscated and 112 perpetrators charged.
- Ops Pintu, targeting the prevention of house break-ins, was carried out in July, August and December 2011. Approximately 369,530 people were searched resulting in 854 arrests, 269,532 vehicles searched, 461 confiscations and 117 perpetrators charged. It also saw home-owners being educated on the best ways to secure their houses.

Letter to the Editor

GOOD NEWS for the People

I am pleased to read the latest National Key Result Areas report showing the overall crime index for last year has dropped by 11.1 per cent. *Syabas* to the police. Last year, street crime decreased significantly by 39.7 per cent compared with 35 per cent in 2010, Home Ministri Datuk Seri Hishammuddin Hussein said.

The fight against crime is a common responsibility. We should assist the police to keep our neighbourhoods safe by being the "eyes and ears" of the force.

- Bulbir Singh, Seremban, Negri Sembilan

Comprehensive results of national police operations (Ops Rentap, Ops Lusuh, Ops Lejang and Ops Pintu) throughout 2011

Activities	Ops Rentap (Jan - Feb,Oct)	Ops Lusuh (Mar-Apr, Sept)	Ops Lejang (May-Jun, Nov)	Ops Pintu (Jul-Aug, Dec)	Total
Number of search locations	12,096	14,233	5,921	13,225	45,475
Number of people searched	529,859	511,010	47,439	369,530	1,457,838
Number of vehicles searched	379,766	409,936	0	269,532	1,059,234
Total arrests made	1,552	1,900	297	854	4,603
Total confiscations made	665	993	227	461	2,346
Total persons charged	30	112	48	117	307

Balai League Table drives better performance

In 2011, all police stations nationwide were rated by per capita crime rate and improvement of crime fighting efforts. The highest performing stations were rewarded, while the lowest performers were supported and monitored until their performance improved. The Balai League Table (BLT) initiative is doing much to boost morale, motivation and productivity within the respective police stations, thereby ensuring better service delivery to the public. In 2011, the Wangsa Maju police station topped the 2011 BLT. It had the most efficient performance and the lowest crime rate in the whole country.

PDRM's Balai League Table Ranking - 1/2011 Series			
Category	**First Place**	**Second Place**	**Third Place**
A	BP Wangsa Maju, Sentul, Kuala Lumpur	BP Jinjang Selatan, Kuala Lumpur	BP Bt 9, Kajang, Selangor
B	BP Kluang, Kluang, Johor	BP Salak Selatan, Cheras, Kuala Lumpur	BP Banting, Selangor
C	BP Pedang, Kedah	BP Bandar Baru Timur Laut, P.Penang.	BP Gurun, Kedah
D	BP Gunung, Bachok, Kelantan	BP Papar, Sabah	BP Air Jerneh, Terengganu
E	BP Tmn Pasir Putih, Johor	BP Aulong, Perak	BP Chengkat Jering, Perak

PDRM's Balai League Table Ranking - 2/2011 Series			
Category	**First Place**	**Second Place**	**Third Place**
A	BP Wangsa Maju, Sentul, Kuala Lumpur	BP Kota Bharu, Kota Bharu, Kelantan	BP Klang Selatan, Klang, Selangor
	Series 1/2011 (1)	Series 1/2010 (3)	
B	BP Seberang Jaya, Seberai Perai Tengah (Bukit Mertajam)	BP Batu Pahat, Batu Pahat, Johor	BP Pandamaran, Klang, Selangor
	Series 2/2010 (3) Series 3/2010 (1)		Series 1/2010 (2) Series 2/2010 (1) Series 3/2010 (3)
C	BP Bestari Jaya, Kuala Selangor, Selangor	BP Menglembu, Ipoh, Perak	BP Pendang, Pendang, Kedah
			Series 1/2011 (1)
D	BP Hutan Melintang, Hilir Perak, Perak	BP Beranang, Kajang, Selangor	BP Genting Highlands, Bentong, Pahang
E	BP Bukit Merah, Ipoh, Perak	BP Merbok, Kuala Muda, Kedah	BP Taman Pasir Putih, Seri Alam, Johor
			Series 1/2010 (3) Series 1/2011 (1)

PDRM's Balai League Table Ranking - 3/2011 Series			
Category	First Place	Second Place	Third Place
A	Kuantan, Kuantan, Pahang	Petaling, Brickfields, Kuala Lumpur	Klang, Klang, Selangor
		Series 2/2010 (1) Series 3/2010 (1)	Series 2/2011 (3)
B	Sek 6, Shah Alam, Selangor	Senawang, Seremban, Negeri Sembilan	Teluk Intan, Hilir Perak, Perak
C	Kuah, Langkawi, Kedah	Bukit Sentosa, Hulu Selangor, Selangor	Kepala Batas, Seberang Perai Utara (Bertam), Pulau Pinang
		Series 2/2010 (2)	
D	Maran, Maran, Pahang	Batu Arang, Gombak, Selangor	Batu 14 Ulu Langat, Kajang, Selangor
		Series 3/2010 (1)	
E	Kuala Teriang, Langkawi, Kedah	Aulong, Taiping, Perak	Bukit Indah, Nusajaya, Johor
	Series 3/2010 (3)	Series 2/2010 (2) Series 1/2011 (2)	Series 2/2010 (3)

Even as emphasis is being placed on frontline training and customer service, police personnel are expected to become more efficient and effective as well as to maintain their integrity. Those who perform well will be rewarded accordingly, while underperforming policemen and officers are to be sent for training and coaching. In line with outcome-based performance benchmarks, police now have to be more innovative in combating crime while improving their creativity, communications and collaboration to achieve optimum results.

New initiatives

Gauging public feedback via Customer Service Rating devices

In 2011, Customer Service Rating (CSR) devices were rolled out to all 82 police stations in the state of Selangor. The CSR devices were developed to inculcate a performance driven culture in PDRM, whereby service to the public and public satisfaction is prioritised. The CSR enables members of the public to rate the quality of service they receive at police stations. The ratings range from "very dissatisfied" to "very satisfied", and can be keyed in at terminals placed at 165 service counters across the state.

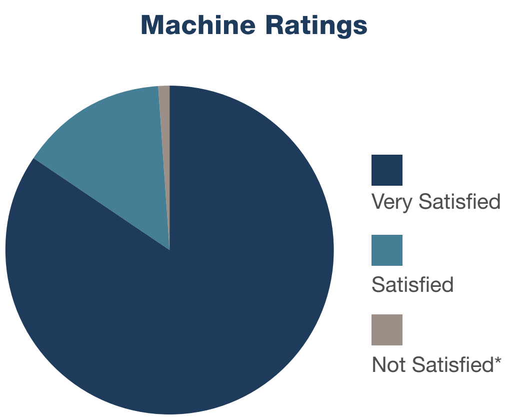
Screenshots of the rating monitor of the CSR device

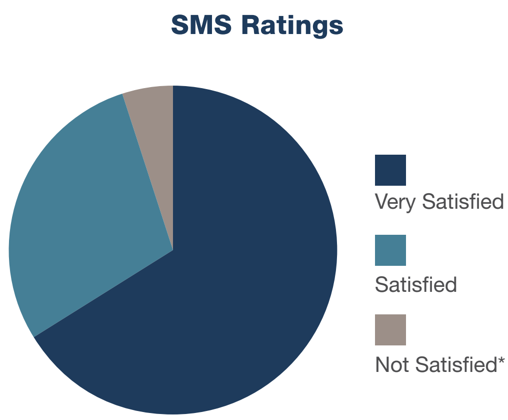
The key element monitored is the quality of services provided by the enquiry desk officer. Through this feedback, desk officers will become better acquainted with handling public complaints and will be able to hone their customer care skills. The respective district police chiefs too are to monitor customer service ratings periodically to ensure this initiative is being taken seriously by police officers and the public.

The new CSR system serves to replace the current method of rating service quality via text messages and will be rolled out across the country in stages. To date, the positive feedback received from the public has been encouraging with up to 95% of respondents rating police service as “satisfying” or “very satisfying.” Despite this initial positive feedback, PDRM is determined not to rest on its laurels but to continue working to improve its services. The public feedback is not only allowing the police to gauge satisfaction levels, but is also helping them identify their shortcomings so that they can fix these.

Reducing Crime

CSR results after the first three months of implementation		
82 Police Station In Selangor Contigent		
Ratings	**SMS (%)**	**Machine (%)**
Very Satisfied	671 (66.3%)	36,748 (84.8%)
Satisfied	293 (28.9%)	6,347 (14.6%)
Unsatisfied	7 (0.7%)	180 (0.4%)
Very Unsatisfied	8 (0.8%)	68 (0.2%)
No Rating	32 (3.3%)	-
Amount of votes	**1,011 (100%)**	**43,343 (100%)**





* 'Not satisfied' - refers to customers who indicated that they were unsatisfied and very unsatisfied

As part of PDRM's efforts to create public awareness about the CSR initiative, 2011 saw media platforms as well as a poster campaign being leveraged on.

Rollout of Hari Bertemu Pelanggan (Meet the Public Day)

The Hari Bertemu Pelanggan or Meet the Public Day is an initiative that allows the public to walk in and meet with their state and district level police chiefs during scheduled sessions. It facilitates direct interaction between police chiefs and members of the public and enables discussion about people's neighbourhoods, families and their personal safety to take place. It is also an opportune platform to provide feedback on police services. The public are encouraged to meet the district police chiefs on the first and fourth Thursdays of each month (from 9.00 am to noon), as well as on the third Saturday of the month (from 2.00 pm to 5.00 pm) at their respective district police headquarters.

Reducing Crime

This initiative has helped improve the relationship between PDRM and the public and provided the police useful feedback for further service refinement. It is also enabling PDRM to better understand the needs of the community it serves and to respond accordingly. The first of the Meet the Public sessions kicked off on 7 July 2011.

Leveraging social media to build trust

The police have long recognised the advantages of leveraging social media to fight crime, given their success in managing the PDRM Facebook page which was launched in September 2010. To complement Facebook engagement efforts, the police launched a PDRM Twitter site in September 2011. To date, PDRM has over 115,918 Facebook fans and 16,469 Twitter followers – and the numbers keep growing. By tapping online social networking and micro-blogging platforms, PDRM is not only interacting directly with a greater number of people at the one go, but is reaching out to different audiences, such as youngsters, who rarely attend activities arranged by the police.

These social media sites are proving to be the perfect platforms for community policing as they are enabling both outreach and crime prevention activities to take place. Even as PDRM has been receiving useful suggestions and tip offs from the public that have helped facilitate police investigations, the police in turn are using these platforms to disseminate tips on crime prevention and updates on public safety.

Through a proactive and engaging partnership with the community, PDRM is able to identify problems in the community and implement solutions to safeguard the people. Facebook and Twitter are also helping PDRM build goodwill, trust and legitimacy among the people, so that they can police more effectively.

Working together to combat vehicle theft

2011 also saw the Vehicle Theft Reduction Council of Malaysia (VTREC) and PEMANDU rolling out a workshop between the public and private sectors to formulate strategies to tackle vehicle theft. Following the workshop, VTREC submitted its recommendations to PEMANDU and all stakeholders are currently working hand in hand to implement the recommendations.

Combating vehicle theft through collaboration

In an age dominated by borderless crime and the use of leading edge technology to commit crimes, criminal gangs and syndicates are employing increasingly sophisticated methods to steal vehicles. Statistics reveal that approximately RM1 billion in vehicle value was lost in 2010 alone. In terms of the total Crime Index, vehicle theft alone accounted for a staggering 40% and 43.55% of Index Crime in 2010 and 2011 respectively, and is the single most important lever for reduction of Index Crime. These statistics did not consider the related losses (in man-hours and other expenses) incurred by victims, nor the costs to deploy manpower or resources, nor the expenses incurred by the agencies and organisations combatting these crimes. Vehicle theft continues to have a strong adverse effect on insurance and takaful operators and ultimately the insuring public. Increased claims ultimately push up the premiums and further burden consumers.

In such an environment, the PDRM cannot fight vehicle theft alone but must rely on the public and private sectors to support its efforts. In line with this, July 2011 saw the Vehicle Theft Reduction Council of Malaysia (VTREC) and PEMANDU joining 31 key stakeholders from the government as well as the insurance, automotive and financial industries for a two-day workshop on vehicle theft. The workshop sought stakeholder collaboration on the development of strategies to combat vehicle theft. It addressed the issues of vehicle theft for cannibalisation of spare parts and cross border smuggling; aligned all stakeholders to a single objective of combating vehicle theft, and led to the development and execution of concrete recommendations.

Leveraging technological innovation

In 2011, PDRM turned to Mobile Computerise Access Devices (MCAD) to combat crime more effectively. About 1,100 MCAD devices were made available to the police force to enable online checking of vehicle registration. The device is linked to mobile police stations and the Road Transport Department's vehicle registration number database to facilitate real-time checking of vehicle registration. To further enhance daily police communication and reduce crime, PDRM will continue to leverage on technological innovation. Under the Royal Malaysian police net project (RMPnet), several new digital communication tools including long-range walkie-talkies, a computer-based police reporting system and police report online checking system, have been developed and implemented.

A strengthening of ties

On 28 July 2011, PDRM and the National Unity and Integration Department (Jabatan Perpaduan Negara dan Integrasi or JPNIN) signed a Memorandum of Understanding to strengthen their partnership in fighting crime. In recognition of the JPNIN's contributions towards crime fighting efforts, the government accorded them a budget to purchase the necessary patrolling equipment for members of the Voluntary Patrol Scheme (VPS). Some of the budget allocation will go towards building air-conditioned aluminium cabins for VPS members and PDRM to convene joint meetings and activities at strategic spots.

Meeting women's concerns about crime

TNS survey results to date have indicated that women generally are more fearful of crime in comparison to men. The fear of crime among women saw an upward trend from 59.6% in January 2011 to 60.3% in May 2011 and to 66.4% in October 2011. Women highlighted violence-related crime as being their main concern. Though there was increase in the fear of crime among men with statistics showing an increase from 38.3% in May 2011 to 46.6% in October 2011, males were generally less worried about crime.

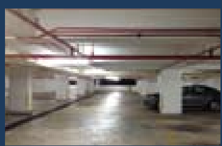
In line with this, a specific roundtable discussion was held to address women's needs and concerns about crime. The first Women's Roundtable on Crime proved to be most encouraging with strong participation from various women leaders and organisations. Aside from addressing their concerns, the initiative saw the development of new ideas and focus areas in the fight against crime.

Salient points captured from Women's Roundtable on Crime

Participants in Women's Roundtable

- **Datin Paduka Marina Mahathir**, Women's Rights Activist
- **Ms Ivy Josiah**, Women's Aid Organization
- **Ms Mindy Teh**, Marie Claire Magazine
- **A. Prof. Dr. Rumaya Juhari**, Universiti Putra Malaysia
- **Ms Tricia Yeoh**, Dynamic Search
- **Dr. Waitchalla RRV Suppiah**, Kementerian Dalam Negeri
- **Supt. Zaleha Hj Mad Jais**, Polis DiRaja Malaysia

Car Parks

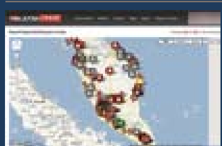


- Women ***fear for safety*** in car parks
  - Badly lit with hidden corners, walkways
  - Lack of CCTV or security guards
- Enhance building bylaws to ensure safety
- 'Name-and-Shame' unsafe car parks

Frontline Sensitivity

- Traumatic victims, e.g. of rape, domestic violence, not ***handled with sensitivity***
- Provide 'Triage Rooms' for sensitive cases
- Train front-line officers, involve Women NGOs, on how to handle trauma cases

Data Transparency

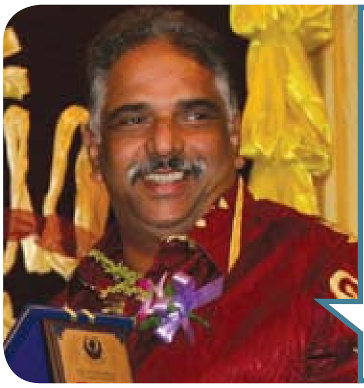


- ***Non sensitive crime data*** can help public take proactive steps to protect themselves e.g. crime location, criminal profiles
- Consider sharing non sensitive crime data on websites or via quarterly NGO meeting

Crime Awareness

- Set up well publicized, regular media ***crime awareness campaigns***
  - Updates on PDRM, NKRA initiatives
  - Brochures, kits, best practices
  - Women's rights for protection, redress

Reducing Crime



"The Blue Ocean Strategy aims to produce more police personnel without having to invest in more police training facilities. One of the grand agendas was to hire 12,000 recruits per year over the next five years to increase the police strength to 150,000 personnel. Previously, we had insufficient training institutions and there was also a gap in the roll-out time. We came up with this idea of having police and armed forces join forces and optimise available resources. This unique way of sharing and the cooperation and understanding that emerged led to successful joint patrols in Perak, Kelantan, Negri Sembilan and at the Kuala Lumpur International Airport in Sepang. As a result, we also have more manpower for crime-prevention duties."

- Datuk A. Paramasivam, Senior Assistant Commissioner, Federal Police Principal Assistant Director (Training and Examination)

Strong advances made with the Blue Ocean Strategy

The Blue Ocean Strategy introduced by the government calls for greater collaboration between the police and the armed forces. Under this arrangement, police personnel will be trained at army facilities, thereby saving taxpayers' funds as the government does not need to build additional police training facilities. This initiative also allows more policemen to be recruited in a shorter span of time and to be absorbed in a faster manner into PDRM. Through leveraging existing resources to reduce national crime rates, this out-of-the box initiative has been lauded a first-in-the-world. It has also enhanced the existing close working relationship between the military and the police and strengthened the camaraderie between them.

The collaboration also calls for joint patrols to be held between army and police personnel throughout Malaysia. The joint teams conduct their patrols either in police mobile patrol vehicles and motorcycles or on foot. The mobilisation of the military to fight crime has provided added 'boots' on the ground and has done much to resolve the manpower shortage issue within PDRM.

SUCCESSES & ACHIEVEMENTS

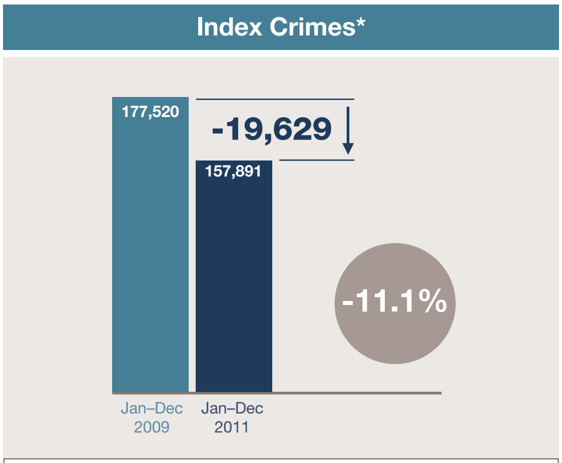
No.	NKPIs	2011 Target	2011 Actual	Traffic Light
1	Reduction in reported Crime Index - note : Actual is based on YTD comparison	5%	11.1% drop in Index Crime (Jan-Dec 2011)	
2	Reduction in reported Street Crime Index (reduction from 2009 baseline) - note : Actual is based on YTD comparison	40%	39.7% drop in Street Crime Index (Jan-Dec 2011)	
3	Reduce fear of becoming victim of crime	50%	52.8% as of the TNS survey results in Dec 2011	
4	Increase the number of arrest cases brought to trial	20%	23.4% 370,452 IPs opened (Jan-Dec 2011). Out of this, 86, 794 IPs have been charged / brought to trial	
5	Increased public perception on police performance	60%	70.5% as of the TNS survey results in Dec 2011	

OUTCOMES

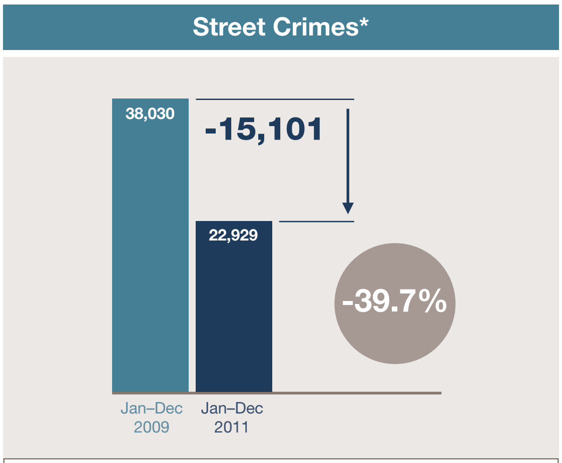
In 2011, the Reducing Crime NKRA was largely successful in meeting its set NKPIs. In some cases, the results reflected an overachievement of the targets set, which is in keeping with the spirit of the GTP – to continuously deliver Big Fast Results to the people.

11.1% and 39.7% reductions in Index Crime and Street Crime respectively

The various initiatives undertaken in 2011 led to a 11.1% drop in Index Crime. This was more than double the targeted 5% drop. The reduction in Street Crime was also impressive – coming in just under the 40% NKPI target for the year.



* **Index Crimes are classified as:**
- **Property Crimes** (i.e. Theft, Snatch Theft, Vehicle Theft, Machinery Theft, House Break-in)
- **Violent Crimes** (i.e. Robbery, Assault, Rape, Murder)



* **Street Crimes are classified as:**
- Snatch Thefts
- Robberies without Firearms
- Gang Robberies without Firearms

The excellent performance can be attributed to the various national crime-busting operations undertaken throughout the year. Other follow-on measures from 2010 such as increased police patrols, the clamping down on illegal workshops and conducting stake-outs, also proved effective.

The expansion of the Omnipresence Programme to Sabah and Sarawak was instrumental in reducing crime in East Malaysia. These measures have led to a more visible police presence on the ground, deterring many would be perpetrators. One of the salient strengths of the Omnipresence Programme is that at any one time, there are some 2,500 security personnel on the street in hotspots areas. The inclusion of 5,538 additional volunteers from the Civil Defence department and RELA as PVR has further augmented PDRM's capability to maintain a more visible physical presence on the ground.

The role of the Safe Cities Programme in crime hardening locations has also made the public less vulnerable to crime. While measures such as adding bollards and shrubs on sidewalks may not seem to have such a direct and tangible effect, such measures have actually made it more difficult and tricky for criminals to carry out their activities (in cases of snatch theft for example). The public are now safer from such petty crimes.

Enhancements under the Safe City Programme

Reducing Crime

Enhancements under the Safe City Programme (continued)

52.8% reduction in fear of being a victim of crime

TNS findings show that there has been an overall drop these last two years in relation to the public's fear of becoming a victim of crime as compared to before the Reducing Crime NKRA was first introduced. In December 2009 the index for fear of crime among Malaysians stood at 58.5%. Following the sweeping initiatives under the NKRA, it improved to 52.8% in September 2010 and decreased marginally to 52.8% in December 2011. Among the many factors that may have contributed to this marginal decrease may have been the remnant of negativity from the Bersih 2.0 event and PDRM's handling of the matter, as well as increased media coverage of crime incidents (i.e. a 72% increase in articles on robbery and a 43% increase in article on violent crime). The abolishment of the Emergency Ordinance which resulted in several known criminal offenders released from Simpang Renggam Prison may have also increased to the marginal rise in fear of being a victim of crime.

To date, several focus groups have been conducted to further explore the factors behind the fear of being a victim of crime. This fear to a large extent stems from negative perceptions about crime that are typically influenced by media coverage as well as word of mouth news. Today's media coverage extends beyond traditional print or broadcast media and includes interactive social media channels such as YouTube, Facebook and Twitter. Encouraging instantaneous discussion and the viral spreading of information, social media is a major factor in determining perception. On top of this, the public's fear of becoming a victim of crime is further aggravated by exposure to violent movies and television programmes.

To ensure the fear of being a victim of crime is further reduced, PDRM will continue to target street crime and build upon initiatives such as its Omnipresence Programme and Feet-on-Street to increase police presence on the streets and put the rakyat at ease. The many initiatives under the Safe City Programme too aim to dramatically improve public safety while the installation of CCTV cameras at high-risk areas and crime hotspots serve the same purpose.

23.4% more cases brought to trial

Another NKPI under the Reducing Crime NKRA is an initiative which calls for PDRM to work in tandem with other law enforcement agencies to increase the number of cases charged/brought to trial. Any success here is vital to winning the war against crime as it ensures those who commit crimes are duly tried and convicted in court through the criminal justice system. In 2011, the target of bringing 20% of arrest cases to trial was surpassed with 370,452 Investigation Papers (IPs) opened as at end December 2011. Out of this, 86,794 people were charged/brought to trial.

The success in this area is largely due to the establishment of a Central Intelligence Unit to handle criminal cases. This long-term strategy aims to improve PDRM's capability as does the strategy of assigning more policemen to investigate criminal cases.

70.5% increased public satisfaction with PDRM

The TNS surveys conducted in 2011 confirm that the various initiatives implemented under Reducing Crime NKRA have not only reduced crime rates in Malaysia but have also been effective in increasing public satisfaction with PDRM. With their emphasis on treating the public as customers, initiatives like the CSR and BLT have been pivotal in creating a service and public oriented culture within PDRM. As a result, there has been a marked improvement in the handling of reports by enquiry officers, frontline interaction with the public, as well as other facets of police operations. These improvements in frontline customer service have directly contributed to a more positive perception of PDRM.

In addition, activities such as the Feet-on-Street, the Omnipresence Programme and the various interactive platforms established between the rakyat and PDRM have increased the visibility of PDRM on the ground and enhanced the relationship with the public. The public is now better able to see and feel the comprehensive and tangible actions being undertaken and now has more confidence that the police are indeed playing a more active role to safeguard them.

CHALLENGES

SHORTCOMINGS

While the Reducing Crime NKRA achieved much in 2011, there was still a slight shortfall for the "reduced public fear of becoming a victim of crime" NKPI. The achieved result – 52.8% of the public expressing fear was still marginally above the NKPI target of 50%. At present, a detailed review is being conducted to assess the reasons and basis for this shortfall. A focus group activity has been identified to further understand the reasons behind the public's increase in fear of becoming victims of crime. The findings will then be incorporated into 2012's efforts to facilitate continuous improvement.

LESSONS LEARNT

Even as PDRM embarks on its strategy in winning the hearts and minds of the public, it understands the need to implement three simple strategies to ensure overall public satisfaction i.e. fast response time to a distress call; ease of making a police report; and effectiveness in addressing crime. In line with the first strategy, initiatives such as PDRM's Mobile Police Stations and First Response motorcycles will continue to be strengthened. Under the second strategy, initiatives such as the BLT and CSR will be expanded upon. Finally, under the third strategy, PDRM will continue to leverage surveys such as the TNS surveys to gauge public perception and fine-tune the overall Reducing Crime NKRA.

On top of this, PDRM's strategy of having two faces – a softer face for the public, and a firm, no-nonsense one for criminals, certainly seems to be working. To foster a stronger relationship with the public, PDRM will continue to provide more platforms for its personnel to be seen as "peace officers" and not merely "law enforcers". Only then can it truly hope to win the hearts and minds of the rakyat.

PUBLIC PERCEPTION

The increase in the satisfaction with PDRM this year based on the TNS survey is an indirect endorsement of the Reducing Crime NKRA. The various testimonials and feedback collected from members of the public also reflect confidence in the police force and the NKRA.

The improved service delivered at police stations to the public and the various communication efforts have also shaped perception for the better. However, it must be accepted that despite the best efforts of the Reducing Crime NKRA, crimes are still occurring. It must be understood that no country in the world is a zero crime nation or society. As such, public perception continues to be influenced by reports of crime, despite the reduced number of incidences. We accept this scenario as one of the intrinsic challenges of the Reducing Crime NKRA. Despite this, we are confident that public perception can still be improved strongly and we will continue to endeavour to do so.

On a more positive note, the Global Peace Index (GPI) findings showing Malaysia to be the most peaceful country in South East Asia and the fourth most peaceful in Asia Pacific after New Zealand, Japan and Australia, bodes well for us a nation. The GPI consists of 23 qualitative and quantitative indicators which combine various internal and external factors. The indicators were selected by a panel of academics, businessmen, philanthropists and members of institutions advocating peace. This ranking is all the more welcome as it serves as an independent, third party endorsement of the various initiatives and efforts undertaken under the Reducing Crime NKRA.

GOING FORWARD INTO 2012

2012 NKPI Targets

The following are the 2012 NKPI targets for the Reducing Crime NKRA:

KPI	2011 Target	Actual Achievement (Jan – Dec 2011)	2012 Target
Reduction in reported Index Crime	5% based on 2010 achievement	11.1% (19,629 drop in cases)	5% based on 2011 achievement
Reduction in reported Street Crime	40% based on 2009 achievement	39.7% (-15,101 drop in cases)	45% based on 2009 achievement
Reduce fear of becoming victims of crime	50%	52.8% in Dec 2011	45%
Increase the number of arrest cases brought to trial	20%	370,452 (23.4% of these IPs, or 86,794 brought to trial)	25%
Increased public perception on police performance	60%	70.5% in Dec 2011	65%

2012 initiatives

For 2012, some 496 CCTV cameras will be installed in strategic locations. The CCTV project is expected to commence in February 2012 and be completed by February 2013. Further initiatives will be rolled out so that the public receive excellent service when they interact with the police. One specific initiative that will receive greater attention in 2012 is the World Class Policing (WCP) strategy. Having commenced in 2011, the initiative will gain greater prominence in 2012. This system of benchmarking is the answer to helping Malaysia move closer towards developing a world-class police force.

Everyone must play a role

While the Reducing Crime NKRA delivered positive results in 2011, crime remains a top concern among Malaysians. The Ministry of Home Affairs and its partner agencies are committed to playing their role in creating a safer Malaysia for all Malaysians. However, this task cannot be left to the authorities alone. Every Malaysian must play his or her role. Each individual, family, neighbourhood and community must take ownership of building a safer neighbourhood, community and ultimately, a safer country.

The public should practice greater vigilance, be more proactive and supportive of law enforcement, as well as look-out for each other in the spirit of 1Malaysia. With better cooperation, communication and support, stronger strides will be made forward in the war against crime. In this way, the Reducing Crime NKRA will deliver better than envisaged results.

Fighting Corruption

Together

Developing a nation of integrity

Fighting Corruption

Dato' Seri Mohamed Nazri bin Abdul Aziz

Minister in the Prime Minister's Department

"In 2011, the government continued its fight against corruption. Firstly, we strengthened and expanded on the building block initiatives implemented in 2010, then followed through with the introduction of new measures. The Integrity Pact implemented through the Ministry of Finance and the launch of the Corporate Integrity Pledge to address the giving and taking of bribes demonstrate our continued dedication towards eliminating corruption and graft in our nation."

Waging war against corruption

Malaysia has set its sight on becoming a high-income nation in nine years' time and is looking to private sector investments to contribute 92% of the country's total investment needs. However, the rising incidence of corruption in Malaysia continues to be a major concern for investors. Already the economic cost of corruption to the country has been enormous with billions of ringgit in revenue and opportunity cost lost, while fair competition and efficiency too have been hindered. On top of this, it has been reported that small businesses have been tapping into 8% to 9% of their revenue base just to pay bribes, mostly on a variety of permit and licence applications. This statistic takes on greater importance when one takes into account that small and medium enterprises (SMEs) account for 30% to 40% of Malaysia's total GDP.

The issue has been further compounded by Malaysia's reputation being dealt a blow in the international arena. Corruption has also been identified as a key factor in the loss of human capital as well as the cause of low morale in the government service. Not just limited to the private or public sectors, corruption continues to impinge on the daily lives of all Malaysians. Complaints on graft from the public continue to be heard on simple everyday matters such as passing a driving test to seeking approvals on housing renovation plans and so on.

Simply put, corruption needs to be stemmed out to reduce the cost of doing business and to remove inefficiencies within the system. There is also a need to change the mind-sets of Malaysians – both the receiver and giver – to encourage investor confidence, to restore public trust, boost foreign direct investment, provide a fair market place and competitive platform, as well as ensure good governance. All of these are prerequisites if Malaysia is to move from its middle income status and transform itself into a high income nation by 2020.

Weeding out corruption

Understanding the effect that corruption can have on the nation, the Malaysian government is committed to weeding out corruption. The Fighting Corruption NKRA was conceived in 2010 in response to calls from the public to address concerns about corruption and halt the perceived increase in corruption.

In the first year of implementing anti-corruption initiatives, the Fighting Corruption NKRA achieved several major successes. As this NKRA moved into its second year, the efforts to stem corruption were taken to new levels. Existing initiatives were strengthened and new ones introduced. Even as more ambitious goals and targets were set, the insights and lessons learnt from 2010 were applied to 2011's efforts to continue the good momentum achieved.

Fighting Corruption

The following big wins were achieved for 2011:

2011 BIG WINS

- **Integrity Pacts**: The implementation of Malaysia's first ever complete Integrity Pact (with the Mass Rapid Transit project used as a model for the implementation of the full pact) By the end of 2011, 132,459 integrity pacts had been signed between the government and its vendors/suppliers

- **Corporate Integrity Pledge**: 64% of companies announced under the Entry Point Projects (EPP) for the Economic Transformation Programme (ETP) pledged their commitment to the Corporate Integrity Pledge (CIP). This included some companies with the largest market capitalisation in Malaysia, heralding a new era of public and private sector involvement in stemming corruption. The total number of companies that signed in 2011 was 64

- **Prosecution within a year**: Over 424 cases processed and 249 cases completed by 14 special corruption courts in 2011

- **Whistleblower Framework**: Following the passing of the Whistleblower Act on 15 December 2010, enforcement agencies were advised on its implementation through the issuing of guidelines by the Legal Affairs Division and a set of instructions issued to public prosecutors

- **Compliance units**: The creation of compliance units in all five key enforcement agencies. Today, the Royal Malaysian Police (PDRM or the Police), Road Transport Department (Jabatan Pengangkutan Jalan Malaysia or JPJ), the Royal Malaysian Customs Department (Customs), the Immigration Department (Immigration) and the Malaysian Anti-Corruption Commission (MACC) each have their own respective units to monitor and ensure proper conduct among their officers

- **Reward and recognition guidelines**: In June 2011, guidelines on rewarding civil servants who report instances of corruption and which lead to successful prosecutions, were issued

- **Public Service Reform booklet**: Published in 2011, this booklet is a collation of all the changes made by all ministries and agencies in the way of reforming bureaucratic processes and procedures. The booklet was distributed nationally to promote awareness on the correct systems, processes and procedures to follow so as to deter abuse

Fighting Corruption

Not only did these initiatives make a tangible impact but they were also effective in winning over the hearts and minds of the public. Based on Transparency International's Global Corruption Barometer survey (TI GCB), Malaysia's corruption barometer improved from 48% in 2010 to 49% in 2011. However, a drop in the Transparency International Corruption Perception Index (TI CPI) saw Malaysia's score dropping from 4.4 in 2010 to 4.3 in 2011. While the TI CPI measurement primarily focuses on grand corruption and not the entire Fighting Corruption NKRA, we will continue to work hard to ensure we make the necessary improvements going forward. Other surveys undertaken also reflect that opinions are progressively changing and public sentiment is improving as the government's efforts to fight corruption gain inroads.

OVERVIEW

Addressing the roots of corruption

Several surveys in recent years have underscored the gradual rise of corruption in Malaysia. The Merdeka Centre National Youth Survey 2008 stressed the fact that Malaysian society had identified corruption as a priority concern for the government to tackle. Malaysia's dismal scores for more than a decade on the internationally-recognised TI CPI (from 5.28 in 1995 to 4.5 in 2009) too, highlighted the fact that the international business community and country experts perceived that corruption in Malaysia was on the rise. The CPI measures perception of corruption on a scale of one (highly corrupt) to 10 (very clean).

On top of this, the TI GCB survey showed that in 2009, only 28% of the rakyat viewed the Government's actions in fighting corruption as being effective, in comparison to some 53% in 2007. Today, Malaysia stands at number 60 among 183 countries on the TI CPI. This is a far cry from previous years when the country was ranked a creditable 33rd on the TI CPI. The Fighting Corruption NKRA was established to specifically address the root causes of corruption and to provide the appropriate level of focus and resources to combat this evil.

In 2010, several NKPI targets were set to redress these issues as well as improve the perception about corruption in Malaysia (as per the TI CPI score) and the effectiveness of government actions in fighting corruption (as per the TI GCB survey). These NKPIs targets were grouped under three main sub-areas under the NKRA covering law enforcement and regulatory agencies, government procurement and grand corruption.

Fighting Corruption

The three sub-areas of the Fighting Corruption NKRA			
	Law Enforcement and Regulatory Agencies	**Government Procurement**	**Grand Corruption**
Aims	• Greater deterrents and effective enforcement againts corruption by public officials • Enhance the system for delivery of justice for corruption cases	• Reduce leakages of public funds • Better transparency and accountability in the award and execution of contracts	• Regain public confidence in law enforcement agencies • Reduce opportunities for abuse of power by law enforcement agents
Initiatives	e.g. strengthen and empower compliance units	e.g. define parameters of support letters e.g. disclose details of government procurement contracts	e.g. endeavour to complete prosecution of corruption cases within one year, particularly for cases of public interest

In 2010, the Fighting Corruption NKRA provided the first round of successes for the government's fight against corruption. These included the following:

- The development of the Convicted Corruption Offenders Database with a listing of 284 offenders – thus surpassing the initial target of 84 names. The significance of this initiative has had far reaching effects beyond its initial objective. Today, parties such as the US Embassy in Kuala Lumpur have "adopted" the listing and said they will disallow these listed offenders from entering the United States.
- The development of the MyProcurement portal, which listed more than 3,500 contracts on the website and other pertinent information such as advertised and awarded tenders and dates, values of contracts and winners of tenders
- Guidance on support letters i.e. the issuing of a circular providing guidance to civil servants on support letters
- The introduction of the Whistleblower Protection Act 2010
- The implementation of Integrity Pacts through the Ministry of Finance directive

The 2011 NKPI's for the Fighting Corruption NKRA sought to build on the preceding year's successes, while going further than before in addressing other corruption-related issues. While corruption is not something that you can put a definite framework around, the government has been focusing its efforts on putting the basic building blocks in place. While we are quite aware that this may be a double-edged sword (i.e. it would make a positive impact as well as draw unwarranted attention) we are determined to take the fight forward and set right what is wrong.

The strategy to leverage proven strategies and introduce new ones provided the basis for the development of 2011's NKPIs and initiatives.

FIGHTING CORRUPTION NKRA OBJECTIVES

2011 NKPIs

The following NKPIs were set for the Fighting Corruption NKRA in 2011:

No	NKPIs	2011 Target
1	No. of ministries scoring above 90% on the Procurement Accountability Index	19
2	Number of arrest cases brought to trial	20%
3	70% of companies announcing EPPs in the ETP Progress Updates to sign the Corporate Integrity Pact (CIP)	100%
4	No. of people in the database of convicted offenders	100
5	No. of summons settled vs. number of summons issued by The Road Transport Department (JPJ)	60%
6	No. of summons issued per hour of operations	12
7	Percentage of trials completed within a year	70%
8	Transparency International Corruption Perception Index (TI CPI) score	4.9

Fighting Corruption

The following NKPIs were set for the Fighting Corruption NKRA in 2011: (continued)

No	NKPIs	2011 Target
9	TI Global Corruption Barometer (TI GCB) survey on government actions to fight corruption	50%
10	Percentage of government procurement with Integrity Pacts	80%
11	TNS perception survey on how much enforcement agencies are perceived to be affected by corruption	3.5
12	Produce a clear and agreed procedure for effective implementation of the Whistleblower Act	November
13	Begin the process of reporting of actual numbers of whistleblower cases	December
14	Percentage of completion of compliance unit activities	60%

Follow-through NKPIs from 2010

In 2011, we retained several NKPIs that were introduced in the previous year. The NKPI relating to the number of ministries scoring above 90% on the Procurement Accountability Index was retained. We raised the target of 19 ministries from the target of 13 ministries in 2010. There are presently 25 government ministries and the 2011 target was for a minimum of 19 agencies to score above the 90% mark.

While the NKPI relating to the number of summons settled vs. the number of summons issued for the Road Transport Department (Jabatan Pengangkutan Jalan Malaysia or JPJ) was retained, we set a higher target of 60% based on historical performance. This target was agreed upon after discussions with JPJ and was finalised during the Delivery Task Force (DTF) meeting chaired by the Deputy Prime Minister. Another NKPI, the number of summons issued per hour of operation was maintained with a raised target of 12 summonses to be issued per hour of operation by the Royal Malaysian Police Force (PDRM).

> "It is important to institutionalise a practice and culture that refrains from corruption. Transparency is one of the ways to prevent corruption and is valuable for an entity like MRT Corp to achieve better results. By signing this pact, we are promoting this practice and supporting this initiative nationwide to instil a sense of awareness."
>
> - Datuk Azhar Abdul Hamid, Chief Executive Officer, MRT Corp

The NKPI for the percentage of trials completed in a year was also retained with a raised target of 70%. The rationale for the significant increase (from 33% in 2010) was based on the fact that special corruption courts had been introduced and were in operation. With the addition of these special courts, a larger volume of cases could be processed, more trials completed and a larger number of offenders convicted.

The Fighting Corruption NKRA continued to rely on the TI CPI and TI GCB for 2011. These international benchmarks are well recognised and accepted, hence the rationale for continuing to rely on them.

Modified NKPIs

2011 saw the NKPIs relating to law enforcement agencies being streamlined, while those pertaining to Immigration and Customs were dropped as they were not a true measure of corruption. A more suitable measure which encompasses the five key enforcement agencies was introduced instead.

One of the NKPIs relating to PDRM in 2010 was the number of cases charged vs. the number of arrests under the Dangerous Drugs Act. This was amended to reflect the number of arrest cases brought to trial, which encompasses all types of crimes. This NKPI is the same as that which is reported under the Reducing Crime NKRA. The change was required as it was not practical for PDRM to first report the total number of arrest cases brought to trial to the Reducing Crime NKRA and thereafter, report separately on the numbers from the Narcotics department to the Fighting Corruption NKRA. The decision was made to streamline the two NKPIs as one and report them under both NKRAs.

New NKPIs in 2011

A number of new NKPIs were introduced in 2011:

Integrity Pacts

With Integrity Pacts being implemented in 2010, it was necessary to measure the effectiveness of these pacts. While the directive mandating the use of Integrity Pacts in all government procurement was issued in April 2010, another circular was issued in December 2010. This circular provided further details of the necessary undertakings and declarations to be made by various persons including public officials depending on the stage a contract was at and the nature of the contractual relationship.

Fighting Corruption

The Mass Rapid Transit (MRT) project was to be the first large scale project to implement the full Integrity Pact including monitoring and oversight elements. An oversight body was established involving the Malaysian Anti-Corruption Commission (MACC). An independent external monitoring system headed by the Auditor-General with external party involvement, was formed to ensure adherence to the terms of the Integrity Pact. Full implementation of the Integrity Pact is only carried out on big projects with a high monetary value, so as to justify the cost of implementation.

Corporate Integrity Pledge

In line with the Integrity Pacts, an NKPI was designed to measure private sector participation in the Corporate Integrity Pledge. The Corporate Integrity Pledge or CIP was developed to address corruption in the private sector even as the Integrity Pacts initiative addresses procurement issues in the government. Both serve to addresses the supply side of corrupt practices.

Launched on 31 March 2011 at Bursa Malaysia, the CIP initiative has an NKPI target whereby 70% of the companies announcing Entry Point Projects (EPPs) in the Economic Transformation Programme (ETP) Progress Updates are to sign the CIP. The NKPI aimed to track all EPP stakeholders announcing their projects from April 2011 till the end of the year.

Although the CIP is not legally binding, all companies announced under the ETP are encouraged to commit to the CIP's anti-corruption principles. This is so these companies start on a strong foundation and their local operations are managed with zero tolerance for corruption. The preventive approach of the CIP hands over the responsibility for anti-corruption practices to business owners to protect their operations and earn a reputation for running clean businesses in the global market.

In signing the pledge, companies make a unilateral declaration that they will not commit corrupt acts; that they will work toward creating a business environment that is free from corruption; and that they will uphold the Anti-Corruption Principles for Corporations in Malaysia when conducting business as well as interacting with their business partners and the government. A soft copy of the Pledge is available for download at the Malaysian Institute of Integrity's website (www.cism.my) while the Anti-Corruption Principles for Corporations in Malaysia are spelt out as follows:

"The Corporate Integrity Pledge is definitely an indication of the government's seriousness in combating corruption. If the pledge and Anti-Corruption Principles are successfully carried out, a business environment that is free from corruption will certainly help reduce the cost of doing business and in turn attract more foreign direct investments into our country. The government, the corporate sector and the public should work together to stop any corrupt act in any form and to be honest and transparent in their dealings."

- Tan Sri Lim Wee Chai, Top Glove group chairman

Anti-Corruption Principles for Corporations in Malaysia

A company shall strive to create a Malaysian business environment that is free from corruption through the following actions:

1. COMMITTING to promoting values of integrity, transparency and good governance

1.1 To prohibit bribery and corruption in any form, whether direct or indirect, in the business place and in all business relationships, including with suppliers, contractors, customers and other third parties;

1.2 To ensure full compliance with codes of ethics at all times; and

1.3 To create a positive culture that upholds integrity in order to create a clean business environment.

2. STRENGTHENING internal systems that support corruption prevention

2.1 To develop an anti-corruption programme that articulates values, policies and procedures to be used to prevent corruption from occurring in all business activities;

2.2 To improve existing systems and procedures to prevent any corrupt practices;

2.3 To include corruption prevention, ethics and integrity as areas for training and development for management, employees and staff;

2.4 To create a secure and accessible channel through which employees and others may report violations in confidence and without risk of reprisal.

3. COMPLYING with laws, policies and procedures relating to fighting corruption

3.1 To ensure that all laws and company policies and procedures relating to fighting corruption are strictly complied with; and

3.2 To ensure that the good governance is practiced, checks and balances put in place, and business is conducted with transparency and accountability to avoid conflicts of interest, abuses of power and misconduct.

4. FIGHTING any form of corrupt practice

4.1 To take proportionate action against any employee, staff or other person involved in corruption in relation to the business, regardless of position and status; and

4.2 To report any corrupt practice that occurs in the business place to the appropriate authority.

5. SUPPORTING corruption prevention initiatives by the Malaysian Government and Malaysian Anti-Corruption Commission (MACC)

5.1 To support anti-corruption efforts by the Government and MACC; and

5.2 To maintain relationships with the authorities, regulators and MACC and provide full cooperation in relation to corruption detection, prevention and enforcement of laws against corruption.

Fighting Corruption

"It is important for us to make it (the corporate pledge) public, to send a strong signal to the world that we are back to doing serious business."

- Datuk Mohd Bakke Salleh, President and Chief Executive Officer, Sime Darby

The CIP's specific focus on EPPs project owners is aimed at providing a clear starting point for the rollout of the programme. It provides an opportune platform for the CIP to be launched and to test its effectiveness. With the ETP and its various EPPs geared towards transforming Malaysia into a high income nation, this watershed initiative presents an ideal opportunity to reduce incidences of corruption in business conduct and practices. The CIP is also regarded as a key confidence building measure, especially among investors to attract more foreign direct investment (FDI).

The extortionate cost of corruption

Combating corruption requires the combined effort of the public and private sectors. At the enterprise level, the commitment must come from the top at the Board of Directors and CEO-levels. Unfortunately, many enterprises treat bribery as a necessary part of today's competitive practices. The Corporate Integrity Pledge (CIP) thus serves as an excellent tool to secure commitment from the top to get serious about the fight against corruption. Datuk Paul Low, President of Transparency International Malaysia (TI-M) had this to say of the CIP:

"It is not correct that most corporations have got the CIP. Maybe what they have is a set of code of ethics and a statement of good governance, but in reality most are weak in compliance. Very few have made a public pledge in the form of the CIP. I believe Malaysia is at the forefront of this practice.

"The most serious form of corruption in Malaysia is what we call 'grand corruption', which often involves state capture. By this, we mean that corruption is committed through the abuse of power by certain people in authority who collaborate with a closed group of people. The objective is to manipulate state policies and regulations to favour themselves or their associates, including relatives and supporters. Awarding contracts, licences or concessions under privately negotiated deals are examples of state capture.

"Transparency International Malaysia (TI-M) estimates that Malaysia loses about RM30 billion each year to corrupt practices. The CIP will make it harder for corruption to exist without being found out if implemented properly with effective governance and integrity compliance regulations in the public sector. Heavier sentences imposed by the courts on those found guilty of committing corruption will act as a strong deterrent to reduce corruption."

Corporate Malaysia joins the fight against corruption

The Fighting Corruption NKRA applies overarching measures to eradicate graft in Malaysia. One of these is the Corporate Integrity Pledge or CIP. Targeted at the private sector, the pledge is an invitation to companies to join the fight against corruption. The pledge states that companies should be prepared to report and take action against employees involved in corrupt practices occurring at their place of business.

Companies which adhere to the pledge are effectively making a declaration that they will not commit corrupt practices nor allow their employees to do so, that they will create a culture and environment free of corruption by promoting values of integrity, transparency and good governance. The pledge also stresses the need to strengthen internal mechanisms which support corruption prevention, to comply with laws and to support the initiatives by the government and the MACC.

Seven agencies collaborated to develop the CIP and anti-corruption principles, namely the Malaysian Institute of Integrity, Bursa Malaysia Berhad, the Companies Commission of Malaysia, the Securities Commission Malaysia, Transparency International (TI) Malaysia, MACC and its NKRA Corruption Monitoring and Coordination Division. They were supported by PEMANDU.

By the end of 2011, 64 corporations had signed the CIP. The list included AirAsia, Country Heights, Sime Darby Berhad, Tenaga Nasional Berhad and Top Glove.

Group CEO of AirAsia Tan Sri Tony Fernandes said corporate corruption often resulted in an inefficient business process. “When you have a corrupt environment, the best may not succeed but the most expensive and the worst quality may succeed. Corruption, therefore, has a massive impact on the efficiency of the economy.”

“Corruption also starts from the top. If the leader is clean, then generally it permeates through the rest of the organisation. If the leader is corrupt, then the rest of the rank-and-file field will think it’s all right to be corrupt as well,” he said.

TI Malaysia president Datuk Paul Low commended the pledge, saying that it would result in the corporate sector coming forward to do their part in the fight against graft. “International investors will be looking for companies which have signed integrity pledges as they are assured that these companies can be trusted,” Low said.

Whistleblower Act

To measure how effective the Whistleblower Act has been since its implementation in 2010, two milestone NKPIs were introduced. The first sought to produce a clear and agreed upon procedure on the effective implementation of the Whistleblower Act. The second aimed to ensure the process of reporting actual whistleblower cases had begun as the Act would have been in force for about a year by end 2011. The Act came into force on 15 December 2010 and enforcement agencies were advised about its implementation through the issuing of guidelines by the Legal Affairs Division. A set of instructions was issued to public prosecutors too.

According proper protection to whisteblowers

The Whistleblower Protection Act 2010 came into force on 15 December 2011 as part of a concerted effort to combat corruption and fraudulent practices by encouraging and facilitating disclosure of improper conduct in both the public and private sectors. The aim was to provide protection to those who made such information available.

The Act is modelled after legislation currently in effect in developed countries such as the United States, United Kingdom, Australia and Canada, all of whom have also accorded protection to informers under their respective Whistleblower legislation. Unlike the Witness Protection Act, informers in Malaysia need not go to enforcement agencies to lodge a report. They can do so at their own comfort at a time and location of their choosing, to an enforcement officer. Whistleblowers are granted protection of identity, immunity from criminal or civil liability as well as protection against any action (harassment by employer or counter suit) taken against them. It is also possible for reports to be made via other means such as letters, provided informants provide phone numbers and addresses to verify the authenticity of details given and to prevent fictitious reports.

Compliance Units

Another NKPI that served to measure the effectiveness of an initiative implemented in 2010 was the percentage of completion of compliance unit activities by the five enforcement agencies. As all five key agencies (namely PDRM, JPJ, Customs, Immigration and MACC) share data on their specific compliance unit activities and targets, composite scores of their achievements can be calculated.

Perception

The TNS perception survey was first conducted in 2010, though at that point in time it was not deemed as an official NKPI for the year. However, in 2011, it was designated as an NKPI for the Fighting Corruption NKRA. The survey was conducted to measure the perception of corruption within the five key enforcement agencies. Respondents were asked to individually rank each of the five enforcement agencies in terms of how corrupt they perceive each one to be (1 being not corrupt and 5 extremely corrupt). These results were then tabulated into a composite score.

KEY PARTICIPANTS

A complex but workable structure

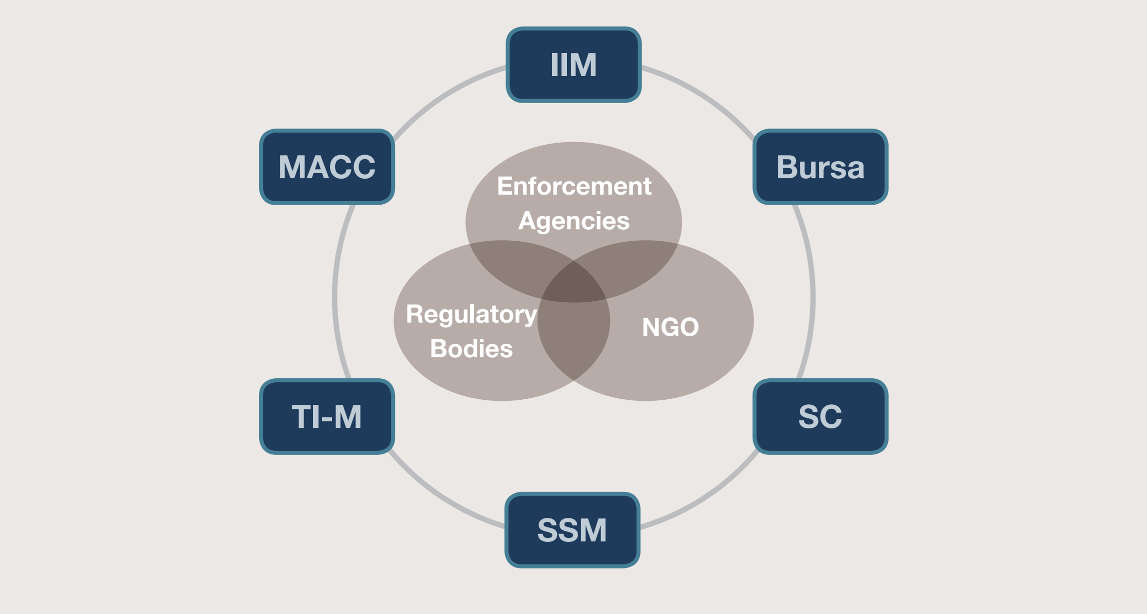
As the Fighting Corruption NKRA is cross-functional and multi-faceted in nature, the implementation of the initiatives stretches across a number of different ministries and agencies. In addition, the initiatives and activities undertaken under the Fighting Corruption NKRA are cross-jurisdictional. They do not fit specifically into the scope of work of a single ministry or agency unlike the other NKRAs. The key coordinating body for these efforts is the MACC which is where the Delivery Monitoring Office (DMO) is located. The DMO is the managing and coordinating body between the team in PEMANDU and the rest of the ministries and agencies that are involved in the implementation of the various initiatives.

Fighting Corruption

The rollout of the Integrity League Table initiative involved the participation of the Ministry of Housing and the Local Authorities. They provided the data and support necessary for the formulation of the league table as well as provided manpower for the required ground work. Another key implementing body was the Legal Affairs Division or BHEUU, which was the key coordinating body for the implementation of the Whistleblower Protection Act 2010. The BHEUU was also tasked with convening a roundtable of all the enforcement agencies (including the Securities Commission and the Companies Commission of Malaysia), the Attorney-General's Chambers (AGC) and the DMO and PEMANDU. This roundtable was a platform for the enforcement agencies to seek assistance on any implementation issues and to solicit support and guidance from the AGC with regards to the interpretation of the Act.

The CIP was developed in collaboration with a whole range of stakeholders through the mechanism of a roundtable. The members of the roundtable included Bursa Malaysia, the Securities Commission (SC), the Companies Commission of Malaysia (SSM), Transparency International Malaysia (TI-M), the Malaysian Institute of Integrity (IIM), the MACC and the DMO. The Malaysian Institute of Integrity played host to the CIP and developed its website (www.cism.my).

Members of the roundtable to develop the Corporate Integrity Pledge



'We believe that the best interests of the company and long-term value to shareholders will ultimately be preserved by conducting our business free from corruption and in accordance with the highest principles of integrity."

- Lee Kok Cheng, Group Chief Executive Officer of SEGi International Bhd (SEGi), a private higher education provider

Initiatives	Stakeholders
Implementation of Integrity Pacts in the MRT Project	MACC, Prasarana, MRT Co.
Introduction of the Corporate Integrity Pledge	Bursa, SC, SSM, IIM, TI, MACC
Reward and Recognition for Civil Servants who report corruption offences	MACC, Ministry of Health, Ministry of Education, Public Services Department, Attorney General's Chambers, Selangor State Government, DBKL, Court's Registrar, Ministry of Finance, Ministry of Defence
Introduction of an Anti-Corruption Mascot and Campaign	MACC, PDRM, JPJ, Customs and Immigration

2011 NKRA INITIATIVES

Follow-on initiatives

In 2011, the Fighting Corruption Team continued to implement several initiatives that were rolled out in the previous year. Our efforts included the implementation of the Whistleblower Protection Act, the special corruption courts (which commenced operation in February 2011) and the implementation of the Integrity Pact for the MRT project. The Whistleblower Protection Act faced some initial teething problems when it was first implemented. However, these issues were resolved quickly following guidelines introduced by the AGC to public prosecutors and the Act was fully implemented by the end of 2011.

Fighting Corruption

Fast tracking corruption trials via Corruption Courts

On 22 February 2011, Special Corruption Sessions Courts were set up specifically to handle corruption cases as an initiative under the Fighting Corruption NKRA. To date, there are 14 Corruption Courts located in eight states. Three Sessions Courts have been set up in Kuala Lumpur, Selangor and Johor while Pahang, Perak, Negri Sembilan, Sabah and Sarawak each have one court.

As specialist tribunals, these courts have specialist judges who handle only corruption cases, thereby enabling backlog cases to be cleared faster. These judges are also tasked with ensuring the proper application of the Whistleblower Protection Act 2010 as well as ensuring that cases are properly prepared and expedited by the Malaysian Anti-Corruption Commission.

As of December 2011, 249 corruption cases have been disposed of out of the total 424 cases registered. Datuk Hashim Hamzah, the Chief Registrar of the Federal Court, said the Corruption Courts were set up to expedite the disposal of corruption trials nationwide. “We aim to complete the prosecution of corruption cases within one year, particularly the high profile ones,” Hashim said.

New initiatives

The year saw the introduction of several new initiatives that included the issuing of guidelines on giving rewards and recognition to civil servants who report corruption, the Anti-Corruption Campaign and the publishing of the Public Service Reform booklet.

The reward and recognition initiative aims to recognise civil servants who report incidences of corruption and graft if the case leads to successful prosecution. It is meant to encourage civil servants who encounter instances of graft and corruption occurring in their daily work to refrain from partaking in such activities. Instead, they are to file a report with the relevant authorities. The MACC, AGC, Ministry of Finance and the Public Service Department set up a working group to formulate guidelines and the implementation mechanism for this initiative. The MACC served as the main coordinating body and guidelines were issued on 11 May 2011 by the Chief Secretary of Malaysia.

The year also saw the launch of the Anti-Corruption Campaign, complete with a new mascot, Agent Lang. Conceived with the support of the five enforcement agencies, the campaign sought to raise public awareness on ways to report corruption. One key element of the campaign was the aggressive publicising of the MACC's hotline number (1-800-88-6000) on all campaign materials. Through the hotline, the public can get more involved in fighting corruption. Calls received will be treated with the strictest confidence in a secure manner in compliance with precise procedures drawn up by the five agencies.

Another new initiative was the launch of the Public Service Reform booklet which collated the details of all bureaucratic process and service-related reforms made by the government. The booklet was widely distributed among all government departments and agencies to create awareness, make systems and processes more transparent as well as reduce abuse of power.

Fighting Corruption

SUCCESSES & ACHIEVEMENTS

The overall results of the NKPI targets set for 2011 are shown in the table below:

No.	NKPIs	2011 Target	2011 Actual	Remarks	Traffic Light
1	No. of Ministries scoring above 90% in the Procurement Accountability Index	19	18		
2	Number of arrest cases brought to trial	20%	23.7%		
3	70% of companies announcing EPPs in Progress Update to sign the CIP	100%	91.45%		
4	No. of people in the database of convicted offenders	100	496		
5	No. of summons settled vs. number of summons issued by JPJ	60%	49%		
6	No. of summons issued per hour of operations	12	12.41		
7	Percentage of trial completed within a year	70%	58.73%	Annual result	

The overall results of the NKPI targets set for 2011 are shown in the table below: (continued)

No.	NKPIs	2011 Target	2011 Actual	Remarks	Traffic Light
8	Transparency International (TI) Corruption Perception Index Score	4.9	4.3		
9	TI Global Corruption Barometer Survey on government actions to fight corruption	50%	49%		
10	Percentage of government procurement with Integrity Pact	80%	77%		
11	TNS perception survey on how much enforcement agencies are perceived to be affected by corruption	3.5	2.90		
12	Produce a clear and agreed procedure for effective implementation of Whistle Blower Act	November	Achieved	Milestone NKPI	
13	Begin the process of reporting of actual numbers of Whistleblower cases	December	Achieved	Milestone NKPI	
14	Percentage of completion of compliance unit activities	60%	99%		

Fighting Corruption

OUTCOMES

In 2011, the government's continued to maintain its momentum on the fight against corruption. While we achieved a score of 4.3 in the TI CPI, which was a decrease from the score of 4.4 the year before, results from the TI GCB survey show continued improvement in 2011 with 49% of the public holding the view that the government's efforts in the fight against corruption are effective (2010: 48%). As indicated by the TNS perception survey, the composite score attained was 2.9 – a marked improvement surpassing the target of 3.5.

The Corporate Integrity Pledge or CIP has helped to increase the profile of the Fighting Corruption NKRA as well as created greater awareness among stakeholders. It is perhaps the biggest and most comprehensive effort to date in roping in the private sector to stem corruption. It has sent a clear and direct message that the government is serious about dealing with corruption and the private sector must play its role.

With 64% of the EPP Stakeholder companies committing to the CIP, we have achieved a major win. Through this single initiative, a large number of corporations have been brought into the fold to fight corruption. In addition, some of the corporations with the biggest market capitalisation in Malaysia have rallied to the cause. The CIP has also led to greater cooperation between the government and the private sector and is helping forge a united front between both sides to tackle corruption together. A complete list of signatories to the CIP can be found on www.cism.my along with anti-corruption material for corporations and businesses.

The arrest of "big fish"

One of the prevailing perceptions with regard to the effectiveness of the MACC is the lack of arrests and convictions against "big fish" or grand corruption cases. The public holds the view that the less important cases involving less significant personalities and lesser charges are the ones that are brought to court. They are of the opinion that cases involving prominent individuals such as politicians and high profile corporate members involving large sums of money are largely overlooked. In 2011, the MACC proved that this was not the case with the arrest and conviction of several high-profile individuals connected with grand corruption.

MACC ups conviction rate to 74% in 2011

The MACC continues to maintain a rising conviction rate and has delivered three consecutive years of increasing convictions since 2009. In 2011, the Commission successfully achieved a conviction rate of 74%, a 3% increase from 2010's figure and a substantial improvement from 2009's 54% conviction rate.

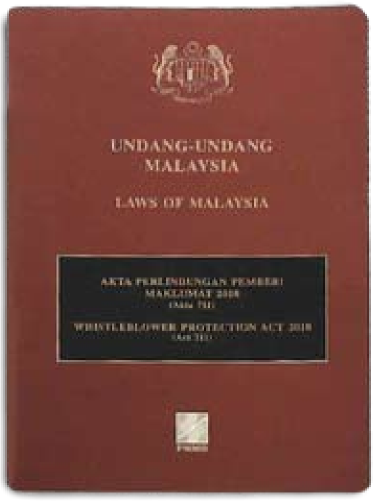
The fines imposed by the courts also increased in 2011, reaching almost RM10.9 million as compared to RM9.49 million in 2010. The sterling achievement was due to many factors, especially the formation of the Special Corruption Sessions Courts in February 2011, which speeded up trials, thus enabling witnesses to remember events more accurately while reducing the number of witnesses turning hostile.

This was further enhanced by the inclusion of a new clause in the Malaysian Anti-Corruption Commission Act on the role of the Anti-Corruption Advisory Board, Special Committee on Corruption and the MACC Operation Review Panel. The board, committee and panel members comprise economic and legal experts from the public and private sectors as well as representatives of political parties.

One of the biggest achievements in 2011 was the conviction of the former Selangor Chief Minister Datuk Seri Dr Mohd Khir Toyo, who was found guilty by the High Court for knowingly purchasing two pieces of land and a bungalow in Shah Alam at a much lower price than its original value in 2007. He was sentenced on 23 Dec 2011 to one year's jail and had his land and bungalow forfeited.

With regard to the Integrity Pacts initiative, although the Integrity Pact was originally signed between Syarikat Prasarana Berhad and Gamuda-MMC for the MRT project, following the transfer of the project to Mass Rapid Transit Corporation Sdn Bhd, the latter will also be party to the Integrity Pact and will sign a full version of the pact in the first quarter of 2012. A considerable measure of work had been contributed by all stakeholders involved and the Integrity Pact for the MRT project will serve as a model for the future.

Fighting Corruption



The implementation of the Whistleblower Protection Act 2010 was another major achievement in 2011. The implementation of the Act will create a protective environment that safeguards the identity of anyone who reports on corruption so that they can divulge information without fear. Thus far, 11 whistleblowers have been protected under the Act according to the Legal Affairs Department, which has been tasked with the monitoring and coordination of the implementation of the Act.

With the Whistleblower Act in place, we look forward to more members of the public coming forward to report incidences of corruption.

The compliance units within the five enforcement agencies have also gone from strength to strength. These agencies were asked to define and set their own targets according to their capabilities, and have so far outdone themselves by achieving close to 40% more of what they initially targeted.

CHALLENGES

SHORTCOMINGS

As with all efforts involving many stakeholders and participants, coordination remains a challenge. As an example, introducing the Whistleblower Protection Act 2010 required coordination across all key law enforcement agencies to ensure standardisation across the board, while working within the individual, specific operating structures of each enforcement agency. This required more coordination among the agencies than originally planned, as each agency faced its own unique implementation issues.

2011 saw the TI CPI dropping from 4.4 in 2010 to 4.3 in 2011. This puts Malaysia in the 60th position as compared to 56th position in the previous year. The TI CPI scores 183 countries and territories from 0 (highly corrupt) to 10 (very clean) based on perceived levels of public sector corruption. As the TI CPI reflects only one area of corruption i.e. grand corruption and is not a portrayal of the entire Fighting Corruption NKRA, more must be done to tackle grand corruption.

LESSONS LEARNT

A key insight discovered was that to make the Fighting Corruption NKRA truly effective, it paid to work not just with the natural owners of a particular task or area, but also with a broader group of stakeholders. This is because corruption can affect all aspects of personal and professional life and it is in everyone’s interest to reduce corruption. This was clearly demonstrated by the great support demonstrated in the creation and rollout of the Corporate Integrity Pledge, which saw the private and public sector collaborating to create a tool for private sector corporations to support the fight against corruption.

By supporting a Government initiative to fight corruption, corporations themselves benefit in multiple ways – for example, by reducing losses through fraud, reducing the reputational and legal risk of being implicated in a corruption allegation, and by becoming eligible for foreign business by meeting requirements of legislation such as the US Foreign Corrupt Practices Act or UK Bribery Act.

PUBLIC PERCEPTION

As mentioned earlier, public perception has improved with scores on various surveys showing respectable results:

As shown by the TI GCB survey, Malaysia's corruption barometer rating improved marginally from 48% in 2010 to 49% in 2011. The TI GCB independently surveys the Malaysian public's views on experiences of corruption. This means that presently, 49% of the rakyat have perceived the government's fight against corruption to be effective.

The building blocks put in place in 2009 and 2010 are beginning to address the issue of petty corruption, which is what affects the public in their daily lives. Some of these initiatives were the Name and Shame Database that acts as a deterrent to corruption offenders, the Whistleblower Protection Act, and the establishment of compliance units within the five key enforcement agencies.

However, at the same time the TI CPI dropped from 4.4 in 2010 to 4.3 in 2011. However, it mainly reflects only one area of corruption, that is grand corruption and is not entirely a measure of the Fighting Corruption NKRA. The government recognises its shortcomings in this area and will do more to tackle grand corruption in a more effective manner.

As proven by a number of key surveys under PEMANDU's radar, there have been improvements in the perception of corruption in this country. However, as evidenced by the drop there still remains plenty of work to be done in this area. In the PERC Asian Intelligence Survey, Malaysia's score increased from 3.5 in 2010 to 4.5 in 2011, while in the WEF Executive Opinion Survey, there was also an increase from 4.7 in 2010 to 5.7 in 2011. The Bertelsmann Transformation Index also saw an increase from 4.5 in 2010 to 4.6 in 2011.

The CPI uses data from 12 surveys with the Political Risk Services Country Guide, the World Justice Project Rule of Law Index and Transparency International's Bribe Payer Index (TI-BPI) being included as new sources in 2011.

Fighting Corruption

GOING FORWARD INTO 2012

For 2012, we have set the following targets:

KPI	2011 Target	2012 Target
Assessment of qualitative criteria.		
NKRA / NKPI		
Fighting Corruption		
1.1 Transparency International (TI) Corruption Perception Index (CPI) Score.	4.9	4.9
1.2 Transparency International Global Corruption Barometer Survey on government actions to fight corruption.	50%	52%
1.3 Number of Ministries scoring above 90% on Procurement Accountability Index.	19	22
1.4 Percentage of government procurement with Integrity Pact.	80%	100%
1.5 Percentage of EPP stakeholders announced have signed up to Corporate Integrity Pledge (CIP).	70%	100%
1.6 Number of arrest cases brought to trial.	20%	25%
1.7 Number of summons settled vs. number of summons issued by JPJ.	60%	60%
1.8 Number of summons issued vs. total hours of operations (PDRM Traffic).	12	13
1.9 Whistleblower protection awareness and satisfaction survey result.	New KPI	50%
1.10 Percentage of completion of compliance unit activities.	60%	85%
1.11 TNS perception survey on how much enforcement agencies are perceived to be affected by corruption.	3.5	2.75
1.12 Percentage of trials completed within a year.	70%	70%
1.13 Number of people in the database of convicted offenders.	100	300
1.14 Full-fledged implementation through a prescribed method of the political funding initiative.	New KPI	100%

New Initiatives in 2012

Going into 2012, the Fighting Corruption NKRA aims to continue working on the political funding initiative. The aim of this initiative is to increase transparency and accountability in the political funding process by introducing regulations for political parties. Work on the Integrity Pacts too will continue with the implementation of the full Integrity Pact on another large-scale project that will have great impact.

CIP efforts will also continue, not just with the recruitment of signatories, but with the expansion of the model implemented in the pilot MRT project to a number of companies. The scope of the companies will also be broadened, by looking to focus on other segments such as government-linked and public listed companies as well as the small and medium enterprise segment. The effort is now gaining momentum as more companies become aware of the need for good governance and integrity systems.

Signing the CIP is merely the first step in engaging corporations in the fight against corruption. The overarching aim of the Pledge is to get companies to adopt a self-reporting model, where corporations themselves look to assess the strength of their integrity systems, identify an action plan to improve their systems, work to close those gaps and then take measures to report any efforts made in the interest of transparency. Post-signing, companies are further encouraged to strengthen their integrity systems within the organisation. In support of this initiative, a number of the stakeholders of the Pledge, such as Transparency International and the Malaysian Institute of Integrity, have come on board to assist interested companies in this area.

Signing the Pledge is just the first step

Transparency International is running a pilot project to improve the integrity systems and processes within a company. The 2012 elements of this project will involve a more detailed rollout and encompass various types of business entity. With the introduction of new bribery legislation in the UK and the strengthened enforcement of the Foreign Corrupt Practices Act in the USA, the importance of clean business practices is especially pertinent now, especially when business interests lie in foreign jurisdictions.

The Integrity League Table will also be rolled out for Peninsula Malaysia and Sarawak early this year, with Sabah to follow later in the year. Improving government procurement systems and processes will also be a key focus area in 2012 for Local Authorities. One of the initiatives that will be carried out in this area will be the redeployment of staff in jobs that are considered “high-risk”.

Maintaining the momentum

It has been a reasonably fruitful year for the Fighting Corruption NKRA. Results indicate that the momentum has been maintained to some extent while public perception towards petty corruption and the actions taken are being slowly felt and acknowledged by the public. However, we cannot as yet, declare victory. The fight against this public enemy must continue. The mixed results between the improvement in the Corruption Barometer and the decline in the TI CPI prove that more work is needed.

Throughout 2010 and 2011, the government has been able to put in place basic building blocks to effectively address the issue of petty corruption. As evidenced by the TI GCB, there has seen a slight increase over last year’s rating. We realise however a lot more focus is needed on combating grand corruption. The TI CPI has clearly shown that we need to address grand corruption as it is impeding our overall CPI scoring and our nation’s progress. This issue requires institutional and structural reforms, which the government recognises this and which MACC is putting into effect. The MACC has already initiated various steps to combat grand corruption including the implementation of a transformation programme to strengthen their forensic investigative capabilities.

We also plan to put more effort into delivering initiatives such as introducing a transparent consultation process for new laws as well as political financing. We are studying the details of the TI CPI report and will continue to work with Transparency International, the MACC and all other relevant agencies to make the required improvements.

"The idea in the GTP is that you make Malaysian companies world beaters and by doing so, they have to go out there and prove themselves. And so I think it is critical we address corruption if we want to move into developed nation status."

Tan Sri Tony Fernandes
Group CEO, Air Asia

Everyone has a part to play

A point to note is that the Transparency International Bribe Payer Index (TI BPI) focuses on the giver, instead of the receiver. This clearly highlights the fact that we need to place an emphasis on integrity and the Fighting Corruption NKRA will seek to address this by driving CPI efforts with greater resolve in 2012. The scoring of the TI BPI is also a clear indication that only when the giving stops, the taking stops. This is the systemic issue that all Malaysians must play a part in addressing.

The fact of the matter is that while Malaysians complain about corruption, many are inclined to pay bribes for minor matters. Such attitudes must be eliminated. Corruption will only cease when all parties practice zero tolerance. This must start with Malaysians having the right values and mind-set. While the government is doing its part to address inefficiencies in the system and implement safeguards to impede those receiving corruption, the public must shoulder their responsibility in fighting graft.

In particular, Malaysia's future generation – the youth of the nation will be instrumental in fighting corruption. The youth in general have more exposure and are more vocal; they are more technologically savvy with access to higher levels of education and have the capability and capacity to truly make a telling difference in the fight against corruption. All they need now is to express their conviction to shape the future of Malaysia. Young Malaysians through the use of social and technological tools can play a major role and the government looks forward to seeing greater participation from the younger generation in combating graft.

Playing its part, the government will continue to lead the fight against corruption, via initiatives within or outside the scope of the Fighting Corruption NKRA. The recent unprecedented move to make it mandatory for the family members of Cabinet Ministers, including spouses, of Cabinet ministers to declare their assets to the MACC, is timely. A copy of the declaration will be kept by the MACC.

It speaks volumes of the Najib administration's commitment to ensuring transparency with the country's top echelon setting the example. It is a move that is welcomed by the rakyat. This comes within a few days of the Chief Justice of Malaysia, Tan Sri Arifin Zakaria, announcing that judges would soon be required to declare their assets for the sake of ensuring judicial integrity. The decision will cover judges of the Federal Court, Court of Appeal and High Court as well as judicial commissioners.

The Fighting Corruption NKRA Team pledges to do its utmost in combating corruption. The journey is challenging, the road long and arduous, but the result will validate our efforts. By reducing corruption, Malaysia will able to propel itself towards becoming a highly developed nation that espouses transparency, free and fair competition as well as openness. Only then, will we once again be held in high regard in international circles.

Improving Student Outcomes

Together

Nurturing the nation's future

Improving Student Outcomes

Tan Sri Dato' Haji Muhyiddin bin Mohd Yassin

Minister of Education

Encouraged by the strong results achieved by all Education NKRA initiatives in 2010, we moved forward to carry on the good work. 2011 saw us stretching the targets further whilst doubling our efforts. As expected, we met challenges along the way in pushing through our transformational initiatives. Nevertheless, this did not deter us from further building upon the strong foundations we had established. Our commitment to the rakyat going forward, is to build a globally competitive Malaysia by continuously raising standards of education and improving delivery.

Safeguarding Malaysia's future through quality education

Malaysia has set its sights on becoming a developed and high-income nation by 2020. The Improving Student Outcomes or Education NKRA was conceived to safeguard the nation's future by developing the minds, talents and capabilities of the next generation in a more advantageous manner as we move towards these ambitions. By improving student outcomes and addressing the various challenges currently faced at the pre-school, primary and secondary levels, Malaysia is taking the first steps towards providing quality educational opportunities for all regardless of race, religion or income levels. The ultimate aim is to develop a generation of skilled and competent workers who will be able to compete effectively in the 21st century workplace and enjoy a higher standard of living.

In the past 50 years, Malaysia has indeed come a long way. The country's education system has resulted in a 92% adult literacy rate with universal primary enrolment. Secondary school enrolment rates are also one of the fastest growing in the region.

Despite these achievements, gaps continue to exist. The Education NKRA was conceived to address these remaining gaps, while raising the bar to support Malaysia's aspirations of becoming a developed nation with the appropriate human capital.

In 2011, the Ministry of Education followed through on the various Education NKRA initiatives implemented in the preceding year as well as rolled out several new programmes. The Ministry focused its efforts on ensuring quality and excellence in all that it undertook and provided opportunities on the principles of merit. To ensure all Malaysian children throughout the nation had access to quality education, the Ministry continued to reach out to both rural and urban constituents.

Despite the many challenges that surfaced over the course of the year, the Education NKRA Team delivered noteworthy results. The team exceeded its literacy and numeracy targets significantly, awarded "High Performing School" status to an additional 32 schools, and rolled out over 3,000 pre-school classes. The start of 2011 saw the introduction of the School Improvement Programme, a new initiative which helped all 10,000 schools throughout Malaysia to improve their performance, thereby elevating the overall school system.

2011 was also the year in which the Education NKRA became more data-driven. By adopting a data-centric approach, The Ministry of Education has set in place strong foundations to further build upon. It is now in a better position to make more reliable, informed decisions that will further improve the education system and ensure targeted intervention as and when necessary. This approach has also afforded the Ministry the ability to leverage a host of educational strategies that they previously were unable to tap. All in all, the Ministry is now better positioned to carry out the NKPIs committed to under the Education NKRA.

Improving Student Outcomes

The Education NKRA delivered several big wins in 2011.

BIG WINS

In 2011, good progress was made on these initiatives that had been implemented in the preceding year:

- Achieved a 77.23% enrolment rate for pre-schools by December 2011
- Rolled out 3,089 pre-school classes with the help of the Ministry of Education, Department of Community Development (KEMAS), Department of National Unity & Integration (JPNIN) and the private sector
- Achieved a 97.5% literacy rate and a 98.6% numeracy rate for Primary 2 children in the Literacy and Numeracy Screening (LINUS) programme
- Achieved a 91.0% literacy rate and a 95.4% numeracy rate for Primary 1 children for the second cohort of the LINUS programme
- Awarded High Performing School (HPS) status to 32 schools in 2011, on top of the existing 20 HPS identified in 2010
- The number of lowest performing schools (Band 6 and 7 schools) decreased by 40.25% from previous year

2011 also saw the roll out of several new initiatives:

- For the first time in Malaysian history, a national pre-school information system – Sistem Maklumat Prasekolah Kebangsaan or SMPK was developed to collate data on pre-schools and students enrolled in pre-schools in 4+ and 5+ age group
- An instrument to identify children with symptoms of learning disabilities was developed and 3,916 such students were identified among Primary 2 children
- A national level web-based one-stop data system, the School Examination Analysis System (Sistem Analisis Peperiksaan Sekolah) or SAPS was developed for all public schools in the country.

It is also noteworthy to mention that 2011 saw Malaysia achieve its best Sijil Pelajaran Malaysia examination results in four years. While no direct studies have yet to be commissioned as to the co-relation between the Education NKRA and the examination results achieved, it is likely that the efforts of 2010 and 2011 have played a significant role in delivering the improved performance.

OVERVIEW

An urgent need to enhance our education system

As Malaysia strides forward towards becoming a progressive, harmonious, high-income nation by 2020, its ability to create a more competitive workforce will to a large extent depend on how it improves student outcomes today. In 2007, approximately 20% of Malaysian students failed to meet the minimum Trends in International Mathematics and Science Study (TIMSS) benchmarks for Science and Mathematics in 2007, as compared to some 5% to 7% in 2003. Malaysia was ranked 52nd, 57th and 44th for Science, Mathematics and Reading respectively in the 2009 evaluation of the Programme for International Student Assessment (PISA). In the 2010 McKinsey & Company Education Report, Malaysia's school system performance was given a "fair" rating. If Malaysia intends to achieve developed nation status within less than a decade and rank among nations such as Singapore, Hong Kong and South Korea (which all scored "good"), it needs to urgently enhance its education system.

Thankfully, the Education NKRA and the Education NKEA (National Key Economic Area) under the Economic Transformation Programme (ETP) aim to do just that. Complementing one another, these two initiatives carry the premise that a first-class education helps cultivate first-class human capital. In an increasingly competitive global market, there is a dire need for first-class talent to exhibit 21st century skills, namely critical thinking, problem solving, communication, collaboration, creativity and innovation so that they can truly succeed. Great educational systems are those that ensure every child succeeds regardless of their background. By enabling access to quality education for all students and improving student outcomes across Malaysia's school system, the Education NKRA will enable Malaysia to emerge as a nation capable of battling it out in the 21st century.

Improving Student Outcomes

EDUCATION NKRA OBJECTIVES

2011 NKPIs

Closing the education gap and raising the bar

The Education NKRA commits to "closing the gap" and "raising the bar" by making quality basic education more accessible to all students and improving student outcomes across the Malaysian school system. In line with this, the Ministry of Education committed to achieving the following NKPI targets by the end of 2011. The year saw targets for the NKPIs being raised even higher than 2010's targets.

NKPI Targets for Education

Focus Area	NKPI	2010 Achievements	2011 Target
Initiatives to Close the Gap			
Pre-school education	Enrolment rate (age 4+ and 5+)	72.42%	80%
Literacy and Numeracy Screening (LINUS) rates	Cohort 1 • Literacy rate • Numeracy rate	 85% 91%	 95% 95%
	Cohort 2 • Literacy rate • Numeracy rate	students enrolled in 2011	 90% 90%

NKPI Targets for Education (continued)			
Focus Area	**NKPI**	**2010 Achievements**	**2011 Target**
Initiatives to Raise the Bar			
High Performing Schools	Number	20	50
New Deals for head teachers and principals	% of head teachers and principals who exceed target • Primary School	7.7%	3%
	• Secondary School*	-	2% (2010 target)
	% of head teachers and principals who perform below target • Primary School	1.83%	Not more than 8%
	• Secondary School*	-	Not more than 10% (2010 target)
New NKPI: School Improvement Programme (SIP)	% decrease number of schools in Band 6 and 7 from previous year	-	20%
	% increase number of schools in Band 1 and 2 from previous year	-	8%

*As the New Deals results for secondary schools will only be made available after the SPM results (i.e. May 2012), we are reporting the 2010 results and comparing them against the 2010 targets.

Closing the gap

The Pre-school and Literacy and Numeracy Screenings (LINUS) initiatives are designed to close the disparity gap among students by increasing opportunities for all children throughout Malaysia to gain skills and knowledge through the education system. These initiatives aim to uplift the basic standards of education in the country by ensuring every child has a head start through early childhood education and an opportunity to be fully literate and numerate by his or her third year of schooling.

Pre-school

The Pre-school NKPI targets for 2010-2012 aim to elevate the pre-school enrolment rate of 4+ and 5+ year-old children from a baseline of 67% in 2009 to 72% by 2010, 80% by 2011, and 87% by 2012. To achieve these aims, initiatives such as the rollout of additional government agency-operated pre-school classes nationwide, particularly in the remote areas, have been brought into play. To increase the participation of private-operated pre-schools in these efforts, public-private partnerships and NKEA initiatives have been tapped to encourage the scale-up of private pre-school operators. At the same time, the Ministry has sought to improve the quality of pre-schools nationwide by standardising financial support levels for students attending government pre-schools and training private pre-school teachers so as to improve the quality of their teaching methods.

Literacy and Numeracy Screening (LINUS) Programme

The Literacy and Numeracy Screenings or LINUS programme aims to achieve 100% literacy and numeracy for all Malaysian schoolchildren (without learning difficulties) by the time they reach Primary 3. Malaysia’s LINUS targets are ambitious as fewer than 30 countries have a literacy rate of 100%, even among their adult populations. To achieve these targets, screenings and remedial classes have been introduced to help children master the 3Rs, namely reading, writing and arithmetic.

LINUS screenings are conducted three times each year, beginning at Primary 1 and following through to Primary 3. The target is to attain a literacy and numeracy rate of 90% for Primary 1 students, 95% for Primary 2 students and 100% for Primary 3 students. These screenings allow for early identification of weaker students so that the necessary intervention can be planned accordingly. Those who do not meet the relevant standards are placed into the LINUS programme or into a special education programme, if they have a learning disability.

Raising the Bar

The Education NKRA aspires to raise the bar of the overall school system by identifying High Performing Schools (HPS) and investing heavily in head teachers and principals as the primary drivers of change.

High Performing Schools

The High Performing Schools or HPS are the *crème de la crème* of primary and secondary schools. These HPS have been selected based on several stringent criteria, including academic achievement, strength of alumni, competitions won at an international level, strength of their network and linkages with external entities. Each of these schools must also maintain a strong ethos, character and unique identity which will enable each to excel in every aspect of education. Moreover, the HPS act as role models for other schools and provide them with support through an inter-school coaching and mentoring network.

The Ministry of Education has set a target of identifying a total of 100 HPS by 2012 (i.e. 20 HPS to be identified in 2010, 30 HPS in 2011 and 50 HPS in 2012). Even as new HPS are being identified, the existing HPS have to maintain their standards. At the beginning of each year, every HPS is required to set its KPIs. The achievements of the HPS (including school performance and student outcomes) are then monitored to gauge the effectiveness and impact of the grants and autonomy accorded to them.

New Deals for head teachers and principals

Head teachers and principals are the primary drivers of change in the school system and thus any improvement in their performance has a significant and positive impact on student outcomes. Any incentive-driven culture where head teachers and principals as well as teachers are rewarded for their performance will spur better outcomes throughout the system. The New Deals initiative was designed to improve overall student outcomes throughout the system by incentivising head teachers and principals to innovate, improve upon and deliver high performance in the schools they lead.

Improving Student Outcomes

The eligibility criteria for New Deals award are:

1) A composite score of above 84% for primary schools and 92% for secondary schools in the school ranking; or a year-on-year improvement of 27% for primary schools or 15% for secondary schools. This would give head teachers and principals a chance to receive rewards regardless of the point they started at – i.e. even those with lower starting positions will be able to receive rewards if they show significant improvement in their rankings
2) An Annual Appraisal Report (LNPT) score of higher than 90
3) A clean (unqualified) financial audit report from the state education department
4) A disciplinary action-free history
5) Achievement of school literacy and numeracy targets (for primary schools)

For 2011, the performance-based assessment for head teachers and principals in the system aimed to ensure that at least 3% of primary school head teachers and secondary school principals exceeded their 2011 targets, and that only 8% of head teachers and principals performed below target. Prior to the implementation of the NKRA initiatives, there was no performance-based system for the teaching workforce in the country except for a generic assessment system for civil servants. The new performance-based assessment is linked to the ranking of schools and serves to support head teachers and principals. With the introduction of a new and objective measurement of school performance, teachers now have real performance benchmarks to measure their performance against. The teaching community has responded positively to the NKRA initiatives, as it is a platform that evaluates them based on merit and initiative shown.

School Improvement Programme

Even as the HPS serves as a benchmark and motivational driver for other schools, the School Improvement Programme or SIP was introduced to complement the HPS by closing the achievement gap between HPS and the rest of the schools in the system. At the same time, the SIP is a natural extension of the New Deal initiative as it motivates all schools to do better, especially the chronically underperforming ones.

While providing access to education is vital, equally vital is the quality of education available to schoolchildren. The SIP is a bold and ambitious initiative to address the issue of quality by raising the benchmark for the entire school system.

This comprehensive and ambitious programme challenges, motivates and supports all 10,000 schools in the school system to improve student outcomes. The programme accelerates and enhances existing school initiatives by integrating details such as school needs, accountability, on-going monitoring and support through a new one-stop, national-level data system known as the School Examination Analysis System (Sistem Analisis Peperiksaan Sekolah) or SAPS.

The SAPS aims to assist teachers, head teachers, district education offices, state education departments and the Ministry of Education to develop strategies to improve student outcomes. Using the information from the SAPS database, coaching, mentorship and training support is provided to the principals and teachers at chronically underperforming Band 6 and 7 schools. Parents can also obtain their children's examination results via the SAPS at http://saps.moe.gov.my/ibubapa2/index.php

In 2011, the SIP targeted to decrease the number of lowest performing schools (Band 6 and 7 schools) by 20%, and increase the number of highest performing schools (Band 1 and 2 schools) by 8%. The target is to eradicate both Band 6 and 7 categories by 2015.

KEY PARTICIPANTS

Collaboration expanded

The Ministry of Education as the designated Lead Ministry and coordinator for the Education NKRA works in close collaboration with various agencies to implement the Education NKRA initiatives. The Ministry also works hand in hand with state and district education offices to ensure the success of all Education NKRA initiatives.

For the Pre-school initiative, the Ministry has been collaborating with the Department of Community Development (KEMAS) under the Ministry of Rural and Regional Development and the Department of National Unity & Integration (JPNIN) in the Prime Minister's Office to achieve the set targets. With the cooperation of Low Income Households (LIH) NKRA, the Ministry has been working with SeDidik under the Sarawak Economic Development Corporation and Yayasan Sabah to build more pre-schools in remote areas in Sarawak and Sabah.

To identify students with learning disabilities among LINUS Tegar ("hard-core" illiterate and innumerate) students, the Ministry has been collaborating with the Ministry of Health. The Ministry is also working closely with the private sector in the fields of teacher training and pre-school operations to improve the quality and effectiveness of the entire school system and increase access to education.

2011 NKRA INITIATIVES

In 2011, the Ministry of Education implemented the following initiatives to achieve its targets:

Continued support of pre-school agencies and operators

Efforts were undertaken to provide continued support to government pre-schools operated by the Ministry itself as well as KEMAS and JPNIN by providing free seats in all public pre-schools, ensuring quality standards and standardising meal grants between government agencies. Continued support was also extended to private pre-school operators by introducing additional incentives to increase their participation. Grants amounting to RM10,000 each were given to 500 pre-schools that complied with the Ministry's standards in 2011.

Following through on a 2010 initiative, fee assistance was accorded to 14,122 children from low-income families who attended private pre-schools with fees of less than RM150 per month. The assistance to these families covered a 10-month period in comparison to only a three-month period in 2010. In addition, the Ministry partnered with private teacher training colleges to up-skill private pre-school teachers in order to improve the overall quality of pre-school teachers in the privately run pre-schools. 2011 saw training being provided to 6,421 private pre-school teachers through public and private teacher training institutions.

To ensure all pre-schoolers (regardless of the type of pre-school) gained the necessary basic knowledge to start their primary education smoothly, the National Pre-school Curriculum Standard (NPCS) was developed in collaboration with the private sector. In 2011, an independent council or industry association called the Early Child Care Education (ECCE) Council was established to provide quality control and advocacy. Comprising industry members, the ECCE is responsible for setting standards, improving the quality of the ECCE industry and representing its interests to the public as well as to national or government agencies.

Strong LINUS follow-through

In 2011, the first cohort of Primary 2 students underwent three LINUS screenings for basic literacy and numeracy skills. The second cohort of students in Primary 1 was also screened. In total, approximately 900,000 children throughout the country were enrolled in the LINUS programme in 2011 and their progress was monitored by trained LINUS teachers as well as FasiLINUS (dedicated facilitators who provide professional support to LINUS teachers) and the Ministry.

In ensuring that no child is left behind in acquiring basic literacy and numeracy skills, the Ministry introduced the LINUS Camp, a special intervention programme for LINUS Tegar students. Conducted nationwide by all district education offices, 2011's camps sought to move LINUS Tegar students into the higher levels of the LINUS programme. For example, students who were completely illiterate at the beginning of the programme were to be able to identify all 26 letters of the alphabet by the end of the programme. The programme also served as a platform for teachers to learn new teaching skills from more experienced teachers as well as helped make parents more aware of LINUS activities.

In 2011, the Ministry also organised a national LINUS conference for the first time. The conference which was held from 5 to 7 December 2011, served as a platform for FasiLINUS, LINUS and remedial teachers to share experiences and best practices. It was also a unique environment where LINUS implementers of all levels interacted with each other. As this event was well-received by participants, the Ministry will make it an annual event and will even invite international speakers to future conferences.

In collaboration with the Ministry of Health, the Ministry of Education also leveraged the LINUS programme to develop an instrument to identify students having symptoms of a learning disability. As the Ministry moves forward, it will ensure that such symptoms are verified by medical specialists and that such students are enrolled in special education classes.

Improving Student Outcomes

More High Performing Schools identified

In 2011, the Ministry of Education continued to pinpoint more HPS even as it moved closer towards its goal of identifying a total of 100 HPS by 2012. Aspiring schools with high potential to become HPS are given guidance from the Ministry through a Handholding Programme to catapult them into becoming internationally benchmarked schools. All HPS hopefuls must first ensure they are one of the top performing schools nationwide and be ranked in Band 1 of the Ministry of Education's school rankings. In addition, these schools must also meet the stringent criteria of the High Performing School Annexe, which tests each school for its ethos, character, alumni networks, and international linkages.

All HPS candidate schools must also be audited from the financial and holistic perspectives by the School Inspectorate of Malaysia (JNJK) before they can be awarded HPS status. A HPS has more financial autonomy and moving forward, all HPS will have more autonomy in decision-making when it comes to instruction methods, flexibility in adapting curriculum as well as the selection of students. In addition to this, a financial grant is given to each HPS school each year to be used on student development, infrastructure, and other important elements to ensure educational excellence.

Fair deals for all

Under the New Deals initiative, all schools are ranked and categorised into seven bands. Band 1 comprises the best performing schools in the country while Band 7 is for the lowest performing schools. High performing primary school head teachers and secondary school principals will be given a cash incentive of RM7,500, while the other teachers in their schools will also be rewarded. The top 5% of teachers in their school will receive RM1,800 while the rest will receive RM900. Regardless of a school's starting point, its head teacher and principal have every chance to receive rewards for their performance, as absolute scores and improvement in rankings are the criteria used. The programme also tracks the number of underperforming head teachers and principals and affords them remedial training and additional support. The schools selected for the financial incentives will also receive increased autonomy as well as increased recognition.

SIP to help uplift overall school system

The School Improvement Programme (SIP) is a comprehensive and ambitious effort that aims to transform every school, especially underperforming schools, into excellent educational institutions by challenging, motivating and lending support to them. While the SIP supports all 10,000 schools currently in the system, it focuses particularly on low performing schools nationwide, especially those in the rural areas. Under the SIP, the Ministry introduced a centralised data collection system and self-help tool called the School Improvement Toolkit or SIT to assist head teachers to keep track of school performance and help them plan the way forward. The SIT helps school heads identify the challenges they face as well as lends support through appropriate tools and systems so that school heads can prioritise, plan and allocate resources more effectively.

For the lowest-performing schools in Bands 6 and 7, the Ministry has designed support and service lines to help elevate school performance and motivate the personnel at these schools. The support system comprises excellent teachers and coaches who make planned and strategic visits to the lowest performing schools in order to motivate and support the teachers and principals at these schools.

SUCCESSES AND ACHIEVEMENTS

The overall results of the NKPI targets set for 2011 are shown in the table below:

No.	NKPIs	2011 Target	2011 Actual	Remarks	Traffic Light
1.	Pre-school enrolment rate	80%	77.23%	732,902 children (age 4+ and 5+) enrolled in pre-schools	
2.	Cohort 1				
	2.1. LINUS Literacy rate	95%	97.5%	434,908 out of 445,960 Primary 2 students met basic literacy	
	2.2. LINUS Numeracy rate	95%	98.6%	439,802 out of 445,950 Primary 2 students met basic numeracy	
3.	Cohort 2				
	3.1. LINUS Literacy rate	90%	91.0%	405,246 out of 445,367 Primary 1 students met basic literacy	
	3.2. LINUS Numeracy rate	90%	95.4%	424,972 out of 445,367 Primary 1 students met basic numeracy	

Improving Student Outcomes

The overall results of the NKPI targets set for 2011 are shown in the table below: (continued)

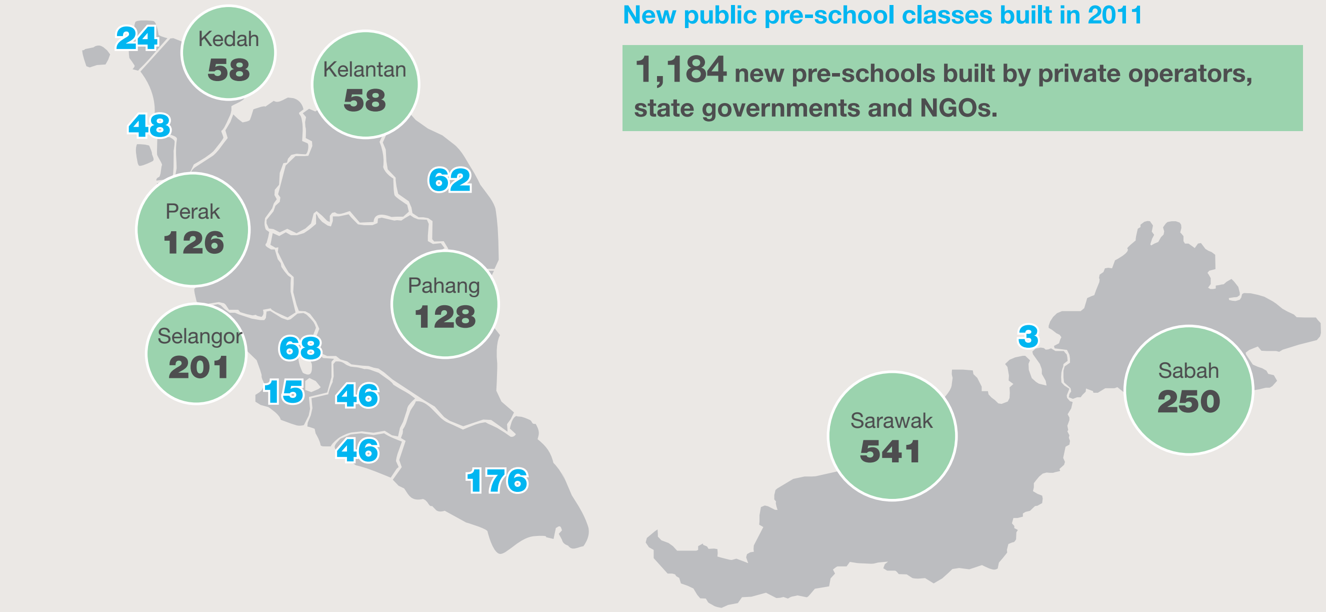
No.	NKPIs	2011 Target	2011 Actual	Remarks	Traffic Light
4.	High Performing Schools	50	52	In 2011, we identified 32 HPS on top of existing 20 HPS; 23 in January 2011 and 9 in May 2011	
5.	New Deals – exceed target		-		
	5.1. Primary school	3%	5.23%	403 Head Teachers awarded	
	5.2 Secondary school*	2% (2010 target)	4% (2010 result)	92 Principals awarded	
6.	New Deals – below target		-		
	6.1. Primary school	Not more than 8%	1.17%	90 out of a total of 7,701 schools are in Band 6 & 7	
	6.2. Secondary school*	Not more than 10% (2010 target)	10.89% (2010 result)	240 out of a total of 2,204 schools are in Band 6 & 7	
7.	SIP – decrease in Band 6 and 7	20%	40.25%	Decreased from 636 schools to 380 schools	
8.	SIP – increase in Band 1 and 2	8%	21.86%	Increased from 1,770 schools to 2,157 schools	

**As the New Deals results for secondary schools will only be made available after the SPM results (i.e. May 2012), we are reporting the 2010 results and comparing them against the 2010 targets.*

Pre-school achievements

2011 Pre-school achievements

77.23% pre-school enrolment rate



New public pre-school classes built in 2011

1,184 new pre-schools built by private operators, state governments and NGOs.

- **3,089** pre-school classes built exceeding the 2,755 target in 2011
- **45** pre-school classes built by Yayasan Sabah and SeDidik in the remote areas of Sabah and Sarawak
- Developed a **National Pre-school Information System**
- **6,421** private pre-school teachers were trained by public and private higher education institutions in 2011

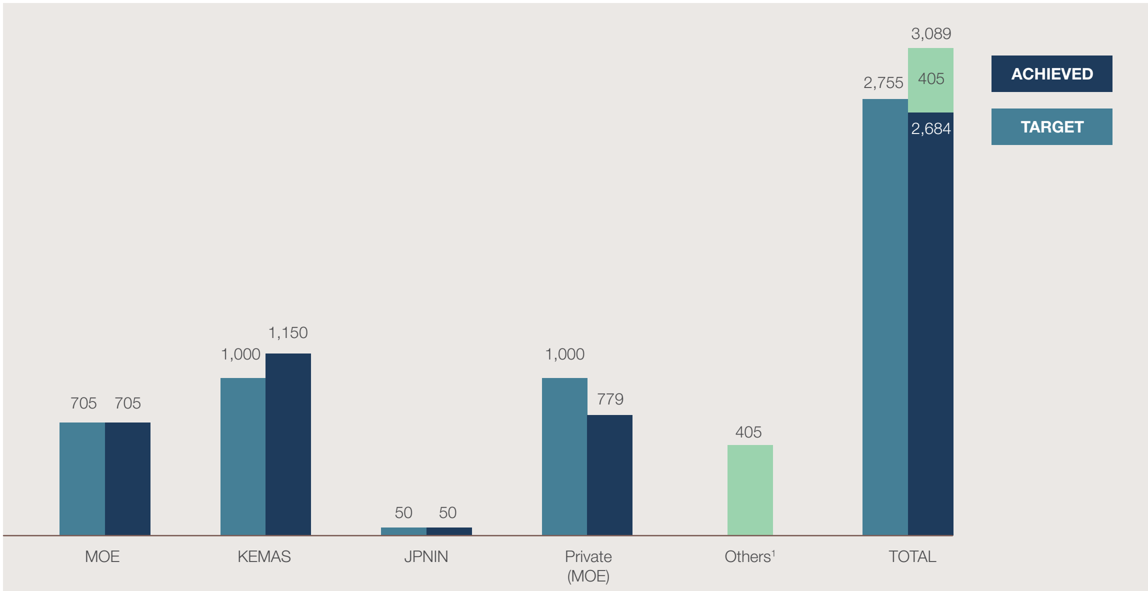
In 2011, the Ministry of Education continued its efforts to increase pre-school enrolment and achieved a 77.23% enrolment rate by December 2011. This was made possible with the rollout of 3,089 pre-school classes by the Ministry, KEMAS, JPNIN and the private sector – more than double the number of pre-school classes rolled out in 2010. As a result, 732,902 pre-schoolers in the 4+ and 5+ age groups were able to enrol into pre-schools. Some 405 state-government operated pre-schools (e.g. JAIS), non-governmental organisation pre-schools (e.g. ABIM) and enrichment centres or *pusat perkembangan minda* (e.g. Smart Reader and Q-dees) that have 4+ and 5+ age students, were also registered.

Improving Student Outcomes

"Since attending pre-school, our students are more independent and outspoken. We picked up new approaches in teaching young children, for instance in the areas of psychotherapy, ICT and psychology."

- Muhammad Zammri Ishak, Chairman, Tadika Bijak Gemilang

3,089 pre-school classes created in 2011, exceeded target of 2,755 classes



* *KPI for 2010: 80% enrolment for children age 4+ and 5+*
* *Current Achievement: 77.23% enrolment*
[1] *State-government operated pre-schools (e.g. JAIS), non-governmental organisation pre-schools (e.g. ABIM) and enrichment centres or pusat perkembangan minda (e.g. Smart Reader and Q-dees) that enrol 4+ and 5+ age students*

To help build new pre-school classes in 2011, especially within the remote areas in Sabah and Sarawak, the Low Income Household (LIH) NKRA disbursed RM10 million to the Yayasan Sabah Group and SeDidik, an organisation under the Sarawak Economic Development Corporation which operates 72 pre-schools throughout Sarawak. By December 2011, the Yayasan Sabah Group had built 15 pre-school classes while SeDidik had built 30.

All seats at the government-operated pre-school classes operated by the Ministry of Education, JPNIN and KEMAS were made available for free in 2011, while many of the seats at the SeDidik and Yayasan Sabah pre-schools were provided at a subsidised fee. On top of this, pre-school fee assistance was provided to 14,122 students from low-income households enrolled in private pre-schools.

Improving nursery and pre-school access via SeDidik

SeDidik, an organisation under the Sarawak Economic Development Corporation, began operating in 1990 under the Sixth Malaysia Plan. SeDidik's objectives are to ensure that as many primary school children as possible, even those in remote areas, have access to education. The organisation has received continuous support from parents and the public in general since it began its work.

The staff at SeDidik are actively involved in the success of the programme. Each child's performance is closely monitored and regular meetings are held with parents. SeDidik also conducts home visits to help parents make their homes conducive for continued education after their children complete pre-school.

With the help of the Ministry of Education, SeDidik built 12 pre-school centres in 2010. Last year, SeDidik was again entrusted to conduct pre-school education programmes for children living in Sarawak's remote areas. Thirty villages, including longhouse communities, were identified for this programme.

A total of 2,285 children have benefited from nursery and pre-school education at 72 SeDidik pre-school centres throughout Sarawak in 2011. These children, most of whom were from deeply remote areas, had the opportunity to learn in a conducive environment, expanding their knowledge and preparing them for primary school.

The children of Sabah have also benefited from a similar programme. Sabah's Pre-school Foundation Programme was initiated in 1979 via the Child Development Centre. Renamed the Child Development Division in 2003, the organisation focuses on educating children from 0 to 12 years of age.

Since 1989, the Division has been setting up pre-school centres in Sabah's remote villages with the objective of providing children in such areas with the same educational start in life as those in the cities. To date, the Child Development Division has set up 17 pre-school centres with 27 teachers and approximately 200 children in total.

Since it began in 1989, some 6,000 children living in remote areas have attended and benefited from the programme.

Improving Student Outcomes

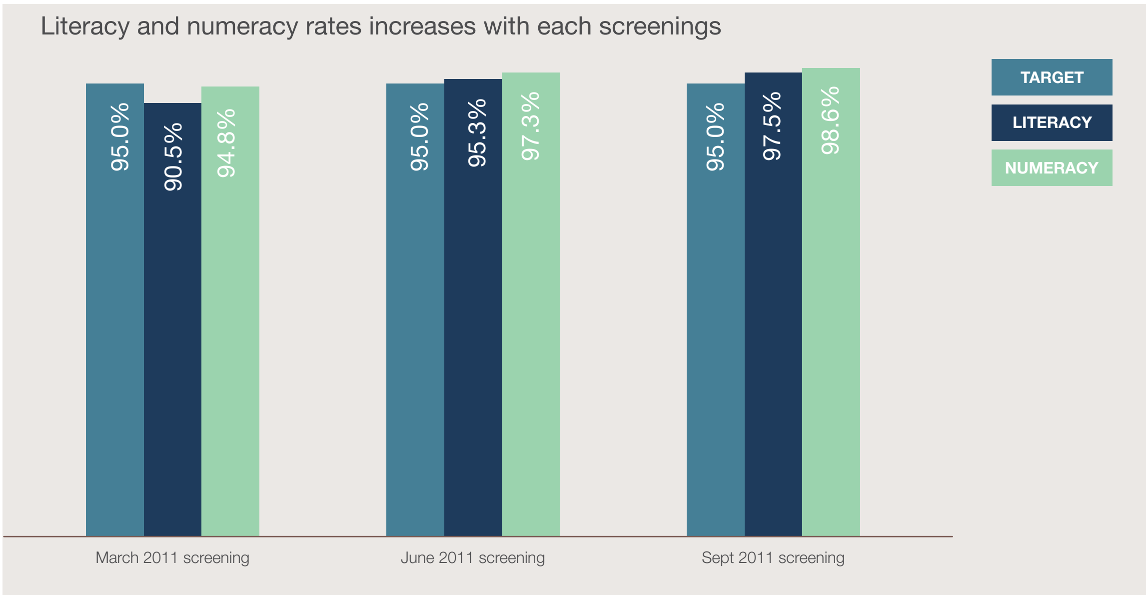
The rollout of the National Pre-school Information System (Sistem Maklumat Prasekolah Kebangsaan) or SMPK to collate data on both pre-school institutions and students has been pivotal to the work of the National Committee on Pre-school Education. The committee now has the means to monitor and evaluate pre-school education in a transparent manner. However, because this is the first time such a system is being used, enrolment data was also collected manually from state and district education offices to verify and supplement SMPK efforts.

Screenshot of the SMPK website

LINUS Results

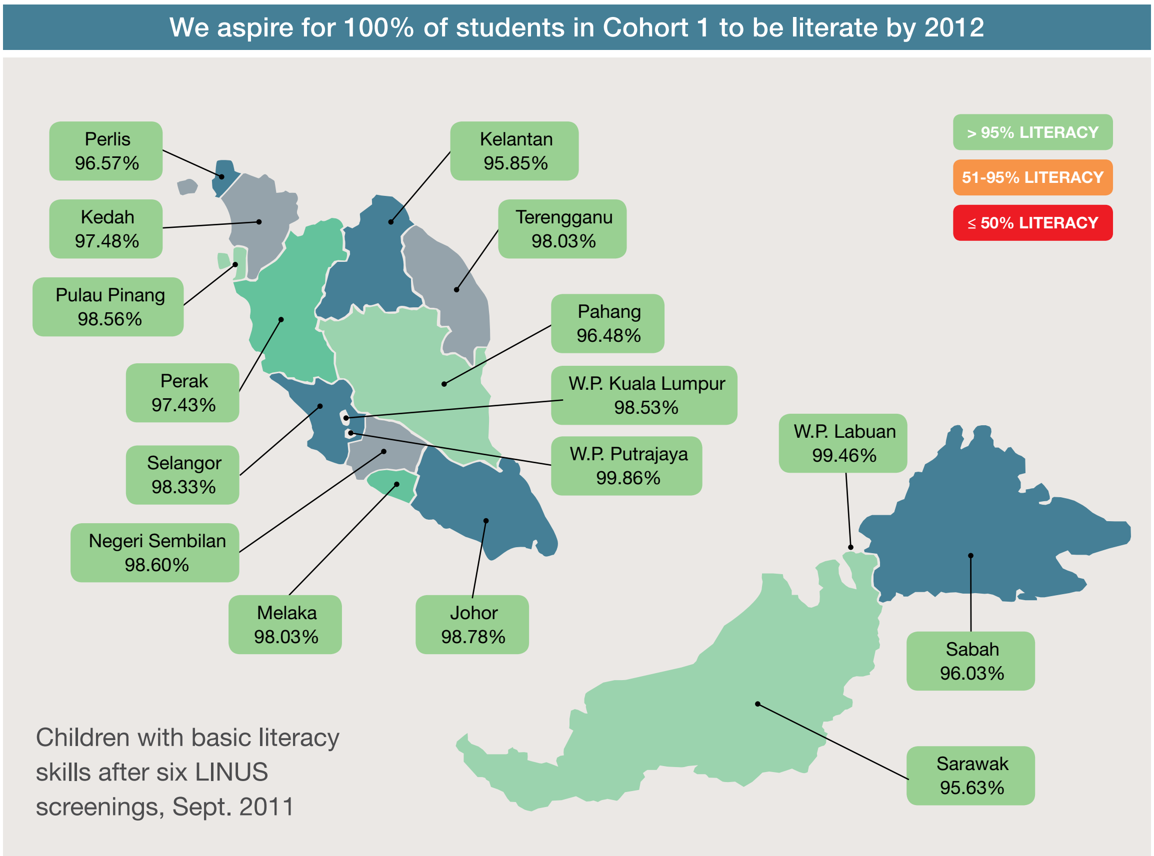
The LINUS initiative delivered good results in 2011. A 97.5% literacy rate and a 98.6% numeracy rate were achieved for Primary 2 children in their sixth consecutive LINUS screening. These results exceeded the 2011 target of 95% for both literacy and numeracy rates. Primary 1 children also made steady progress in their third consecutive LINUS screening with a 91.0% literacy rate and a 95.4% numeracy rate, compared to the performance of Primary 1 children in 2010 with an 85% literacy rate and a 91% numeracy rate.

Nationwide LINUS Screening Results for Cohort 1, 2011

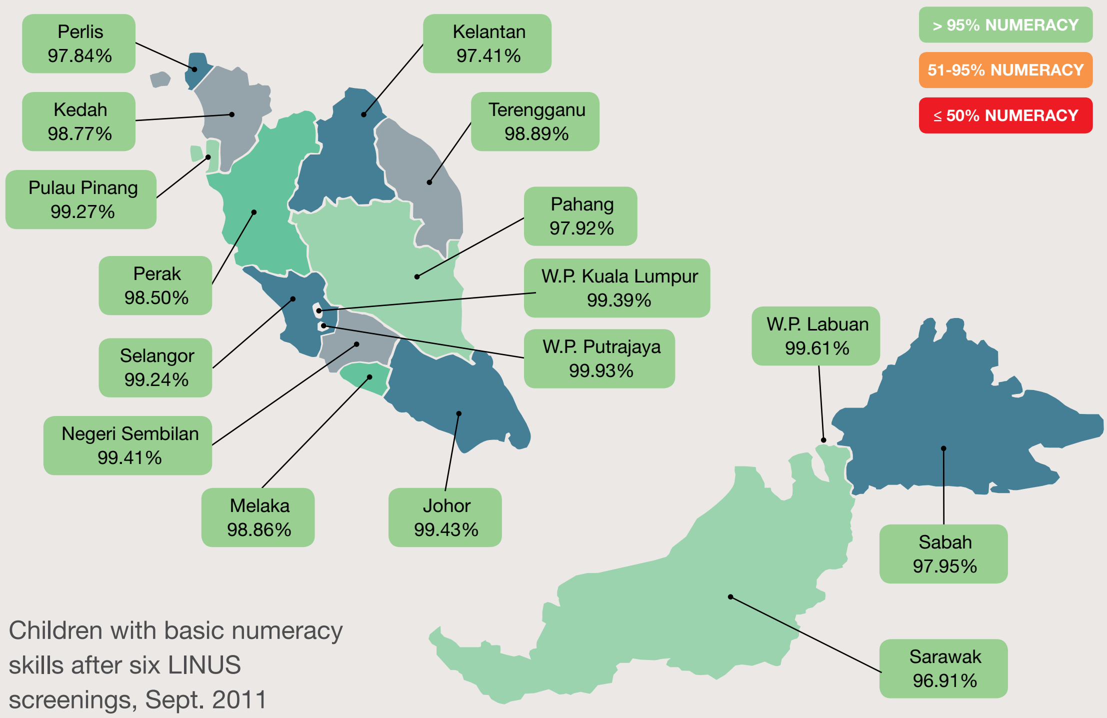


3,916 out of approximately 450,000 Cohort 1 students identified with learning disabilities symptoms

Improving Student Outcomes

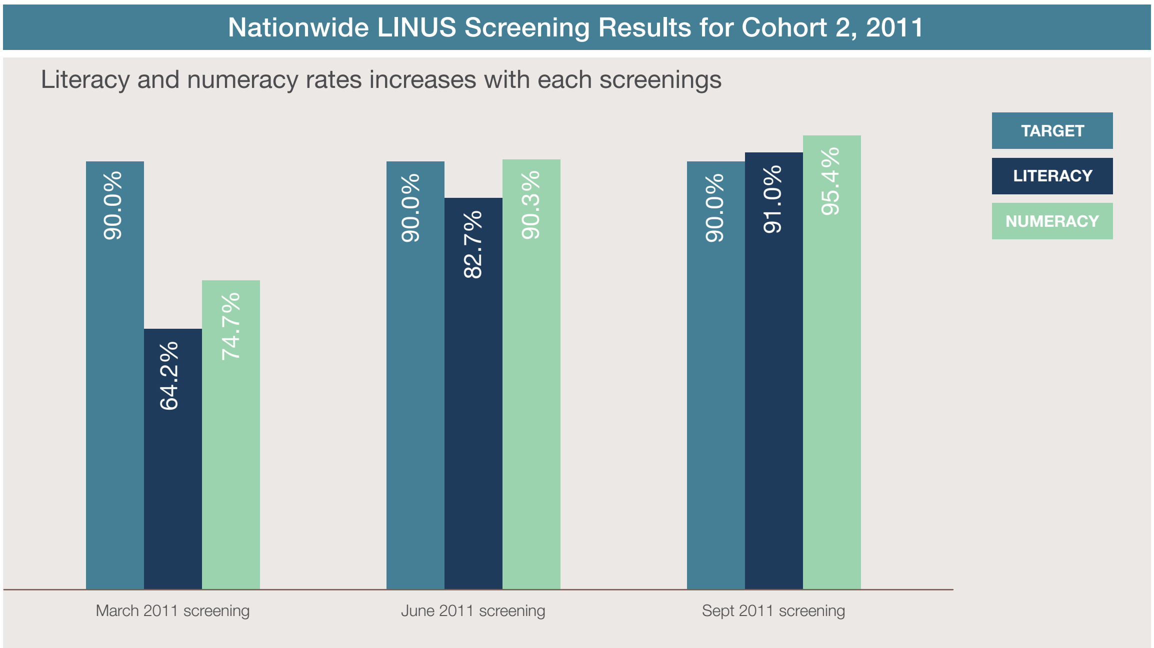


We aspire for 100% of students in Cohort 1 to be numerate by 2012



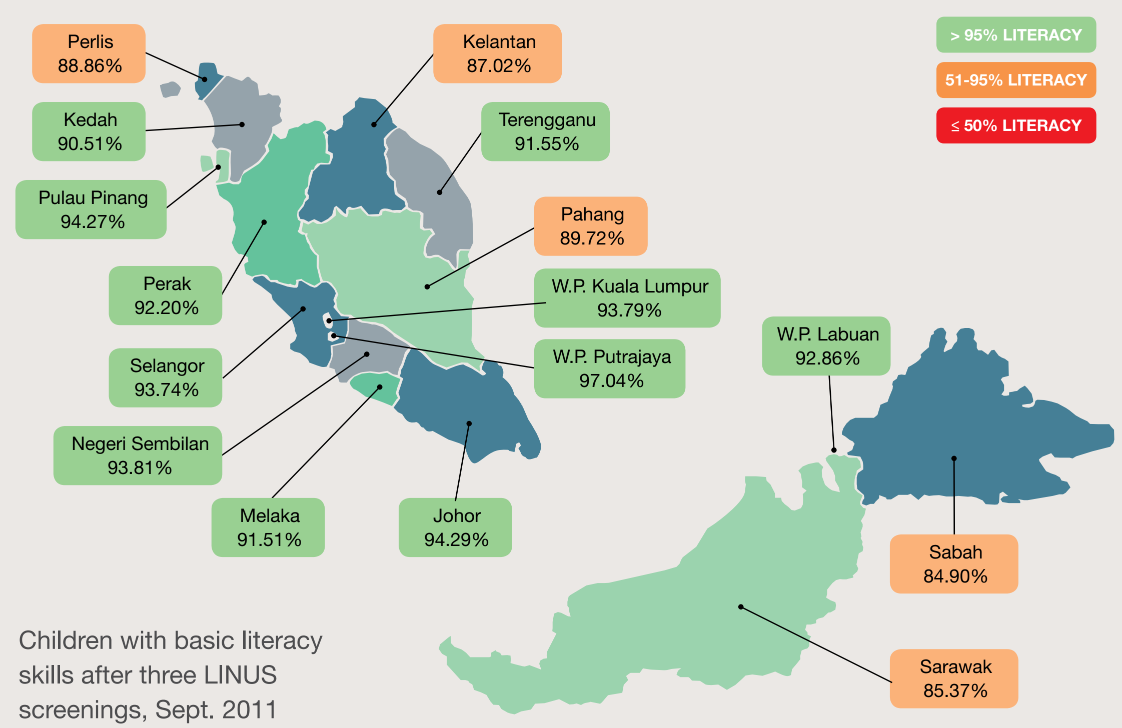
Children with basic numeracy skills after six LINUS screenings, Sept. 2011

Improving Student Outcomes



3,916 out of approximately 450,000 Cohort 1 students identified with learning disabilities symptoms

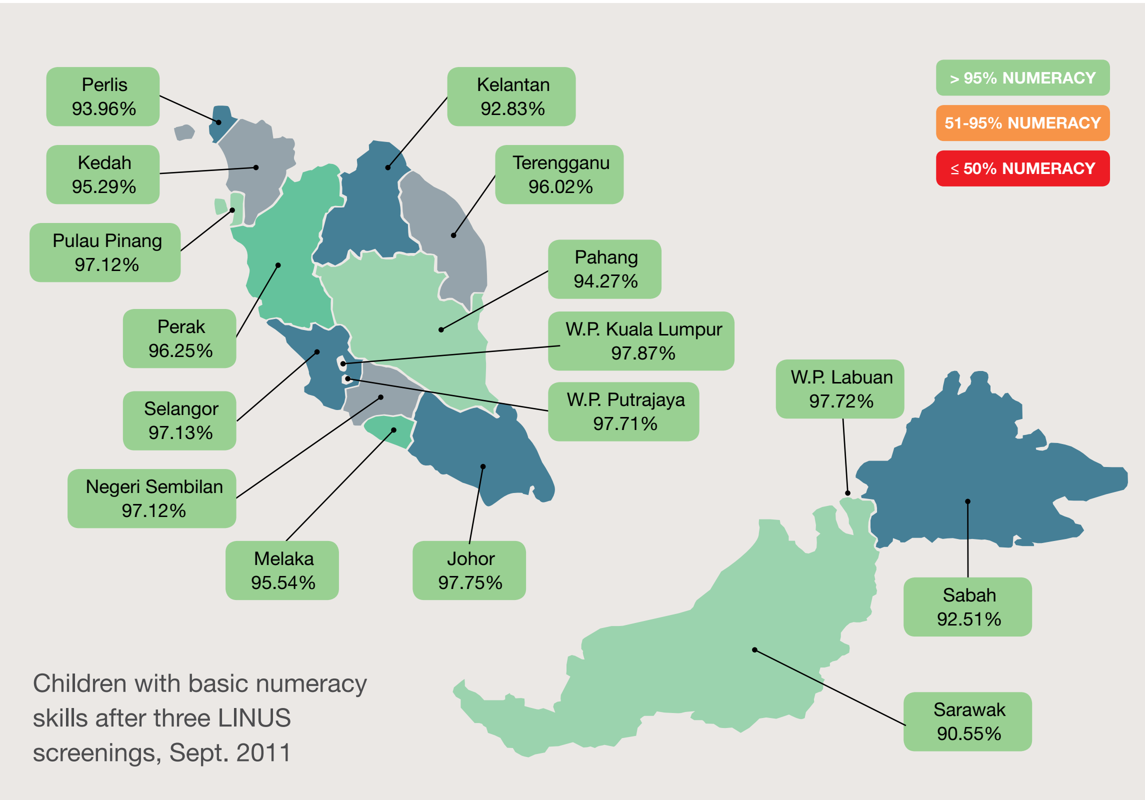
Cohort 2 students must uphold the 90% literacy rate after 3 screenings



Children with basic literacy skills after three LINUS screenings, Sept. 2011

Improving Student Outcomes

Cohort 2 students must uphold the 90% numeracy rate after 3 screenings



Children with basic numeracy skills after three LINUS screenings, Sept. 2011

Thanks to the three LINUS screenings each year, the Ministry now has extensive nationwide data on literacy and numeracy rates. This enables the Ministry to identify at a granular level, the states, districts and schools where the literacy and numeracy rates are the poorest and thus take targeted action to lift the standards.

In 2011, the Ministry improved the database by including student profile data, enabling more targeted actions among the identified students. One such targeted action was the introduction of the LINUS Camp intervention programme. From September to October 2011, all district education offices with a high number of LINUS Tegar Primary 2 students conducted camps to enable under-performing students to move into the higher levels of the LINUS programme. Some 156 LINUS Camps involving

4,009 students were conducted nationwide by 135 district education offices. Our efforts also resulted in 3,196 students with symptoms of learning disabilities being identified among LINUS Tegar students. Moving forward, the Ministry will work to have these students' disabilities verified and have them enrolled in special education programmes to better address their specific needs.

It must be pointed out that the LINUS screenings and student data entry were undertaken by schoolteachers themselves. The teachers are the best people to evaluate student performance and this aligns with the Ministry of Education's aim of ensuring the school system moves towards a more school-based assessment. However, human error in collating this data cannot be dismissed and the Ministry will try to reduce these risks by continuously monitoring the LINUS programme.

Dedicated FasiLINUS monitor the schools and teachers closely by undertaking regular school visits and meetings with teachers. The School Inspectorate (Jemaah Nazir dan Jaminan Kualiti or JNJK) also ensures data reliability by conducting bi-annual LINUS inspections. This also allows the Ministry to get feedback on the LINUS programme and further improve their efforts.

Through the JNJK LINUS inspection reports, there were some indications that some Arus Perdana (literate and numerate) students should not be categorised as such and that some remedial teachers required additional training. As the Education NKRA moved forward into 2012, the Ministry will address these concerns through the introduction of targeted intervention programmes. All Primary 2 and 3 students will undergo special LINUS screening to identify weak Arus Perdana students and give them the additional support they require to catch up with their peers. Remedial teachers will be given more training, leveraging on the expertise from public and private teacher training providers.

Improving Student Outcomes

LINUS benefits teachers and students

The Literacy and Numeracy (LINUS) programme, introduced as a focus area of the Education NKRA, aims to provide a solid foundation in basic literacy and numeracy skills within the first three years of primary school education. Students are put through a screening process three times a year to identify those with difficulties in reading, writing and basic arithmetic.

Those found to have problems in these areas are then enrolled in either a LINUS-dedicated remedial class or in a Special Education programme for those that have learning disabilities. The objective of this programme is to achieve a 100% literacy and numeracy rate among Primary 3 students by 2012.

Teachers have been seeing positive results from the NKRA initiatives for education. SK Haji Sahlan teacher, Zainol Ariffin said he and his colleagues had seen a visible improvement in their students' literacy skills. Those who were semi-literate now find it easier to read, he said.

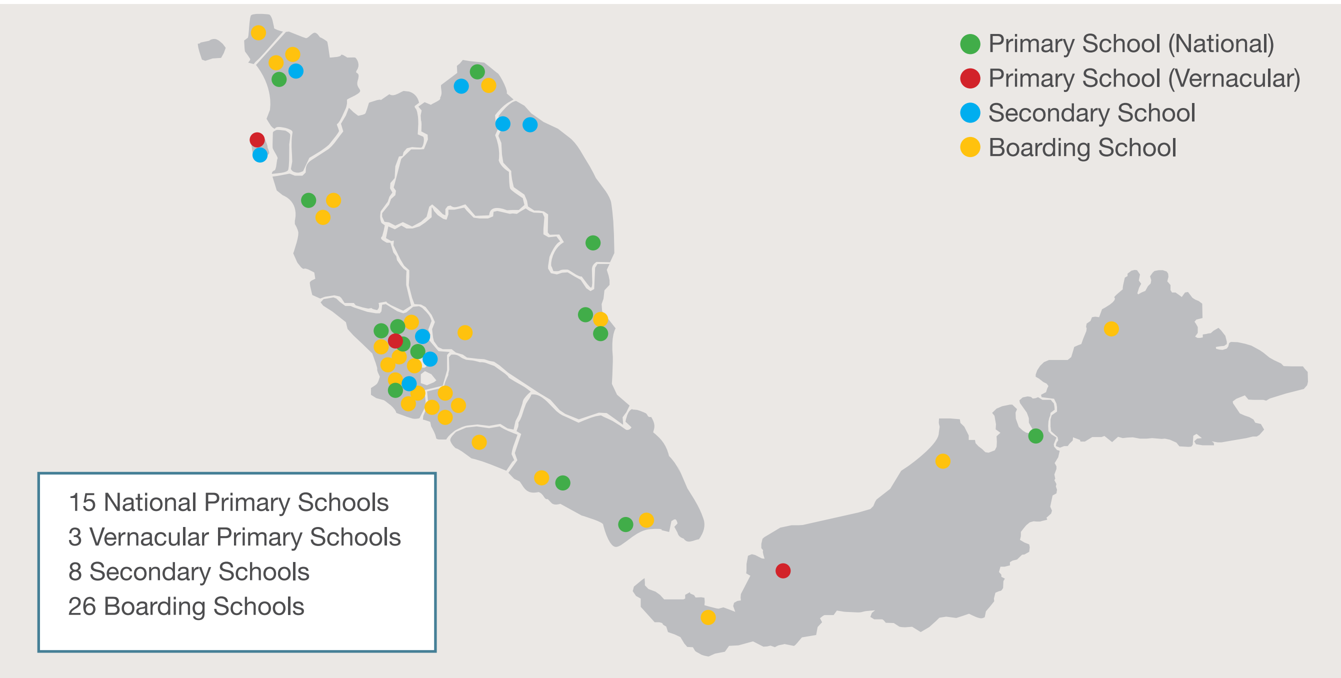
"The LINUS programme has good measurement tools which enable us to see the step-by-step progress of our students, allowing us to determine whether they have improved or not. One boy who before this could not even pass his exams was recently ranked No. 1 in his class after going through the programme," he added.

Progress of High Performing Schools

In addition to the 20 HPS identified in 2010, 32 schools were awarded HPS status in 2011. Malaysia now has a total of 52 HPS that are recognised as the country's top schools. To ensure the standards of Malaysia's top performing education institutions are maintained, the Ministry have increased their level of autonomy but is requiring an increased degree of accountability for student outcomes in return. Grants of RM700,000 each are provided to each HPS to ensure they maintain their excellent performance and continue raising the bar for other schools.

Improving Student Outcomes

High Performing Schools: 52 schools have been awarded HPS status since 2010



- 32 HPS identified and awarded in 2011
- Handholding programme by Ministry to catapult high potential schools to become HPS

The 32 HPS identified in 2011 comprise 12 primary schools and 20 secondary schools. The target is to award a further 50 schools HPS status by end of 2012, bringing the total number to 100 HPS. By creating a performance-driven culture in Malaysian schools and providing incentives for outstanding achievement, schools within Band 1 will compete among themselves to be counted among the next batch of HPS, thereby fulfilling the objective of elevating the overall performance of Malaysian schools.

Improving Student Outcomes

List of 32 chosen HPS in 2011, on top of the existing 20 HPS		
12 HPS Primary Schools		
	Name of School	**Location**
1	SK Sultan Ismail	Terengganu
2	SK Setiawangsa	Kuala Lumpur
3	SJK(C) Perempuan China	Pulau Pinang
4	SK(P) Methodist Kuantan	Pahang
5	SK Ulu Lubai	Sarawak
6	SJK(C) Lick Hung	Selangor
7	SK Seri Biram	Pahang
8	SK Sultan Ahmad Tajuddin	Kedah
9	SK Jalan 3	Selangor
10	SK Convent Muar	Johor
11	SK Seksyen 9, Shah Alam	Selangor
12	SJK(C) Tung Hua, Sibu	Sarawak

List of 32 chosen HPS in 2011, on top of the existing 20 HPS (continued)		
20 HPS Secondary Schools		
	Name of School	**Location**
1	SM Sains Tengku Abdullah	Pahang
2	SM Sains Muar	Johor
3	SM Sains Seri Puteri	Kuala Lumpur
4	SM Sains Alam Shah	Kuala Lumpur
5	SMK Jalan Empat	Selangor
6	SBPI Kubang Pasu	Kedah
7	SM Sains Miri	Sarawak
8	SM Sains Selangor	Kuala Lumpur
9	Sekolah Tuanku Abdul Rahman	Perak
10	SM Sains Tengku Muhammad Faris Petra	Kelantan
11	SPBI Gombak	Selangor
12	SBPI Tun Abdul Razak	Pahang
13	SM Imtiaz Besut	Terengganu
14	SM Sains Tuanku Munawir	Negeri Sembilan
15	SM Sains Sabah	Sabah
16	SM Sains Kuala Selangor	Selangor
17	SMK Lembah Bidong	Terengganu
18	SM Sains Kuching	Sarawak
19	SM Agama Persekutuan Labu	Negeri Sembilan
20	SMKA Naim Lilbanat	Kelantan

Improving Student Outcomes

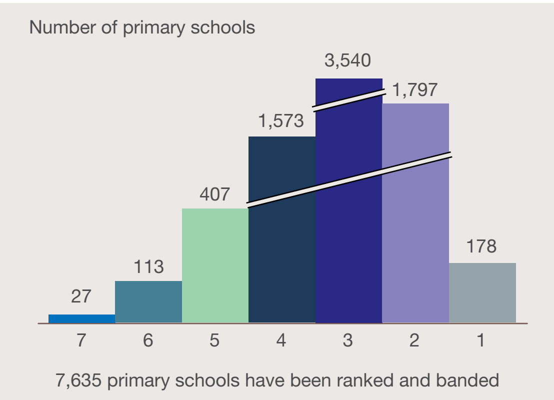
Progress of New Deals

In 2010, approximately 7.7% of primary school head teachers were rewarded with the New Deals award, exceeding the target of 2%. For 2011, the Ministry increased the target to reward the top 3% of primary school head teachers and secondary school principals. For primary schools, 5.23% or 403 head teachers received the award, proving that the teaching community was clearly motivated by the New Deals incentives. As the 2011 New Deals result for secondary school will only be made available in May 2012, we can only compare the 2010 target against the 2010 achievement. In line with the target of 2% of secondary school principals performing above target in 2010, some 4% of principals or 92 Principals received the New Deals award.

The New Deals NKPI also identifies the lowest performing head teachers and principals and they have been accorded training in an effort to help them improve their performance. For 2010, some 1.83% primary school head teachers performed below target, compared to the target of less than 10% in 2010. In 2011, the Ministry sought to have less than 8% head teachers performing below target, and achieved 1.17% among primary school head teachers. For secondary schools, the aim in 2010 was to have less than 10% secondary school principals performing below target – we achieved a rate of 10.89% performing below target. Despite coming in slightly below target, the Ministry is confident that it can achieve the target for 2012, given the large reduction in Band 6 and 7 schools under the SIP initiative.

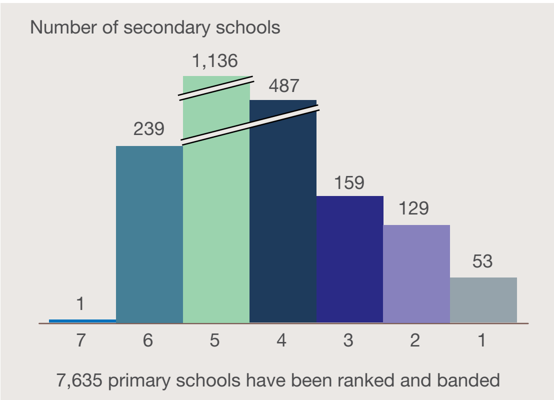
Under the New Deals NKPI, 9,814 primary and secondary schools have been ranked for the second time. Using a composite score that measures both academic excellence and holistic achievement,

Ranking of Primary Schools, 2011



Source: School Ranking, 2010

Ranking of Secondary Schools, 2011



Source: School Ranking, 2011

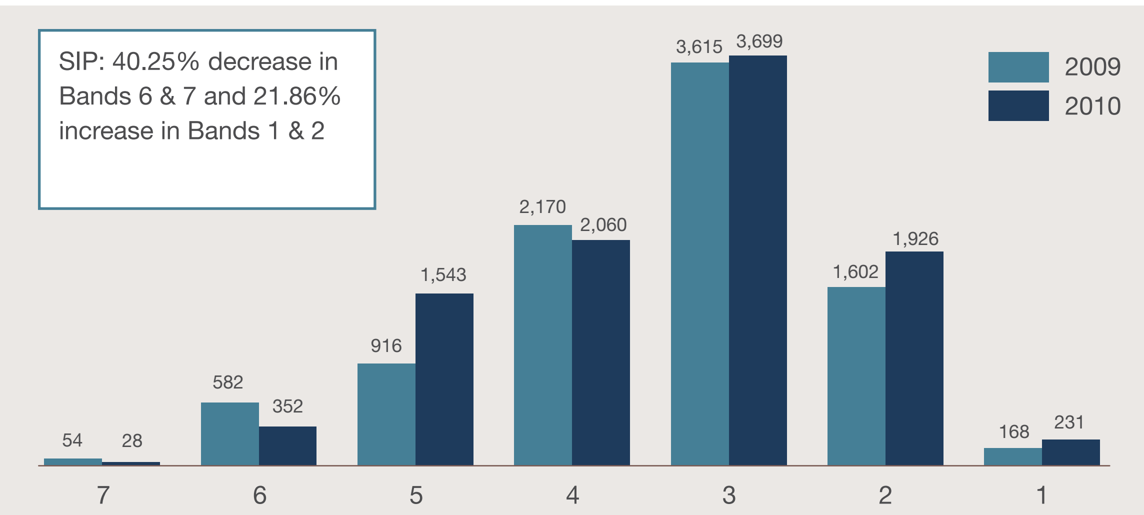
Improving Student Outcomes

schools were ranked in seven bands from the highest performing (Band 1) to the lowest performing (Band 7). The school rankings serve not only to increase the accountability of the school leadership, it also helps the Ministry of Education to better identify those schools which require additional support as well as helps stakeholders determine yearly improvements for each school nationwide.

Rollout of School Improvement Programme

Under the SIP initiative there were two new NKPIs in 2011: to reduce the number of lowest performing schools (Band 6 and 7) from the previous year by 20%; and to increase the number of highest performing schools (Band 1 and 2) from the previous year by 8%. In its first year of implementation, the SIP initiative achieved a reduction in the number of Band 6 and 7 schools by 40.25% while the number of schools in Band 1 and 2 increased by 21.86%.

2009 – 2010 School Ranking Trend: Primary and Secondary



- Developed a national level web-based data system for all public schools – **School Examination Analysis System**
- Support system and service lines:
    - **School Partners >** give guidance to low performing Head Teachers
    - **Specialist Coaches >** excellent teachers help low performing teachers improve their teaching

Improving Student Outcomes

With the introduction of the School Improvement Toolkit or SIT under the SIP in 2010, every Head Teacher and Principal was provided the tools to identify areas of weaknesses in their schools and seek the necessary support from the Ministry of Education, parents, teachers and the community at large so issues were addressed quickly. The lowest performing schools in Band 6 and 7 were given special assistance with partners assigned to all schools under the category.

OUTCOMES

As the Education NKRA gains traction and momentum, its many initiatives have not just impacted schools, teachers and students, but also parents, the rakyat and education industry players in general. Take for instance, the progress made in the pre-school segment. From September to November 2011, road shows for private pre-school operators were conducted to increase awareness of the incentives and benefits offered by the Ministry of Education to the private sector. These initiatives received overwhelming support from the private operators who attended the road shows. Demand was particularly high for pre-school teacher training and launching grants showing a growing confidence in the efforts to increase the number of quality pre-schools.

Pre-school initiatives deliver practical results

The NKRA's initiatives pertaining to pre-school education have also been well-received. The principal for Tadika Wawasan Ranau in Sabah, San Yuk Ching, said she had obtained good feedback from both parents and students: "We have adopted the 'learning and playing' style of teaching and seen encouraging growth in the children as the months go by. In the beginning, many of them didn't know how to use a pencil, socialise or use the toilet - they still wore diapers. By mid-year, these children had stopped wearing diapers and came to school without their parents forcing them to."

"I think the government is doing the right thing and that we are helping the children grow in the right direction. My plan this year is to ask the State Education Department for new methods, courses and ideas on how to cope with autistic and special needs children," San added.

The LINUS programme has created awareness among the rakyat about the importance of acquiring basic literacy and numeracy skills so that no single child is left behind education-wise. Apart from the Ministry's efforts to tackle illiterate and innumerate students through LINUS screenings and remedial classes, teachers and schools have put greater emphasis on LINUS by continuously tracking every student's progression and creating awareness among parents from the very first day of school. With the help of a continuous flow of news through the mass media, the rakyat have become quite well informed about the importance of achieving 100% literacy and numeracy rates.

The HPS, New Deals and SIP initiatives have greatly impacted teachers as they are today better motivated and more focused on improving their performance. Compared to the 2009 school ranking, the 2010 school ranking shows a marked improvement as many more schools are moving out of the lower performing bands into the higher performing bands. Via the mass media and the SIP Booklet (published by the Ministry), success stories of HPS as well as other schools that have shown vast improvement are being highlighted to continuously inspire teachers and schools. Low performing schools in particular, receive targeted support from the Ministry by way of school coaches and mentors. Teachers and principals from the HPS also act as mentors to other nearby schools and help set higher benchmarks for their counterparts.

CHALLENGES

SHORTCOMINGS

In comparison to the preceding year, 2011 was a more challenging year for the Education NKRA. While the Ministry of Education did have its fair share of challenges kick-starting the initiatives in the first year of NKRA implementation in 2010, the Ministry did enjoy the benefits of "low hanging fruit" which certainly helped it meet its targets.

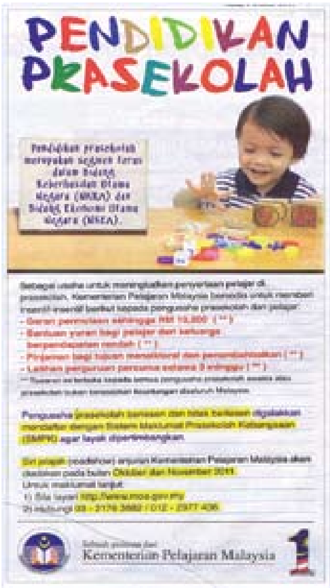
In the second year of implementation, the Education NKRA fell short in the following areas:

Glitches in pre-school enrolment system

In order to strengthen the governance and delivery of high quality pre-school education, the Ministry rolled out the National Pre-school Information System or SMPK to collate data from both pre-school institutions and students. However, the Ministry was only able to achieve a 77.23% enrolment rate as compared to the target of 80% for 2011. The implementation of such a large scale initiative proved to be quite a challenging exercise. While there were no problems in obtaining information from the public pre-schools, there were problems in collating information from the private pre-schools. As the Ministry of Education delves deeper into improving the SMPK implementation process, there are loose ends such as data integrity issues that need to be taken care of. The Ministry is committed to getting this right as it believes the SMPK will benefit the overall ECCE industry.

To promote the use of the SMPK, the Ministry of Education continues to proactively engage with private pre-school operators. In 2011, in an unprecedented move, the Ministry advertised the incentives available for private operators. This was followed through with nationwide road shows educating operators on the importance and advantage of using the SMPK.

Going forward, operator compliance with the SMPK may be made a prerequisite for pre-school license renewal. Additionally in 2012, the Ministry of Education will conduct a pre-school enrolment survey among all Primary 1 students. Through the pre-school enrolment survey, the Ministry will be able to triangulate and validate the pre-school enrolment rate data.



Newspaper advertisements promoting the use of the SMPK for private pre-school operators highlighting the incentives available to them

Difficulties in verifying children with learning disabilities

Although the Ministry of Education and Ministry of Health have successfully collaborated to develop an instrument to quickly identify children with learning disabilities, they are facing certain restrictions in rolling out this initiative. Currently only the parents or guardians of these children can take them to medical specialists for verification. However, as expected, some parents and guardians are reluctant to send the children in their care for verification or allow them to be placed in special education classes. The shortage of medical specialists that can be deployed to schools too is hindering progress.

The process of getting parents and guardians on board is integral to ensuring that no child is left behind in attaining a basic education. With regard to this, teachers and schools have been engaging with parents from the time their children are first orientated into the classroom and they continue to follow up. From time to time, district education offices conduct awareness programmes. To engage the public in a more aggressive manner, the Ministry of Education is running a series of media awareness campaigns on learning disabilities. Moving forward, continuous public engagement must take place if the educational demands of special needs students are to be effectively met.

Shortcomings in utilising the school assessment system

While the School Examination Analysis System or SAPS was meant to be an enhancement over the existing School Improvement Toolkit, there was little time allocated for user and beta testing before the system's nationwide rollout. As a result, the Ministry received negative feedback from teachers and schools that could have been avoided if the system had been fully tested before implementation. In response to user grouses and suggestions, the Ministry moved quickly to refine the SAPS as well as extended the deadline for data completion. By proactively engaging with the National Union of the Teaching Profession (NUTP) and conducting on-the-ground user engagement sessions at a number of schools, initial shortcomings were overcome.

School Inspectorate LINUS verification

To ensure the success of LINUS programme implementation, the School Inspectorate undertakes continuous monitoring, supervision and programme evaluation. This is necessary due to the sheer magnitude of the programme which sees all government and government-aided primary schools, district education offices and state education departments involved in a programme that is impacting Primary 1 to Primary 3 students. Through the School Inspectorate LINUS inspection reports, there were indications that some Arus Perdana (literate and numerate) students should not be categorised as such and that some remedial teachers required additional training. Even though the School Inspectorate had produced four reports, no substantial remedial actions had been implemented. In 2012, we will address these concerns through intervention programmes such as special LINUS screening to identify weak Arus Perdana students. At the same time, we will give additional training to remedial teachers.

LESSONS LEARNT

A major lesson derived from the year's implementation of the Education NKRA is the importance of data integrity in all activities undertaken. Some data were not readily available or easily accessible, and this caused difficulties in carrying out some of the initiatives. For example, data on the location and operating status of pre-schools was not fully updated, thus requiring the Ministry, with the help of state education departments and district education offices, to go down to the ground to review the data. Data verification and other checks and balances must be put in place to ensure that the data provided for NKPI measurements is trustworthy and comprehensive. The Ministry remains committed to presenting and continuously updating data accurately in the interests of transparency and accountability.

In their efforts to collate pre-school enrolment data into the National Pre-school Information System, the Ministry of Education and PEMANDU adopted a multi-pronged approach to encourage operators to fill in the online database. These efforts included contacting private pre-school operators via phone-calls, conducting a nationwide information road show, and publishing advertisements to inform operators of the multiple incentives available to them. These exercises have revealed the difficulty and complexity in collecting data from thousands of schools throughout the country, especially those in rural and remote areas with little or no access to internet or phone connections.

The Ministry is very aware that there is an urgent need to ramp up engagement activities with parents and guardians and create an awareness among them about the importance of acquiring basic reading, writing and arithmetic skills as well as identifying learning disabilities. While the efforts of teachers and schools thus far should be commended, the rakyat as parents and guardians too must play a greater role in their children's educational development. The Ministry has been publishing stories relating to LINUS and learning disabilities since September 2011 and this effort will continue.

GOING FORWARD INTO 2012

2012 NKPI TARGETS

For 2012, the targets have been raised even higher in comparison to 2011.

- Pre-school: To increase enrolment of age 4+ and 5+ children in pre-schools across the country from 80% in 2011 to 87% in 2012
- LINUS: To increase the literacy and numeracy rates of children in Year 3 to 100%, as compared to the target of 95% for Year 2 children in 2011
- High Performing Schools (HPS): To identify and award HPS status to 50 additional schools, in addition to the total 52 schools awarded in 2010 and 2011
- New Deals: To extend the New Deals to 4% of head teachers in 2012, as compared to only 3% of head teachers in 2011; and to reduce the number of head teachers and principals performing below the New Deals target to less than 6%, as compared to less than 8% in 2011. However, since New Deals results for secondary school will only be made available after the SPM results in May 2013, we shall be reporting the 2011 secondary school achievement in 2012
- School Improvement Programme for lowest performing schools: To reduce the number of schools in Band 6 and 7 in 2011 by 20%
- School Improvement Programme for higher performing schools: To increase the number of schools in Band 1 and 2 in 2011 by 8%

Improving Student Outcomes

Beginning 2012, the Education NKRA will shift its focus to improving quality as well as improving access in the overall education system. The existing initiatives will be complemented with a series of new initiatives. These will include:

- The rating of all teacher training Institutes with clear indicators on challenges and room for improvement as well as efforts to improve teacher quality
- 15 new initiatives launched under the Teacher Quality Improvement KPI to improve the quality of the teaching workforce (these include improved hiring, competency-based career progression and enhanced training)
- A comprehensive review of the education system commissioned by the Ministry of Education and to be conducted by an external panel of industry and academic leaders
- More targeted efforts and resources towards specific groups of children
- Special LINUS screening sessions
- The full enablement of additional school autonomy for HPS (e.g. the ability to select 20% of their students, allow fast-track programmes and credit transfers)
- The Introduction of a weighted index in school ranking for schools with different challenges
- The integration of all databases into a single one-stop data centre for ease of analysis

Approaching 2012's Initiatives

Based on the new targets set for 2012, The NKRA Education Team is determined to continue its initiatives with even greater intensity as the final year of Horizon 1 of the GTP is fast approaching. For the Pre-school programme, 2012 will see the Team continuing to complement the NKEA initiative for the scale-up of private pre-school operators given the significant role that private operators play in the provision of early childhood education.

2012 is also the year that the Ministry will be aiming to achieve 100% basic literacy and numeracy skills among Primary 3 students. So far, the results are encouraging with an achievement of a 97.5% literacy rate and 98.6% numeracy rate in 2011. With only a handful of students yet to obtain basic literacy and numeracy skills, the resources and efforts can be targeted at specific groups of children. At the same time, the Ministry will ensure Primary 1 and Primary 2 children can also achieve their literacy and numeracy targets of 90% and 95% respectively by providing additional training for LINUS teachers to improve their teaching and learning skills. The Ministry will also introduce a few targeted intervention programmes to ensure quality, such as the special LINUS screening to identify weak Arus Perdana students while providing additional training to remedial teachers.

For the HPS initiative, the Ministry will identify another 50 schools to add to the existing 52 HPS. In 2012, it will fully enable additional school autonomy including the ability of HPS to select 20% of their students as well as implement fast track programmes for primary school students and credit transfer programmes for secondary school students.

The Ministry will also continue to implement the annual ranking for all schools to motivate head teachers and principals as well as teachers to continuously improve their performance, thereby elevating the overall standard of the school system.

While the Ministry of Education has delivered notable results thus far, it is determined not to rest on its laurels but will intensify efforts to deliver stronger results under the Education NKRA. By improving student outcomes and delivering quality educational opportunities to all children in Malaysia regardless of race, religion or income levels, the Ministry is helping build strong foundations for our future generations and securing our nation's future.

Raising Living Standards of Low-Income Households

Together

Creating sustainable opportunities

Raising Living Standards of Low-Income Households

Dato' Sri Shahrizat Abdul Jalil

Minister of Women,
Family and Community Development

"The quality of life of most Malaysians has improved significantly in the last 40 years, made possible through the various economic plans implemented. As a result of these efforts, less than 4% of Malaysians still live in poverty today. To reduce the disparity between the haves and the have-nots, the Ministry of Women, Family and Community Development and its partners through the 1AZAM programme are helping the poor to generate income. Aside from financial assistance, we are offering low-income households the means to be more productive by way of providing them facilities to start businesses as well as affording skills training and motivation. As Lead Minister, I will ensure the effective implementation of these initiatives and our targets. To accelerate these efforts, I call upon Malaysians to help us identify and register families that need assistance. As the nation progresses forward, we will continue to work hard to ensure that no single Malaysian gets left behind."

Successfully reducing the divide between the haves and have-nots

While Malaysia has made tremendous progress fighting poverty since the rollout of the First Malaysia Plan in 1970, still just under 4% of the rakyat are classified as living in poverty. To bridge the divide between the economically well-off and the disadvantaged, the Raising Living Standards of Low-Income Households or LIH NKRA was implemented. Under this NKRA, the Lead Ministry, the Ministry of Women, Family and Community Development (Kementerian Pembangunan Wanita, Keluarga dan Masyarakat or KPWKM) in collaboration with its partners, set the ambitious goal of eradicating 44,643 extreme poor households by 2010 and further reducing poverty between 2010 and 2012.

Having achieved the target of taking more than 44,000 households out of the extreme poverty category last year, 2011 saw KPWKM turning its efforts towards a new NKPI, that of ensuring more poor households participated in the 1AZAM (Akhiri Zaman Miskin) programme. The 1AZAM programme centres on providing economic opportunities that enhance the productive capacity of low-income households so that they are lifted out of poverty and become self-sustaining. Despite a slow start and some initial challenges, particularly in Sabah and Sarawak, good progress was made on the 1AZAM programme. As things picked up in middle of the year, the Ministry went on to exceed its target of ensuring 57,793 poor households out of the total number registered were participating in the 1AZAM programme by end 2011.

The year also saw another new NKPI being introduced – that of ensuring 100% of the backlog cases pertaining to eKasih verification had been processed. (eKasih is the sole designated database for low-income households). 2011's initiatives were expanded to encompass the vulnerable and low-income groups, whereby marginalised groups (such as former-drug addicts, ex-prisoners and HIV-AIDS sufferers) who can readily fall into the poverty trap, were also included.

By the year's end, several roadblocks had been overcome and almost all NKPI targets had been achieved. Over and above the 2,000 women entrepreneurs developed in 2010, another 1,100 women entrepreneurs were developed in 2011, while housing support for the rakyat continued via the restoration of abandoned houses and the building of Rumah Mesra Rakyat or People-Friendly Homes for low-income households.

As a result of the combined efforts of KPWKM and its partners, the following big wins were achieved:

2011 BIG WINS

- Participation of 63,147 poor households in the 1AZAM programme
- 317,359 or 96% of backlog cases pertaining to eKasih verification processed
- 1,100 women entrepreneurs developed

Going forward, KPWKM remains committed to ensuring that the reduction of low-income households continues steadily and surely, and that the living standards of the poor and vulnerable, both rural and urban are raised.

OVERVIEW

Ensuring no Malaysian is left behind

In the latest Human Development Report 2011 (HDR 2011) released by the United Nations Development Programme in November 2011, Malaysia continues to be classified as a country with "high human development". We were ranked 61 out of a total of 185 UN member states on the HDR 2011's Human Development Index. In fact, both the United Nations and World Bank have long held Malaysia up as a model for managing and reducing poverty.

Since the introduction of the First Malaysia Plan in 1970, poverty nationwide has been progressively on the decrease from some 50% in 1970 to 3.8% in 2009. The many programmes and initiatives undertaken have seen Malaysia achieve its Millennium Development Goal on poverty well before the projected 2015 period. Yet despite the strong strides forward in fighting poverty since 1970, under 4% of the rakyat are still classified as living in poverty.

Even as intensive efforts are being undertaken to ensure that Malaysia becomes a fully developed nation by 2020, much hard work remains to be done to ensure that no Malaysian is left behind. There is a very real possibility that the disparity between the economically well-off and the disadvantaged will widen and that significant segments of the nation will not enjoy the fruits of economic growth, should we not work quickly enough to redress the issue of poverty.

Even as these issues are addressed, there is also a need to find a balance between the short-term measure of merely providing direct assistance to the needy, and the longer-term measure of making economic opportunities available to them so that they become self-sustaining. By focusing our efforts not merely on giving those in need a fish to feed them for a day, but in teaching them to fish, we will feed them for a lifetime.

LIH NKRA OBJECTIVES

2011 NKPIs

The overall objectives of the LIH NKRA are to reduce poverty and improve the living standards of low-income households. In 2011, KPWKM provided low-income households aid as well as accorded them opportunities to help themselves and increase their productivity through the 1AZAM programme. On top of this, the Ministry trained women entrepreneurs and provided housing support. In line with these measures, KPWKM committed to achieving the following NKPI targets by the end of 2011:

2011 NKPI Targets for LIH

- To ensure that 57,793 poor households of the total registered in the eKasih database participate in 1AZAM by 31 December 2011
- To complete processing 100% of the 242,945 eKasih backlog cases registered before 31 December 2010 by March 2011; and all 81,930 eKasih backlog cases registered before 31 May 2011 by 31 December 2011
- To develop 1,000 women entrepreneurs by 31 December 2011 (we target to develop 4,000 women entrepreneurs between 2010 and 2012)
- To continue housing support by restoring 2,465 abandoned houses and building 2,500 Rumah Mesra Rakyat under Syarikat Perumahan Negara Berhad (SPNB) by 31 December 2011

KEY PARTICIPANTS

The Lead Ministry for the LIH NKRA is the Ministry of Women, Family and Community Development also known as KPWKM. The Ministry collaborates with several other ministries and agencies to implement the initiatives under this NKRA. Its LIH NKRA partners include the following:

- The Ministry of Agriculture and Agro-Based Industry (for the AZAM Tani initiative);
- The Ministry of Human Resources (for AZAM Kerja);
- Amanah Ikhtiar Malaysia (for AZAM Niaga, AZAM Khidmat as well as the development of women entrepreneurs);
- The Implementation Coordination Unit (ICU) of the Prime Minister's Department (for eKasih verification);
- The Sabah State Government (for all the 1AZAM initiatives);
- The Sarawak State Government (for all the 1AZAM initiatives);
- Syarikat Perumahan Negara Berhad (SPNB) for the restoration of abandoned houses and building of Rumah Mesra Rakyat for low-income households;
- The Ministry of Health (for the nutritional needs of children of low-income households); and
- The Ministry of Education (for the repair and upgrading of dilapidated schools).

In championing the AZAM Tani initiative, which includes the provision of agricultural equipment, livestock, seeds and fertiliser, the Ministry of Agriculture and Agro-based Industry provides advice, guidance and training to participants. This ministry and its agencies possess the requisite experience, knowledge and expertise essential to the success and sustainability of agricultural and agro-based projects.

For the AZAM Kerja initiative, the Ministry of Human Resources and its agency, the Labour Department (JTK) use their experience, knowledge and expertise to ensure the success and sustainability of job matching/placement initiatives. Although there were difficulties faced at the beginning of the rollout of this initiative, by mid-2011 the Ministry was able to adjust and improvise their methodology, which resulted in larger numbers and more sustainable participation of households under AZAM Kerja.

“I am so excited to be able to realise my dream of becoming a successful entrepreneur. I used the funds [from Amanah Ikhtiar Malaysia (AIM), Malaysia’s largest microcredit financing organisation] to upgrade my grocery store at the Kuala Pilah market so that I can better serve my customers. AIM loaned me RM200,000. I now make RM2,000 weekly and this has allowed me to repay the loans and make ends meet.”

- Siti Jariah Alwi, mother of four who runs a small grocery store with her husband and has recently set up a goat farm and fish farm.

As for the AZAM Niaga and AZAM Khidmat initiatives, Amanah Ikhtiar Malaysia or AIM was identified as the champion to implement these two initiatives that involve the provision of micro-credit and training for small businesses or services-based self-employment. This is due to the very high success rate AIM has had in providing micro-credit facilities and its ability to ensure that participants regularly service these loans. These measures will not only determine the sustainability of the initiatives but also the potential for growth and future expansion of the businesses and services by participants. KPWKM too has a hand in implementing AZAM Niaga and AZAM Khidmat initiatives. For instance, participants are absorbed into these initiatives through agencies under KPWKM, which include the Social Welfare Department (JKM) and the Women and Family Development Council (MPWK).

1AZAM initiatives

Implementing agencies for 1AZAM initiatives

	Type	Description	Champion
moa INCORPORATED KEMENTERIAN PERTANIAN DAN INDUSTRI ASAS TANI MALAYSIA	AZAM Tani	Agricultural and agro-based activities	Ministry of Agriculture and Agro-based Industry
Kementerian Pembangunan Wanita, Keluarga dan Masyarakat	AZAM Niaga	Small businesses	Amanah Ikhtiar Malaysia; Ministry of Women, Family and Community Development
jobsmalaysia.gov.my "Gerbang Kerjaya Interaktif Anda"	AZAM Kerja	Job matching/ Job placement	Ministry of Human Resources
Kementerian Pembangunan Wanita, Keluarga dan Masyarakat	AZAM Khidmat	Services (self-employment)	Amanah Ikhtiar Malaysia; Ministry of Women, Family and Community Development
	1AZAM Sabah	AZAM Tani, Niaga, Kerja, Khidmat	Sabah State Government
	1AZAM Sarawak	AZAM Tani, Niaga, Kerja, Khidmat	Sarawak State Government

Ancillary support at state and federal levels

In Sabah and Sarawak, several state agencies assist in the implementation of LIH NKRA initiatives. In Sabah, these agencies have come forward with their support: Yayasan Usaha Maju, Jabatan Pertanian Negeri, Ko-Nelayan, Jabatan Perikanan Negeri, Koperasi Pembangunan Desa, Jabatan Hal-Ehwal Wanita, Jabatan Perkhidmatan Haiwan dan Perusahaan Ternak, Kementerian Pembangunan Masyarakat dan Hal Ehwal Pengguna, and Jabatan Pembangunan Sumber Manusia, among others. In Sarawak, these agencies are involved: the Department of Agriculture, Lembaga Kemajuan Ikan Malaysia, Unit Pembangunan Usahawan Bumiputera, Sarawak Economic Development Corporation, Giatmara, Sarawak Timber Industry Development Corporation, Bintulu Development Authority, Federal Agricultural Marketing Authority and Jabatan Tenaga Kerja.

To ensure the success of the LIH NKRA, close monitoring of low-income households using the eKasih database is essential. To this end, all households in the eKasih database have gone through the verification process conducted by the ICU of the Prime Minister's Department. In 2011, we introduced the new NKPI to clear backlog cases relating to eKasih verification. This activity was carried out with strong support from the ICU and state and district authorities.

Private sector assistance

In addition to the efforts by the government, private sector companies too have provided their assistance to raise the living standards of low-income households. PETRONAS for instance has come to the fore with its Program Sentuhan Harapan - initiative, which is doing much to elevate the lives of the poor.

Raising Living Standards of Low-Income Households

Touching lives, giving hope

PETRONAS, through its corporate social investment (CSI) programme called Program Sentuhan Harapan has identified and provided food aid to 5,000 poor families. These families are selected from PETRONAS' areas of operations and in areas where there are high incidences of poverty. These include areas in the states of Kelantan, Terengganu, Pahang, Selangor, Johor, Melaka, Kedah, Perak, Sabah and Sarawak. All families selected for this programme have started purchasing essential food items including rice, sugar, oil and flour using credit provided to them by PETRONAS at Mesra Convenience Stores located within 30 PETRONAS service stations across the country. Each family (those identified between July 2010 and August 2011) is to receive this food aid for a period of two years. Selected families in Terengganu, Kedah, Pahang, Sabah and Sarawak have also attended financial literacy, health management and youth development programmes conducted by the National Population and Family Development Board. These programmes are held as supplementary awareness programmes to empower families to improve their lives.

INITIATIVES

Key initiatives

The year 2011 saw us implementing the following initiatives to achieve the LIH NKRA targets:

1AZAM programme rollout

For 2011, a new NKPI was introduced. It aimed to ensure that 57,793 poor households of the total already registered in the eKasih database participated in the 1AZAM programme by 31 December 2011. The 1AZAM or Akhiri Zaman Miskin programme serves to balance the polarities between providing direct aid to the needy and making economic opportunities available to them so that they become self-sustaining. This programme sets out to lift low-income households out of poverty through means of employment, entrepreneurship, involvement in agricultural activities and services. 1AZAM began at the end of 2010 and went full swing at the beginning of 2011.

Raising Living Standards of Low-Income Households

"Before the 1Azam programme, life was difficult, especially with seven school-going children. Every month, any additional money was used to buy fertilizer so that we could plant vegetables – it was a continuous cycle that didn't help to improve our situation. If the weather was good, we could get RM1, 000 a month, but through 1Azam Tani, we can get an income of RM200 per day. The Sabah Agricultural Department (Jabatan Pertanian Sabah) helps us to sell our produce and we are very thankful for this programme that has helped to reduce our financial burden."

- Maimun Achoi and Abdul Jalil, farmers

The following table highlights the key focus areas under the many 1AZAM initiatives.

1AZAM PROGRAMME

Key 1AZAM Initiatives	Key Focus Areas
AZAM Tani	Targeted at the rural poor, this initiative helps the poor and the extreme poor get involved in agro-based businesses such as poultry rearing and aquaculture through the provision of training and funding
AZAM Niaga	Targeted at the urban and rural poor, this initiative encourages entrepreneurship vis-à-vis the setting up of small businesses relating to food, small stalls, grocery stores, catering and online enterprises, etc. through the provision of training and funding
AZAM Kerja	Targeted at urban poor, this initiative endeavours to match the poor and extreme poor to available job prospects by encouraging them to take up work, e.g. as domestic helpers, petrol pump attendants, security guards, waiters and construction workers
AZAM Khidmat	Targeted at the rural and urban poor, this initiative facilitates the setting up of small but innovative businesses that include mobile car washes, grass cutting, day care centres for the elderly as well as child and post-natal care services
1AZAM Sabah	This initiative comes under the purview of the Sabah State Government and covers AZAM Tani, AZAM Niaga, AZAM Kerja and AZAM Khidmat initiatives in Sabah
1AZAM Sarawak	This initiative comes under the purview of the Sarawak State Government and covers AZAM Tani, AZAM Niaga, AZAM Kerja and AZAM Khidmat initiatives in Sarawak

Having reduced 44,643 extreme poor households to zero per cent in 2010, KPWKM turned its attention to the poor and vulnerable groups in 2011. Since the beginning of 2011, the LIH NKPIs have been covering households in the poor category as well as vulnerable households in the low-income category. Although the vulnerable households (which include marginalised groups such as former drug addicts, HIV-AIDS sufferers and ex-prisoners) may have incomes slightly above the poverty line, they are still considered low-income households that can easily fall into the poverty trap and thus require attention. (Extreme poor households identified through open registration in the eKasih database after 31 December 2010 have been included under the poor category for 2011).

Completion of eKasih verification

Another new NKPI target introduced in 2011 was the verification of eKasih registrants. Following criticism that the verification process of the eKasih registration was taking too long, KPWKM set a new NKPI target of clearing all 242,945 unverified backlog cases registered in eKasih before 31 December 2010 by March 2011, and another 81,930 cases registered in eKasih before 31 May 2011 by the end of 2011 (in total 324,875 cases were to be cleared by end 2011). By updating the database, the Ministry has garnered vital information that has helped it distinguish the different categories of registrants. This has been key to identifying which specific 1AZAM initiatives registrants should be channelled to.

eKasih open registration verification

eKasih

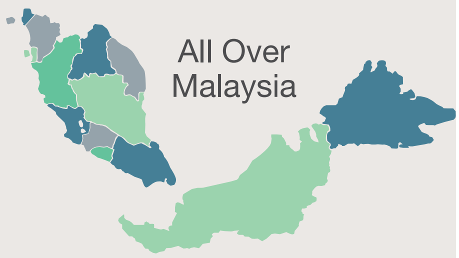
System background...

1. Centralised National Poverty Data Bank which is used by relevant agencies to provide assistance to the poor
2. Public can access the portal and register on-line by providing basic information
3. Implementation Coordination Unit (ICU) will verify all cases registered in the portal
4. Only verified cases will be registered in eKasih

Enumerators cover urban and rural area

300++
enumerators nationwide

- Initial Review
- Visit
- Input in System
- Verify
- Quality check
- Process



Development of new women entrepreneurs

In accordance with the target of raising 4,000 women entrepreneurs by 2012, KPWKM together with AIM and Jabatan Pembangunan Wanita (JPW) set out to train and develop an additional 1,000 women entrepreneurs from low-income households in 2011. This was over and above the 2,000 women entrepreneurs developed in 2010. Women entrepreneurs are defined as those earning a net income of RM3,500 per month or more over a consecutive period of three months. These women are given training and other opportunities that enable them to venture into fields such as agriculture, services, fishery, manufacturing, farming and business.

The development of 1,000 women entrepreneurs by 31 December 2011

Champion background...

A AIM provides training and micro credit loans to these women to generate income activities

NKPI Description...

B Women entrepreneurs are those with a net income of RM3,500 per month or more (for a consecutive period of 3 months)

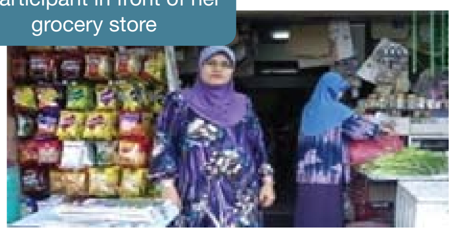
Sectors Involved...

C
- Business (74%)
- Services (14%)
- Manufacturing / Processing (6%)
- Agriculture (5%)
- Fisheries (1%)

AIM training session

Participants attending weekly branch meeting

A participant in front of her grocery store



Continued housing support

The year saw KPWKM following through on its commitment to provide housing support to low-income households. It set a target of restoring 2,465 abandoned houses and building 2,500 Rumah Mesra Rakyat (People-Friendly Homes) under Syarikat Perumahan Negara Berhad or SPNB by 31 December 2011.

Over the course of 2011, several other programmes were implemented under the auspices of KPWKM and our partners. The year's achievements included the following:

- 490 dilapidated schools and hostels throughout Malaysia were repaired and upgraded in collaboration with the Ministry of Education
- 35,245 children benefited from the Bakul Nutrisi (Nutritional Basket) programme that was conducted in collaboration with the Ministry of Health
- 11,879 low-income households benefited from RM5 million in maintenance fees provided to Kuala Lumpur City Hall (DBKL)
- RM2.32 million was allocated to the Malaysian AIDS Council to develop Anjung Damai, a shelter home project for 354 residents throughout Malaysia
- 48,509 sets of school uniform (i.e. uniforms and shoes) were given out to school children registered under Kumpulan Wang Amanah Pelajar Miskin (KWAPM)
- 8,809 heads of extreme poor and poor households were introduced to a mind-set change programme leading up to the 1AZAM programme (implemented in December 2010)
- 12,000 extreme poor households benefited from the 1AZAM temporary monthly allowance assistance (Elaun Bulanan Sementara 1AZAM)
- Family development programmes encompassing counselling, family development and reproductive health programmes were implemented with the assistance of LPPKN@Komuniti (LPPKN is the National Population and Family Development Board)
- Anjung Singgah, a one-stop intervention centre situated in Bangunan Ehsan, Jalan Hang Lekiu, Kuala Lumpur, was set up in March 2011 to tackle the issue of homeless people. Anjung Singgah provides registration, assistance to enter the job market, housing facilities, counselling and welfare for the needy
- 1,333 households are to benefit from sanitation and sewerage projects currently under construction

Raising Living Standards of Low-Income Households

"I received assistance in the form of 650 ayam kampong and chicken feed from the Department of Veterinary Services, an agency under Ministry of Agriculture and Agro-Based Industry. All the income from selling the chickens could be used for our daily needs, with some chickens kept for their eggs. This assistance from the Veterinary Services isn't limited to animals for rearing but there is also other assistance provided, such as building chicken barns. I think this is a very good effort by the government for people like me. As soon as I heard about the help that was offered, I was inspired to take up this business and got my license straightaway. This assistance will be very successful if the recipients work hard and follow the guidelines that are provided."

- Therawas Rasapan, chicken rearer in Sungai Burong, Selangor

SUCCESSES AND ACHIEVEMENTS

The overall results of the NKPI targets set for 2011 are shown in the table below:

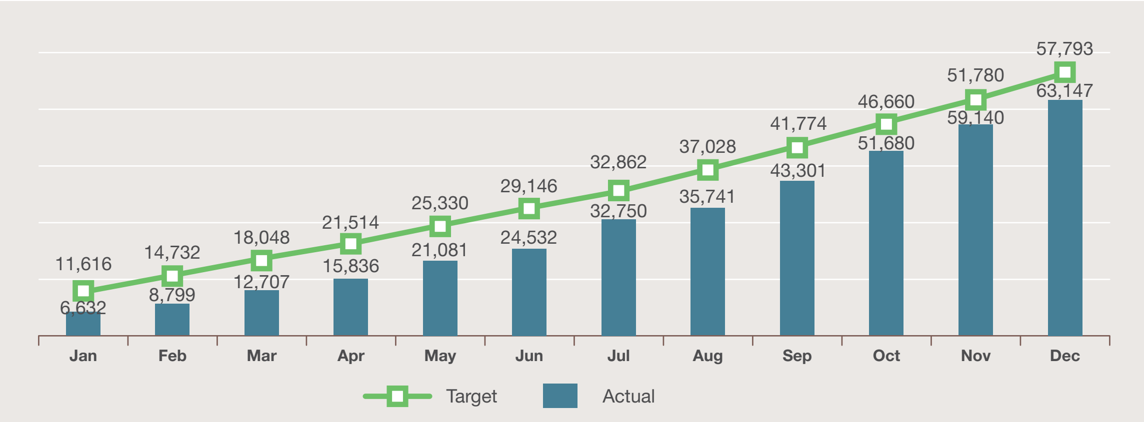
No.	NKPIs	2011 Target	2011 Actual	Traffic Light
1	To ensure that 57,793 Poor Households of the total registered in eKasih participate in 1AZAM programme by 31 December 2011	57,793	63,147	
2	To complete 100% processing of 242,945 backlog cases registered before 31. December 2010 and 81,930 eKasih backlog cases registered before 31 May 2011 by 31 December 2011[1]	324,875	317,359	
3	To develop 1,000 women entrepreneurs by 31 December 2011	1,000	1,100	
4	To restore 2,465 abandoned houses under SPNB by 31 December 2011	2,465		
	To build 2,500 Rumah Mesra Rakyat under SPNB by 31 December 2011	2,500		
	Total	4,965	4,865	

[1] By 31 December 2011, the balance 19,650 cases from 2010 which had not been verified by March 2011 were cleared.

Success of 1AZAM programme rollout

By 31 December 2011, a total of 63,147 households beyond the targeted 57,793 poor households registered in eKasih were participating in the 1AZAM programme. Some had begun working under the AZAM Kerja initiative and others had received equipment or loans under AZAM Tani, AZAM Niaga and AZAM Khidmat from the respective champions implementing the 1AZAM initiatives.

Number of participants in 1AZAM programme by 31 December 2010



Success stories - AZAM Tani

Hamzah bin Khushi Mohamad

Batu 6½, Jalan Sidang Wahab, Bukit Rambai

Occupation : Self employed
Type of Assistance : Water pump, paddy fertiliser and pesticide
Type of Project : Black glutinous paddy (pulut hitam)

Before

2.5 TONNES
RM120 / month

After

5.2 TONNES
RM12,480 / season
RM2,000 / month

Raising Living Standards of Low-Income Households

Success stories - AZAM Niaga

Echa Emau

Kg. Baling, Data Kakus, Tatau

Type of Assistance : Generator set, grinder, hand blower, drill, hacksaw, sharpening stone, iron, saw, etc

Type of Project : Traditional Machete for local / domestic use

Before

5-10 machetes
Monthly income: RM350 – RM450

After

15-25 machetes
Monthly income: RM500 – RM900

Success stories - 1AZAM Sarawak

Mahdan Bin Hai

Kampung Gatas, Bekenu, Miri

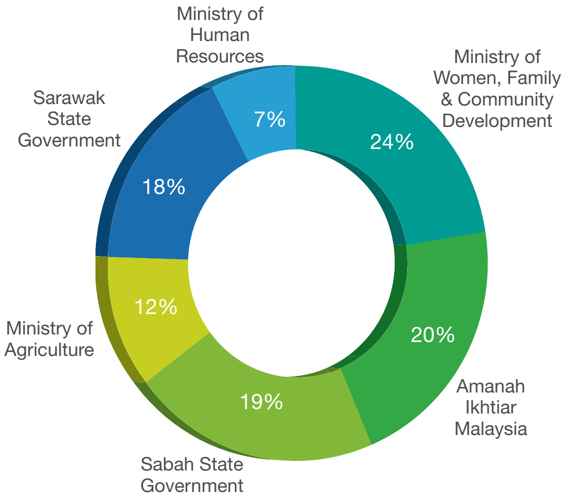
Type of Assistance : Fishing equipment

Before	**After**
Monthly income: RM576	**Monthly income: RM1,594**

Raising Living Standards of Low-Income Households

The breakdown of participants by the respective champion or lead agency is as follows:

Implementing Agencies of 1AZAM Programme	Total as at 31 Dec 2011
Ministry of Women, Family and Community Development	15,241
Amanah Ikhtiar Malaysia	12,578
Sabah State Government	12,067
Ministry of Agriculture and Agro-based Industry	7,590
Sarawak State Government	11,306
Ministry of Human Resources	4,365
Total	**63,147**

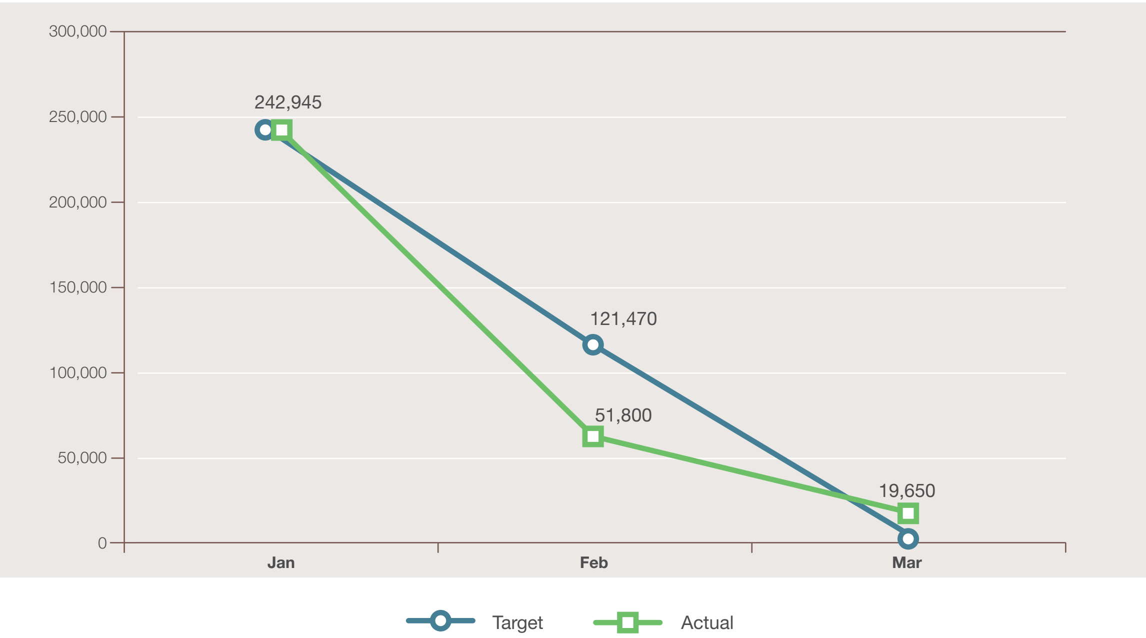


Status of eKasih verification

In relation to the target of processing all of the 324,875 eKasih backlog cases by 31 December 2011, the Ministry achieved 96% of the set target. This was made possible by the strong support from the ICU and state and district authorities.

There were two sub-NKPIs under the eKasih verification and the achievements for both of these sub-NKPIs are as follows:

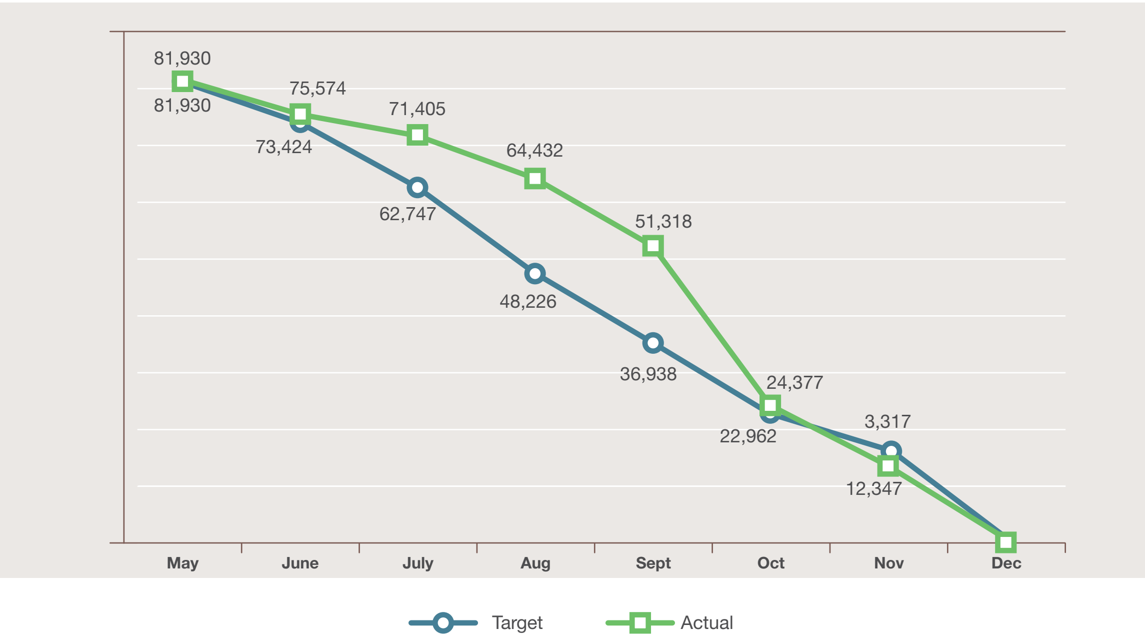
Number of backlog cases (registered before 31 December 2010) processed by 31 March 2011



The first sub-NKPI achieved 92% of its eKasih verification target as at 31 March 2011.

Raising Living Standards of Low-Income Households

Number of backlog cases (registered in 31 May 2011) processed by 31 December 2011



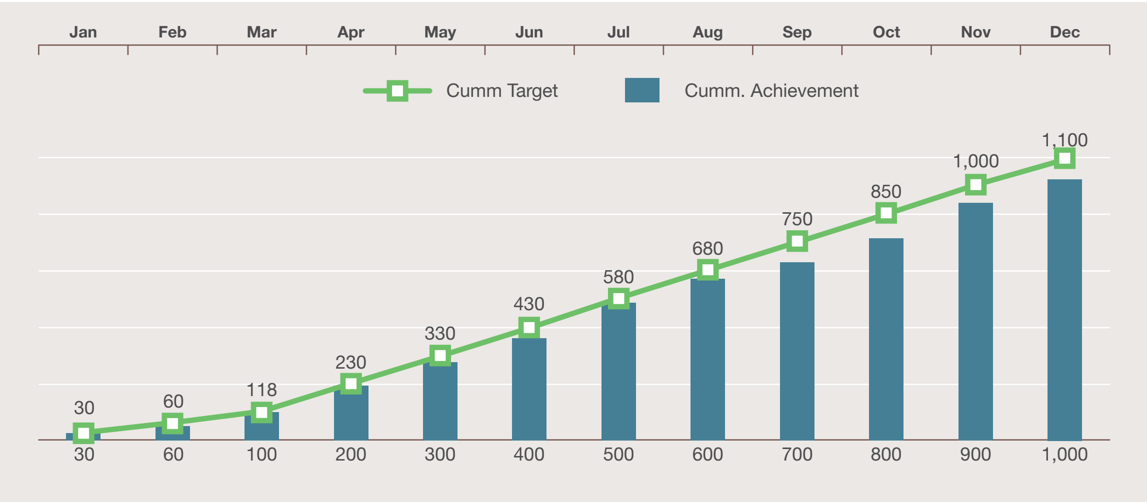
The second sub-NKPI achieved all of its eKasih verification targets. Hence, the overall average achievement for the eKasih verification NKPI for 2011 was 96%.

This activity was integral to the smooth implementation of the LIH NKRA. It was essential that households that have applied to be registered in the eKasih database themselves or by a third person (their relatives, friends, local Member of Parliament or local State Assemblymen) are verified. This will determine whether they are indeed below the poverty line and if they are eligible to be registered under eKasih. These efforts ensured that the majority of 2010's backlog was cleared by March 2011 and that all new cases from 1 January to 31 May 2011 were cleared by 31 December 2011.

Results of women entrepreneur development

Another major win achieved in 2011 was the development of an additional 1,100 women entrepreneurs during the year on top of the 2,000 women entrepreneurs developed in the preceding year.

Number of women entrepreneurs developed over 2011 as at 31 December 2011



Another 1,000 women are expected to complete their course by the end of next year, which places KPWKM on track to achieve its target of developing a total of 4,000 women entrepreneurs by 2012.

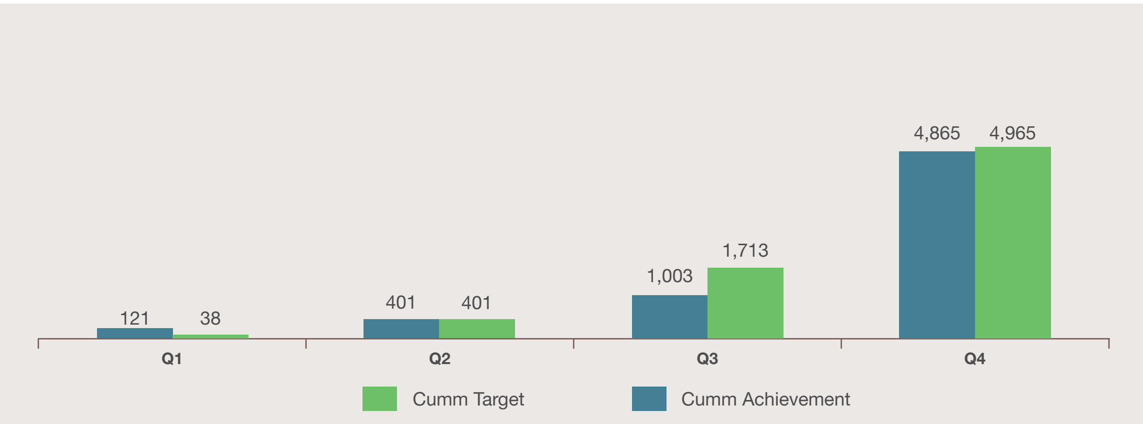
Raising Living Standards of Low-Income Households

Status of housing support projects

The Rumah Mesra Rakyat programme aims to assist low-income groups or poverty-stricken families (fishermen or farmers) to build comfortable homes on plots of land they own. To qualify for the programme, applicants must have a household income not exceeding RM1,500 per month, must not own a house, and must be living in an old, incomplete or dilapidated house.

Houses built under this scheme must be single-storey bungalows consisting of three bedrooms and two bathrooms and must measure between 700 sq. ft. to 866 sq. ft. A third of the development cost of such houses are financed by the Federal Government Special Fund, whereby the buyer only has to pay the balance via non-interest financing based on the concept of *qadrul hassan*.

Number of abandoned houses restored and Rumah Mesra Rakyat built by 31 December 2011



Home sweet home

Purchaser: Karnain Bin Selamat.
Address: Machap, Mukim Machap, Kluang, Johor
Monthly income: RM900.00
Date of commencement: 4 May 2011
Date of completion: 9 September 2011

En Karnain Bin Selamat, 40, from Kluang, Johor, is an applicant under the Rumah Mesra Rakyat (People-Friendly Homes) who has just recently moved into his house.

"My family and I are happy and grateful to the SPNB. With their help under the Rumah Mesra Rakyat programme, we are finally able to afford a beautiful house of our own. Now, even with my salary of RM900 as a factory worker, I'm allowed a low monthly instalment which isn't a burden for me. Houses under the Rumah Mesra Rakyat programme are comfortable and attractive to live in and possible to own with a low instalment. My family and I are so thankful we are able to own a house like this".

A home within her means

Purchaser: Keremai Binti Lebai Yusof
Address: Mukim Triang Hilir, Daerah Jelebu, Negeri Sembilan
Monthly income: RM956 (Late husband's pension)
Date of commencement: 11 May 2011
Date of completion: 11 September 2011

Another happy Rumah Mesra Rakyat homeowner, Keremai Binti Lebai Yusof, 67, says she is happy and satisfied with the concept of the houses built under the programme.

"Not only are the houses comfortable and beautiful, the monthly payments are also within means. I am really happy that I can afford to own a house as it is more convenient for my family this way. I became a single mother after my husband died and was forced to stay at my son's family home. Now, I have my own house. Thank you, SPNB for building a Rumah Mesra Rakyat. My family and I are very grateful."

Raising Living Standards of Low-Income Households

In addition, low-income households in the following states/areas benefited from the restoration of abandoned houses in 2011:

NO	STATE	PROJECT	NUMBER OF UNIT	REMARKS
1	Johor	Taman Mawar, Kulai	78	Completed with CF
2	Selangor	Bandar Alam Perdana, Ijok	2,326	100% completed but without CF
3	Pulau Pinang	Taman Guar Perahu, Permatang Pauh, Pulau Pinang	61	100% completed but without CF


THEN


NOW

Hope restored

One abandoned housing project which benefited from SPNB's restoration programme was Taman Mawar in Kulai, Johor. The houses which were restored were two-storey low cost houses and two-storey medium low cost houses.

An end to housing woes

Purchaser: Tuan Rohana Binti Tuan Ahmad, 47
Address: Taman Aman, Senai, Johor (tenant).
Monthly income: None (Housewife).
Price: RM50,000 (two-storey medium low-cost house).

House abandoned since 1999. House restored in Nov 2011 (taken over by SPNB in 2009)

Puan Tuan Rohana binti Tuan Ahmad's anguish ended when the house she and her husband bought in Taman Mawar was included as part of the Abandoned Housing Restoration Programme undertaken by SPNB. "For the past 13 years, my husband and I have had to pay interest to the bank in the region of RM80 to RM150 a month for the house we bought. I left my job as a factory worker three years ago and as a housewife, I cannot contribute to the household expenses so this is a burden on my husband.

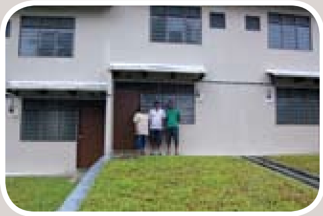
"In addition to the interest, we've been paying RM270 a month towards our loan instalments. And as if this were not enough, because the housing project was abandoned, we had to rent a house in Taman Aman in Senai for us to stay in. We could not afford to buy another property due to our low income and high monthly commitments, but now that our Taman Mawar house has been restored, everything has changed. We're very grateful to SPNB."

A place to call their own

Purchaser: Murugan A/L Manickam, 41
Address: Taman Putri, Kulai, Johor (parents' home)
Monthly income: RM3,000
Price: RM25,000 (two-storey low-cost house)

Abandoned since 1999/2000. House restored in Nov 2011 (taken over by SPNB in 2009)
Homeowner Encik Murugan A/L Manickam can finally smile because his 13-year wait has come to an end. For the past five years, Murugan has been paying bank interest of RM100 a month. He could not afford to buy or rent another house because of his low income so he had to resort to bringing his family to stay with his parents who live in Taman Putri in Kulai, Johor.

"I've felt nothing but frustration since the housing project was abandoned but when I was informed that SPNB would be taking over and restoring the project, I saw light on the horizon. My family, including our three children, will now move to our own house in Taman Mawar, Kulai after getting our keys. We've been staying at my parents' house for too long."



Raising Living Standards of Low-Income Households

Eleven-year delay comes to an end

Purchaser: Mohd Zaihan Bin Sayani, 41
Address: Felda Bukit Besar, Kulai, Johor (parents' house)
Monthly income: RM1,500
Price: RM25,000 (two-storey low cost house)

House abandoned since 1999/2000. House restored in Nov 2011 (taken over by SPNB in 2009)

Encik Mohd Zaihan is thankful and happy that his house is finally complete after restoration work by SPNB. He has been staying with his parents at their house in Felda Bukit Besar since 2000. "I felt disappointed and frustrated because I knew I should not be a burden to my parents and yet this exactly what I was doing. My intention was to buy a new house for wife, my children and myself but because our dream home had been abandoned for so long, we ended up settling down with my parents in Felda Bukit Besar.

"Although our house is ready, two of my children are schooling and as the facilities in Taman Mawar, Kulai aren't ready yet, I have no plans to move for time being. Having said that, I'm extremely grateful to SPNB for ending this long 11-year wait for our house to be completed. My plan is to let out that house to supplement my present income."

OTHER OUTCOMES

1AZAM Insurance

In 2011, more than 500,000 members of poor households were able to take advantage of the 1AZAM insurance coverage scheme managed by Allianz Insurance under the purview KPWKM. However, only those who were registered under the Ministry's eKasih system were eligible for the scheme. Valid for a 12-month period from 1 January until 31 December 2011, the scheme included coverage for death and permanent disability.

As of 31 December 2011 a sum of RM11.2 million had been disbursed to the beneficiaries or next-of-kin of 770 heads of household nationwide following their deaths. The 1AZAM insurance coverage incorporated four packages, namely natural death (RM10,000), death from accidents (RM20,000), permanent disability (RM20,000) and death expenses (RM5,000). KPWKM's part in the scheme saw us paying an annual premium of RM120 per family to obtain coverage for the head of each household participating in the scheme.

CHALLENGES

SHORTCOMINGS

The various agencies working to implement 1AZAM programmes faced many implementation challenges over 2011. For AIM, the challenge was to make micro-credit accessible to those who are registered with eKasih. As these people are scattered all over the country, many more AIM offices had to be set up and more staff had to be recruited. As AIM provides credit loan facilities as opposed to grants provided by other implementing agencies, the challenge was to convince the recipients that this was a better way to improve their livelihood in the long-term.

In Sabah and Sarawak, KPWKM had to contend with the challenging geographical landscape of these two states. As the 1AZAM programme caters to about 24,000 households in both these states, the implementing agencies faced higher costs and many logistical problems when attempting to deliver assistance to the many folk who live in the scattered rural and remote areas.

LESSONS LEARNT

Several key lessons were learnt over the course of the LIH NKRA implementation. As the eKasih database is not updated on a frequent basis, many of the heads of households have moved and are no longer traceable. There is also a need to identify accurately the type of assistance that the heads or even members of the households in the eKasih database require before assistance is provided. The process needs to be expedited and to be more flexible but with good governance measures in place so that assistance can be provided in a more timely manner.

Another important lesson learnt was in the implementation of the AZAM Kerja initiative. The Ministry of Human Resources had previously used the “train and place” method, where participants were given training relating to the jobs they wanted to take up, and were subsequently placed in those jobs. This approach delivered a very low success rate because after having undergone the training, many of the participants dropped out from their jobs after only a few days of working (due to lack of interest or motivation). The Ministry then adopted a “place and train” approach, where the participants were first placed into their jobs, and then given on-the-job training. This latter method had a much higher success rate and participants stayed on in those jobs simply because they were already entrenched in the workplace and where receiving wages when the training was provided.

Another lesson learnt under AZAM Kerja was to change the traditional approach used i.e. visiting potential participants at their houses to the approach of taking them to job fairs. The previous approach of talking to them and trying to convince them at their houses was largely unsuccessful, as they were in the “comfort zone” of their own homes. Despite their being in poverty, this approach did little to attract or motivate potential participants to take up jobs. By bringing them to job fairs, we sold them on how appealing the potential new jobs were as well as how attractive their new surroundings and work environment could be. The latter approach yielded much better results in getting them to participate in 1AZAM.

GOING FORWARD INTO 2012

2012 NKPI TARGETS

For 2012, we have set these targets:

No.	NKPIs	2012 Targets
1	To ensure 39,600 new participants in the 1AZAM programme by 31 December 2012	39,600
2	To ensure 13,237 existing 1AZAM participants increase their per capita income above the poor Poverty Line Income (PLI)	13,237
3	To ensure 7,480 existing 1AZAM participants under KPWKM, increase their monthly income by RM200 per month	7,480
4	To ensure 100% monthly updating of data in eKasih for all recipients registered under the 1AZAM programme	100%
5	To develop 1,000 women entrepreneurs by 31 December 2012	1,000
6	To build 10,000 Rumah Mesra Rakyat under SPNB by 31 December 2012	10,000
7	Operationalisation of Greater eKasih	30 September 2012

Going into 2012, the new LIH NKPI targets will focus on the all-important issues of monitoring outcomes and ensuring that the eKasih data is up-to-date. Having focused on ensuring that low-income households participate in 1AZAM in order for them to get out of poverty, the next step is to monitor the outcome of that participation i.e. whether or not participants' income has actually increased. As such the Ministry has introduced NKPIs 2 and 3 in the table above i.e. to ensure 13,327 existing 1AZAM participants increase their monthly income above the Poor Poverty Line Index (PLI) for at least six months; and to ensure 7,480 existing 1AZAM participants under KPWKM, increase their monthly income by RM200 per month for at least six months.

Raising Living Standards of Low-Income Households

In line with these changes, the definitions for the extreme poor, poor and low-income households have been adjusted accordingly as per the table below:

Table 1: Definition of Extreme Poor, Poor and Low-Income Households based on monthly Income (PLI 2009)

	Peninsular Malaysia	Sabah	Sarawak
Extreme Poor	RM460 and below	RM630 and below	RM590 and below
Poor	RM760 and below	RM1,050 and below	RM910 and below
Low income Households	RM2,000 and below	RM2,000 and below	RM2,000 and below

Another new NKPI (NKPI 4) serves to ensure that the data in eKasih is updated on a monthly basis. Even as the various agencies begin to update the data on a more frequent basis, this will help ascertain its accuracy. In the past, despite circulars and reminders being sent out to the various agencies concerned, there were many instances where data in the eKasih system was not up-to-date, resulting in discrepancies between the figures reported by the agencies and figures in the eKasih system. From 2012 onwards, only data within the eKasih system (and not any data reported directly by the agencies) will be used in all official reports and presentations to the Delivery Task Force (DTF). This new NKPI aims to ensure that the agencies comply with eKasih data requirements on a regular basis.

Other initiatives

Another important initiative in 2012 will be the migration of the eKasih database to the Greater eKasih database that caters to all agencies providing assistance to their recipients based on their respective criteria. This new single, comprehensive database will ensure better targeting while reducing duplications and any resource wastage in the future.

On top of this, AIM is proposing to modernise 50 rural retail shops to ensure they remain competitive. The modernisation will lead to improved sales and income while offering the rural community more convenience and better choices.

As the LIH NKRA Team moves forward into 2012, it commits to continue fighting the good fight against poverty and to elevating the lives of low-income households. The ambition of bridging the divide between the economically well-off and the disadvantaged can be achieved if sustainability of the initiatives that are rolled out today can be sustained. Also by progressively encouraging participants, offering them opportunities to empower themselves and monitoring their progress on a continual basis, the opportunity to change mind-sets and elevate lives for the better remains.

The efforts to date have shown that even as KPWKM sets high goals and presses forward with the relevant resources at its disposal, the goal of ensuring that no single Malaysian gets left behind is well within reach.

Improving Rural Basic Infrastructure

Together
Empowering rural communities

Improving Rural Basic Infrastructure

Datuk Seri Mohd Shafie bin Haji Apdal

Minister of Rural and Regional Development

"The government's commitment to improving rural infrastructure continues to deliver dividends. The development initiatives for roads, water, electricity and housing have done much to empower the un-empowered and unleash the true potential of families and rural communities. Not only have our infrastructure development efforts led to the creation of various economic activities that have in turn created new opportunities, above this, they have given rural communities a greater self-confidence and the ability to exercise the choices that the rest of us take for granted. In 2011, many more rural communities particularly in Sabah and Sarawak, enjoyed the fruits of modernisation. We made strong strides forward and transformed the rural landscape for the better. Having learnt from the previous year's implementation process, the much-improved RBI machinery quickened project delivery to the rakyat. Going forward, we will continue to ensure that resources are allocated efficiently and effectively for the benefit of all."

Continuing to transform the rural landscape

Rural development continues to be a fundamental component of the national agenda. Since Independence, the government, via the many Malaya and Malaysia Plans, has rolled out development initiatives for roads, water, electricity and housing to ensure that the fruits of modernisation benefit all. In 2010, the Rural Basic Infrastructure (RBI) NKRA was conceived to accelerate these efforts by delivering unprecedented big and quick wins to rural communities.

In 2011, the Ministry of Rural and Regional Development (Kementerian Kemajuan Luar Bandar dan Wilayah or KKLW) and the various implementing agencies were once again tasked with spearheading RBI efforts. They continued to build upon the good momentum achieved in the previous year and the rural landscape was further transformed for the better. Their efforts centred on ensuring improved accessibility via new and upgraded roads, providing a clean, constant water supply and an uninterrupted electricity supply, as well as building and refurbishing homes for rural communities.

2011's initiatives comprised follow-on programmes from the previous year as well as several major new projects roll outs in 2011. These included the RM116.5 million Serian Regional Water Treatment Plant (expected to benefit approximately 22,000 rural villagers by end 2012); the RM49 million Lubok Antu Phase Regional Water Treatment Plant (expected to benefit approximately 5,000 rural villagers by early 2013); and the RM114 million Saratok Regional Water Treatment Plant (expected to serve approximately 43,000 rural villagers by mid-2013).

The Ministry also incorporated the experiences and lessons learnt in 2010 into the implementation process. As a result, previous issues that affected procurement and administration were minimised or resolved. The result was a more efficient and effective RBI machinery, which quickened project delivery to the rakyat.

All in all, the RBI NKRA registered another year of unprecedented success. The following Big Wins were achieved under the RBI NKRA:

2011 BIG WINS

- 1,796.1 km of roads built or upgraded
- 109,500 units of houses connected with clean water supply
- 54,270 units of houses electrified
- 31,327 rural homes built or refurbished ahead of schedule

OVERVIEW

Basic infrastructure for every Malaysian

The RBI NKRA serves to uplift the living standards of rural Malaysians so that they too can reap the same opportunities that our urban communities now enjoy. Through sharing the fruits of the nation's socio-economic progress, rural Malaysians will not be left behind.

Access to infrastructure is a basic right of all Malaysians, irrespective of where they are living. It is the government's aspiration that every Malaysian, be they rural or urban, live within five kilometres of a paved or gravel road with access to basic amenities such as clean water, electricity and housing. While this aspiration has largely been achieved, there remain pockets of rural communities in the interiors of East Malaysia who have no access to such basic amenities.

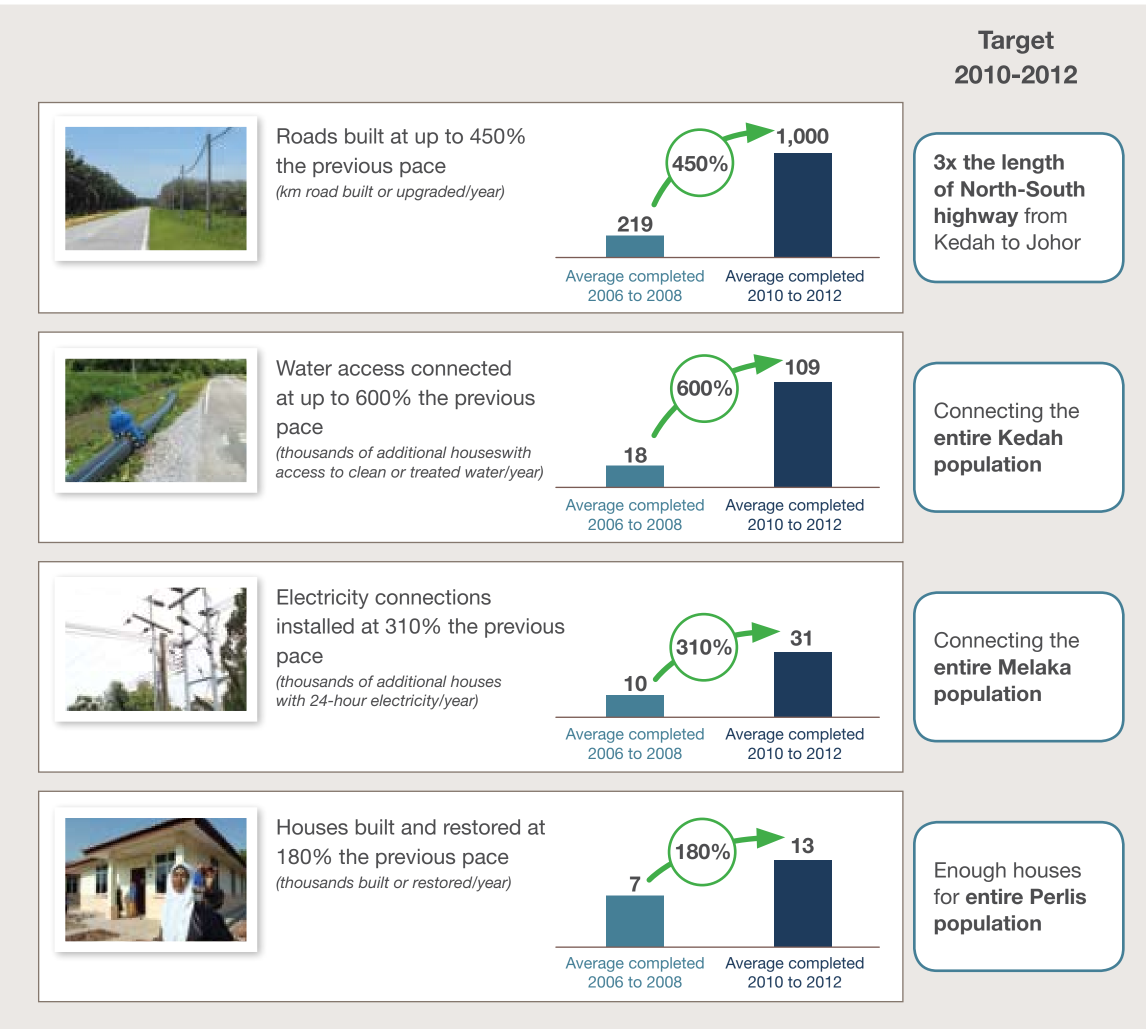
Serving those with the greatest need

At present, about 35% or approximately 10 million of Malaysia's population continues to live in rural areas with some 8% still not connected by paved roads. In ensuring that the NKRA is rolled out based on merit, the principle of serving those with the greatest need is used to determine which areas received greater attention. As per 2010, the efforts in 2011 saw a bigger proportion of infrastructure development centred on Sabah and Sarawak with almost 70% of the RBI effort and budget allocated to East Malaysia. At the same time, Peninsular Malaysia was not bypassed. Due attention was provided to rural areas that faced issues of inadequate housing, water, electricity or roads.

RBI NKRA OBJECTIVES

The RBI NKRA commits to provide rural basic infrastructure to the rakyat, regardless of age, race and location across a cumulative three-year period (2010-2012). The targets are considered herculean due to the very high benchmarks set for deliverables. Furthermore these expectations are to be delivered at an unprecedented pace with targets increasing over the three-year timeframe.

RBI rollout to be delivered at unprecedented pace



Improving Rural Basic Infrastructure

The RBI targets for 2010 - 2012 are as follows:

RBI Targets for 2010-2012

Programme	KPI	2010	2011	2012	Total
Roads (km)	Peninsular Malaysia	317.6	315.5	462.0	1095.1
	Sabah	213.5	366.7	454.8	1035.0
	Sarawak	252.0	222.9	433.1	908.0
	Total	783.1	905.1	1349.9	3038.1
Water (houses)	Peninsular Malaysia	37,771	27,000	60,225	124,996
	Sabah	18,143	18,063	68,092	104,298
	Sarawak	14,267	13,024	72,875	100,166
	Total	70,181	58,087	201,192	329,460
Electricity (houses)	Peninsular Malaysia	759	581	3,037	4,377
	Sabah	14,194	4,509	15,455	34,158
	Sarawak	12,313	21,792	20,950	55,055
	Total	27,266	26,882	39,442	93,590
Housing (houses)	Peninsular Malaysia	7,321	2,654	4,105	14,080
	Sabah	2,274	2,681	5,217	10,172
	Sarawak	7,367	3,811	5,243	16,421
	Total	16,962	9,146	14,565	40,673

In 2010, the RBI NKRA delivered the following unprecedented results, touching the lives of more than two million people living in rural locations:

More than 2 million lives touched in 2010

783.1 km of rural roads completed	**36,273** of rural houses with clean water supply	**27,266** rural houses with electricity supply	**16,962** houses for rural poor built and restored
1.8 million people positively impacted	176,000 people positively impacted	136,000 people positively impacted	85,000 people positively impacted

2011 NKPIs

For 2011, the following NKPI targets were identified and set:

- To build or upgrade 905.1 km of roads
- To provide clean or treated water connection to an additional 58,087 households
- To provide 24-hour electricity supply to an additional 26,882 households
- To build or restore 9,146 houses for the rural poor

KEY PARTICIPANTS

Closer collaboration helps drives successful RBI rollout

2011 saw RBI NKRA maintaining a working structure similar to the one that was adopted the year before. The Ministry of Rural and Regional Development or KKLW continued to helm the RBI initiative as the overall project manager and were supported by a string of implementing agencies. The continued close coordination and cooperation between all parties ensured the successful rollout of 2011's RBI NKRA.

Apart from the implementation agencies, the RBI NKRA also saw the participation of central agencies at federal and state levels. These included the Economic Planning Unit (EPU), the Implementation Coordination Unit (ICU), the Treasury (MOF), Sabah State Economic Planning Unit (UPEN Sabah) and Sarawak State Planning Unit (SPU Sarawak).

Improving Rural Basic Infrastructure

Programme	Implementing Agencies	Coordinating Parties		
Road	Public Works Department, (both federal and state levels) Department of Irrigation and Drainage (state level)	Ministry of Rural and Regional Development (KKLW)	Sabah and Sarawak State Governments (including UPEN Sabah and SPU Sarawak)	EPU / ICU /MoF/ PEMANDU
Water	Public Works Department, Sarawak (Water) Department of Water, Sabah Water supply operators (state level)			
Electricity	Tenaga Nasional Berhad Sabah Electricity Sdn Bhd SESCO Berhad			
Housing	Ministry of Rural Development, Sabah Ministry of Rural Development, Sarawak Rubber Industry Smallholders Development Authority (RISDA) FELCRA Berhad Majlis Amanah Rakyat Department of Orang Asli Affairs Regional Development Authorities (KESEDAR, KEDA, KEJORA, KETENGAH)			

To ensure projects moved forward quickly and were not impeded, several high-level problem solving platforms were leveraged to facilitate decision-making (on policy-related issues) and deal with roadblocks.

	Platform	Function
1.	Delivery Task Force (Chaired by the Deputy Prime Minister)	This monthly progress meeting on RBI projects ensures that participation / progress by the various federal government bodies, ministries and state governments is synchronised. This meeting serves to resolve any issues faced at the ministry and state government levels.
2.	NKRA Leadership Team (Chaired by the Lead Minister)	A monthly platform to discuss issues related to RBI works, the social impact on the ground, state emergencies (i.e. drought, bridge collapse), and various obstacles to construction (i.e. shortage of materials). This platform serves to ensure issues are addressed in a timely manner, that good governance takes place and that the rakyat ultimately benefit. Ministers from Sarawak and Sabah normally attend these meetings to raise issues faced by the rakyat on the ground.
3.	Problem Solving Meetings (Chaired by the CEO of PEMANDU)	Working-level representatives from the ministries are called for meetings to provide solutions to any shortfalls, shortcomings and potential delays in project delivery.
4.	Sick Project Meetings (Chaired by Ministerial Secretary-General or KSU)	A monthly meeting chaired by the ministerial KSU which serves to address the progress of “sick projects” (through re-tendering or termination of contracts or by making the necessary decisions in accordance with the Ministry of Finance’s Surat Pekeliling Bil. 8 Tahun 2009).
5.	Site Monitoring Meetings (Chaired by Ministerial Deputy Secretary General (TKSU))	These fortnightly meetings involving participation at the ministry, government agency and contractor and consultant-levels are held in various states in Malaysia to ensure timely project execution and the resolution of issues on the spot.

"I'm thankful for the Projek Bekalan Air Luar Bandar (BALB) which provides clean water to all the residents, and for the Program Bantuan Rumah Tempatan (PBRT), which enables villagers to own their own homes and to live more comfortably, with water and electricity supply."

- Bob Yusof, local resident and former member of Akademi Fantasia

More effective communication and problem solving

The RBI NKRA experienced better inter-agency collaboration and a smoother workflow in 2011 even as more effective communication activities took place and more efficient problem solving methodologies were brought into play. With open communications established through a host of forums, issues were addressed quickly and roadblocks effectively eliminated.

2011 NKRA INITIATIVES

As the RBI NKRA is a three-year programme (2010–2012), the initiatives in 2011 were follow-through initiatives from the preceding year. Even as the RBI NKRA Team took on board the lessons learnt in 2010, the delivery of 2011 targets progressed more smoothly.

Building / upgrading roads

In 2011, KKLW set out to build or upgrade 905.1 km of roads. Key features of each road (i.e. point of origin, destination, total length, width, material, implementing agencies, contractors, etc.) were determined prior to construction. This enabled all implementation considerations and challenges to be identified beforehand and addressed. In 2011, the stages of planning, design, procurement, implementation and handover were closely monitored and project roadblocks resolved to ensure timely delivery.

Road building involves various works such as earthworks, compaction, bamboo mattresses, concreting works, soil nailing, shortcrete applications, retention walls, rock blasting, foundation settlement controls, sub-base, road-base, prime coating and tar-sealing works. To effectively lead the works, the Public Works Department (JKR) as the technical agency for the government, was appointed as the superintending officer for the projects. JKR engineers were responsible for administering the contracts and ensuring their quality and timely completion. Upon satisfactory completion of all works for a project, JKR issued a Certificate of Practical Completion to the contractors to officially mark the completion of the project.

Providing clean / treated water supply

Currently, water connections across the country are added via the process of connecting to the reticulation network or through the provision of alternative water supply systems. New reticulation connections are dependent on the capacity of existing and new water treatment plants plus the distance of a location to an existing water reticulation system. For remote areas with low population density, water supply alternatives including tube-well, rainwater harvesting and jerry cans are used to provide clean water.

"The electricity supply in rural areas helps the community to continue working late in the day – for example, there are many women in the longhouses who are skilled weavers. They come home from work and continue weaving as it is a source of additional income. Previously, it was difficult for them to do so, because the light from the oil lamps was poor and some women abandoned the art, but now many are taking it up once again."

- Heidi Munan, Director, Rainforest World Crafts Bazaar

Out of the 58,087 targeted households that received clean or treated water in 2011, 79% were connected to a water reticulation system while 21% received water from alternative solutions.

Providing 24-hour electricity supply

Similar to providing clean and treated water, the process of adding new power connections across Malaysia involves connecting to grid-based electricity or implementing solar hybrid systems. The type of new connection hinges upon population density and the remoteness of a location.

The preferred mode of supplying electricity would be to connect to the electricity grid. However, in rural areas which are very far from any transmission infrastructure, or in instances where connections to the main grid are very expensive, technologies such as solar hybrid power generation or micro hydro-electricity are introduced. In the year under review, these alternative approaches helped ensure the provision of electricity to more villages in rural areas.

Building / restoring houses for the rural poor

In delivering houses to the rural poor, it is imperative that only truly deserving cases benefit from our efforts. As such, various district and state level agencies are recruited to identify needy households while the eKasih portal (the national database for low-income households) is also utilised to select candidates.

The district-level focus group has the task of assessing the merits of potential beneficiaries and deciding whether households are eligible to be part of programme. The district-level focus group then makes recommendations pertaining to the requirements for new houses or refurbishment works to KKLW. The Ministry ensures close contact with the relevant authorities to ensure local realities are considered in the decision-making process and subsequent delivery activities.

To ensure consistency, all houses built in 2011 utilised common quality and design standards. This was a prudent measure to manage costs more effectively. Each of these houses came with a floor area of 600 sq. ft. and comprised three rooms and two toilets. Basic utilities such as electricity and treated water supply complemented every newly constructed house. These basic amenities did much to improve the quality of lives of families who previously lived in dilapidated homes, shelters or shanty huts.

Improving Rural Basic Infrastructure

SUCCESSES AND ACHIEVEMENTS

The RBI NKRA achieved all the targets set for 2011. The overall results for the RBI NKRA in 2011 are as follows:

No.	NKPIs	2011 Target	2011 Actual	Remarks	Traffic Light
1.	Roads Delivery (km)	905	1,013	2011 targets achieved	Green
2.	Water Delivery (Number of households)	58,087	73,227	KKLW managed to achieve 126% delivery this year as compared to just 52% in 2010. This momentum must be maintained to achieve 2012's KPIs	Green
3.	Electricity Delivery (Number of households)	26,882	27,004	2011 targets achieved	Green
4.	Housing delivery (units)	9,146	14,365	KKLW successfully delivered the target KPI in October 2011, and managed to achieve 157% of the target (KPI) by Dec 2011	Green

About 998,357 lives touched in 2011

1,013 km of rural roads completed	**73,227** of rural houses with clean water supply	**27,004** rural houses with electricity supply	**14,365** houses for rural poor built and restored
425,377 people positively impacted	366,135 people positively impacted	135,020 people positively impacted	71,825 people positively impacted

Cumulatively, the RBI initiative has directly impacted more than 3.2 million people living in rural areas. In just two years, the NKRA has helped more than 30% of Malaysia's rural population.

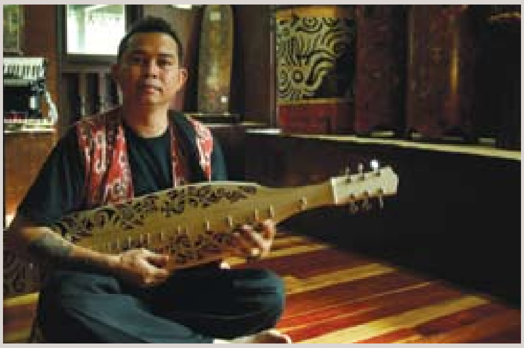
Roads delivery

Under 2011's roads delivery commitment all 1,013 km of roads were successfully completed by end December 2011. Most of these were implemented in Sabah and Sarawak (comprising some 54% of the national road length) considering the number of rural areas they have as compared to Peninsular Malaysia. These are a sample of some of the year's many road delivery projects:

No	Project Name	Location	Outcome
1	Jalan Ulu Pedanum / Tubal Buah, Pakan, Bahagian Sarikei, Sarawak (5km)	Julau, Sarawak	600 families or some 3,000 villagers have benefited from this 5 km project even as they have gained better accessibility and their travel time has been reduced. The new roads have enabled agriculture and livestock areas to be opened up in the region and have improved the livelihood of farmers. Previously, access via an earth road was normally impaired by the *landas* season when the heaviest rainfall occurs. The new road has resolved this issue.
2	Jalan Unico Desa Sri Gandar, Kinabatangan, Sabah (Tundun Bohangin) – 24km	Kinabatangan, Sabah	About 300 families have benefited from this 24 km project. The new roads today serve 1,500 villagers (fishermen and farmers) across three villages (Kg Tundun Bohagian, Kulamba and Sri Ganda) and are enabling access to two primary schools. Prior to this, travel was only possible on earthen roads and by boat, and the children had to walk to school. With the new roads, villagers can now own cars and experience comfortable drives to the nearest towns. The roads have done much to improve the quality of lives, encouraged the setting up of plantations and agriculture activities, and helped spur economic growth.

Improving Rural Basic Infrastructure

Roads and SALCRA give rural communities a new song



Traditional musician, Jerry Kamit, hails from Kampung Semukoi, a quiet rural farming community in Sarawak comprising of Iban and Bidayuh ethnic groups. The renowned award-winning sape player, who has performed in places like Los Angeles, Singapore, Japan and Germany, works at the Sarawak Cultural Village and is also a member of the Tuku Kame group. The 36-year-old is the son of farmer parents, Nambing, 64, and Lamai Riya, 57.

"My father and mother were poverty-stricken people. What we had was just enough for us to eat and there were no such a thing as toys and other indulgences while growing up," Jerry said in his Iban mother tongue. He recalls studying at night using a kerosene lamp with his three siblings Ellie, Wilbert and Jelly (@Mohd Fazil). But all that has changed with the building of roads and other infrastructure in Kampung Semukoi.

With the new roads, life, Jerry says, has improved considerably. Villagers now have better access to their farms and rice fields to sell their produce to traders and wholesalers who make their way directly to Kampung Semukoi. Prior to that, the villagers relied on the river to transport their produce to the nearest markets in the rural towns.

Life has definitely changed for the better for Jerry and his village, with the improved linkages within his village and extending out of other rural areas. Villagers still gather daily to sell their produce.

The road improvements also have shortened travel time to Serian's Pasar Tami (where villagers sell their produce) to 45 minutes.

The support of the Sarawak Land Consolidation and Rehabilitation Authority (SALCRA), which initiated a project in the area, brought further benefits to the people. The SALCRA scheme is aimed at developing Native Customary Land and eradicating poverty in rural areas. Under the SALCRA scheme, many villagers have switched to planting palm oil including Jerry parents. With that, there has a significant jump in household incomes.

"I remember before the scheme, families could earn only up to RM500 to RM600 a month before the scheme. After the scheme, some families can bring in an average of RM3,000 each month," said Jerry. The SALCRA scheme also gave his family the possibility to obtain loans as they are assured of a monthly income, dividends and bonuses. Before SALCRA, trying to obtain bank loans for small loans such as buying a car was unheard of and the only people who could get such loans were civil servants who had pay slips.

Nevertheless, Jerry will never forget the hard times he and his family went through in the past. While he now lives in Kuching, Jerry brings his wife, Lusie Joh, 34, and their three children Cynthia, 13, Cyrill, 10, and Clinton, 3, back to his village every weekend to keep them close to their roots.

"I used to always worry about the safety of my fellow villagers especially the young ones whenever they went to river either to fetch water or to bathe. Now with a new supply of water to the village (under the RBI water supply programme) our quality of life has improved. I am also no longer worried about the safety of our villagers as the water is now in the house and it is clean."

- Chief Villager Tok Batin Alam Supah, Kg. Songkok, Ulu Selangor

Water delivery

Under 2011's water delivery commitment, clean or treated water was provided to an additional 73,227 households by the year's end. This is sample of some of the year's water delivery projects:

No	Project Name	Location	Outcome
1	Rural Water Supply Programme or Program Bekalan Air Luar Bandar BALB reticulation projects in Sibu, Lanag and Kanowit regions	Sibu, Sarawak	1,062 households or approximately 5,000 villagers benefited from this project. Many Iban communities, whom previously harvested rainwater and water from gravity feeds system as well as bathed in rivers, are now able to enjoy a clean water supply that goes straight into their homes. Besides improving the villagers' quality of life, these projects could potentially spinoff developments in the area such as a commercial sub-centre or residential development further elevating the lives of these rural folk.
2	BALB Bukit Katil Projects	Bukit Katil, Melaka	1,943 households or some 9,000 villagers benefited from the new pipeline project. Overall, the water pressure has increased and the disruption of water supply reduced. The quality of water too has improved with new high-density polyethylene (HDPE) pipelines ensuring water hygiene is maintained at the optimum level.

Salai tahai never tasted so good

Thanks to the rural water supply project, families in Kampung Awat-Awat in the Sundar sub-district now enjoy clean and treated water straight to their homes. Aside from the many benefits and convenience of enjoying treated, uninterrupted water in their own homes, the project has also brought an economic benefit to the village folk.

The water supply has enabled the villages of Kampung Awat-Awat to improve the quality of their *salai tahai* products. *Salai tahai* is a local delicacy made from fish. It sells for about RM12 per kilogramme with the price going up during rainy seasons. Almost 95% of the villagers are involved in the making of *salai tahai* or in fishing, which supplies the village with the main ingredient for *salai tahai* production.

The greater Kampung Awat-Awat locale consists of four smaller villages - Kampung Awat-Awat, Kampung Bangsal, Kampung Ujong and Kampung Masjid. All of them now enjoy a good road system which allows better access for their products to reach markets located farther afield.

Ultimately, the on-going RBI effort has brought tremendous benefits to the people of Lawas and will provide a strong foundation for a second wave of development and possibilities. This includes tapping on the area's vast tourism potential and much more.

"Living conditions have improved with the solar hybrid system. Previously residents were dependent on individual diesel generators which required regular maintenance and fuel supply, which can be costly. Now, the supply is consistent, and the rate is much cheaper with individual meters. Now many residents own electrical items like televisions, refrigerators and washing machines."

- Kulaling Lakibol, resident Kampung Tanjung Batu Laut/Kampung

Electricity delivery

Under 2011's electricity delivery commitment KKLW successfully provided 24-hour electricity supply to an additional 27,004 households by 31 December 2011. Some of the year's many electricity delivery projects are captured below:

No	Project Name	Location	Outcome
1	VT/VR ke Rh Matu Ak Dingun, Rh Atan, Rh Banyan, SK Sungai Pakan, Rh Barau, Rh Kalong, Rh Liman, Rh Jilap dan Rh Matut Jln Pakan Entabai Road, Pakan	Julau, Sarawak	261 households are benefiting from the gridline connection and a 24-hour electricity supply. Previously for their' basic electricity needs (lights, radio and TV), villagers relied on generator sets (gensets) which only last between three to four hours daily.
2	Tanjung Batu Darat and Tanjung Batu Laut Solar Hybrid Project	Sandakan, Sabah	142 households are benefiting from this project. The majority are Suluk folk who work as fishermen, plantation and rural government staff. The solar hybrid project provides 24-hour electricity supply as compared to the gensets that only lasted some three to four hours daily.

Improving Rural Basic Infrastructure

Brighter days ahead

Thanks to a new solar hybrid project, the residents of Kampung Tanjung Batu Darat and Kampung Tanjung Batu Laut can now enjoy 24-hour electricity. Previously, villagers used to rely on diesel generators to meet their daily electrical consumption needs i.e. TV, radio, lighting and so on. But the power was limited to between six and eight hours daily. With the current solar hybrid system installed, the residents of both villages can now enjoy 24-hour electricity supply without the hassle of power interruptions or outages.

The solar hybrid system consists of a solar farm, a battery storage facility and a diesel generator. During the day, energy harvested from the solar panel is used to power the village. At night, the generator takes over. Now, modern amenities such as fridges and washing machines are making their way into the homes of many residents. Previously, many did not bother to own them due to the electricity supply problem.

Things have got much better from an economic perspective as well. Previously, the residents of Kampung Tanjung Batu Laut had to rely on aquaculture and fishery-related activities as their only source of income. At that time, the only form of proper storage was ice boxes and ice has to be purchased from Sandakan daily. The residents also faced the challenge of preserving fish for their own consumption during the monsoon seasons. With the advent of 24-hour electricity, the residents' storage capacity has increased. Residents are now able to better store their market produce in fridges in more sterile and hygienic conditions.

The 24-hour power supply is also enabling resident to explore the possibility of expanding their production lines by incorporating various downstream products in the near future (e.g. the. fish can be made into crackers or condiments). Where before they paid an average of RM187.50 to power their homes for some eight hours daily, they are now paying an average of RM100 a month for an entire family's daily power usage. These modern amenities are certainly making life more convenient and comfortable for the residents of these villagers who are certainly looking forward to brighter days ahead.

Housing delivery

Under the RBI's Housing Assistance Programme (PBR) programmes, 14,365 units of houses were delivered by October 2011, registering an over-achievement of 157 %. This translated into 5,219 additional beneficiaries who received a new or refurbished home. The following reflect some of the year's many housing delivery projects:

No	Project Name	Location	Outcome
1	PBR Mengkabong	Tuaran, Sabah	620 new homes were built for the resettled fishing community providing a more liveable environment as compared to their previous floating village environment.
2	PBR Pulau Seduku	Sri Aman, Sarawak	The project involving 126 newly built homes is helping eradicate poverty among participants as complementary economic activities in the form of a palm oil plantation (FELCRA farm) and aquaculture are introduced. The aquaculture project involves the cultivation of fresh water fish in government-funded fish cages along the nearby Batang Lupar River.

Improving Rural Basic Infrastructure

Housing assistance improves lives

The folk of Kg Orang Asli in Sg Rual, Kelantan used to live in basic thatched-roof houses until they received new homes under the PBR initiative. Head villager, En Rashid Bernas had this to say "We are much happier now as the new houses come with all the utilities that we need. Our thanks to the government for their assistance."

Under the PBR programme, a typical new house comes with floor space of 600 sq. ft., three rooms and two toilets and is connected to basic utilities such as electricity and a treated water supply. These basics are impacting positively on the quality of lives of families who previously used to live in derelict conditions.

Before

After

OUTCOMES

The catalytic effect of RBI initiatives

RBI initiatives to date have certainly gone a long way in delivering transformational benefits to millions of Malaysians. The provision of roads, water and electricity has had a catalytic effect on the growth of cottage industries, farming, transportation and healthcare. In the way of education, even as new or upgraded roads allow greater accessibility, there is the likelihood of more rural children going to school and of school dropout rates being reduced. A continuous electricity supply too means that rural children can now even study at night. New and upgraded roads have also opened up opportunities for greater economic development and heralded the implementation of telecommunications infrastructure such as telephone landlines and mobile connectivity.

The importance of the RBI NKRA cannot be trivialised when you consider the profound game-changing effect it has brought to entire rural villages and communities. With the availability of basic amenities, a second wave of development (i.e. schools, phone lines, internet and mobile connectivity as well as the movement of goods and services that promote economic activity) becomes possible. This in turn leads to greater economic and educational potential, further improvements in the quality of life, the eradication of poverty, plus other forms of social advancement.

Furthermore, it is estimated that infrastructure investments create a multiplier effect up to 1.5 times on GDP. This is clearly visible when one sees the direct impact of the various infrastructure projects on the lives of rural communities throughout Malaysia.

A new road helps narrow the opportunity gap

The hilly terrain of Limbang in Sarawak made it a difficult area to access, more so with the lack of proper road infrastructure. However, the difficulties faced by the local community came to an end with the completion of a 10-km road connecting the remote area to nearby towns. The new road has not only improved accessibility, but villagers are also rejoicing about the new opportunities and improvements to the quality of life that the road is sure to bring, In fact, many of the benefits are already being felt by the good people of Limbang.

“The new roads have made it easier for us to travel as it has shortened the travel time from Meritam and Telahak, which in turn connects many villages separated by the river,” said Sufian Mahat, a resident. “But with the road, new opportunities have become possible. Education, the selling of our traditional goods and wares, as well as the rollout of other government programmes such as Rumah Mesra Rakyat and Program Bantuan Rumah Tempatan, are now in hand” he added.

The same sentiments are echoed by the traditional parang makers in Limbang. Previously, it would take them half a day, travelling into the jungle, to find suitable wood to produce their parang handles. Travelling to and fro by motorbike, these craftsmen had to traverse logging roads and climb three hills to get to their destination. Today, with the new road, making a living has become a lot more easier.

In the spirit of 1Malaysia

True to the spirit of 1Malaysia, the RBI NKRA has touched the lives of rural Malaysians irrespective of race or religion. The various RBI initiatives launched have positively influenced the lives of various ethnic groups across the country. In Sabah and Sarawak alone, over 27 and 30 ethnic groups respectively have benefitted.

These are but a sample of the transformational effects resulting from RBI initiatives:

- The clean water supply provided to the Brunei and Kadayan communities in Lawas, Sarawak enable them to increase the production capacity and quality of their traditional *ikan tahai* cottage industry activities.

- The Ibans in Betong and various parts of Sarawak used to transport farm produce (pepper, fruits, vegetables and fish) via earth roads. They also used to bathe in rivers. Now, they bring their goods to the market over newly tar-sealed roads and shower in the comfort of their homes thanks to a clean water supply. The tar-sealed roads have also improved their connectivity to palm oil mills, thus encouraging them to start planting oil palms.

- Many Iban, Bidayuh, Kayan and Kenyah communities, whom previously harvested rainwater and water from wells as well as bathed in rivers, are now able to enjoy a clean water supply that goes straight into their homes.

- The residents of Kampung Batu Laut, Kinabatangan, Sabah and 12 longhouses in Saeh, Sarawak no longer face the pitch darkness of the night following the implementation of a 24-hour electricity supply to the village since early 2011.

- The Kelabits in Bario, Sarawak previously travelled on mud roads. With the newly concrete road connecting their villages, they can now mechanise their paddy farms and transport their agricultural produce with ease. From travelling on foot or muddy earth roads, they now drive or ride bikes on paved concrete roads.

- The Sea Bajaus of Kampung Atas Air, Semporna in Sabah have benefited from new homes that were built after a fire burnt down more than 20 kampung-styled homes. They now reside in homes with bigger rooms plus a kitchen, bathroom and toilet as well as enjoy a good, sanitary water supply.

Lawas – where roads are changing lives

Lawas, some 45 minutes by flight from Miri, is a picturesque small town framed by the beautiful Crocker mountain range in its background. It is positioned between Brunei and Sabah, in the northeast corridor of Sarawak. Due to its geographic location, Lawas was previously cut off from the rest of the road network of Sarawak. The situation was further compounded by the many geographical and logistical difficulties that would make building roads in the vicinity a very difficult task. Coupled with this was the engineering challenge of building and maintaining roads in such rugged terrain, especially amidst rough weather conditions and floods.

However, this did not stop the government from bringing development to the good people of Lawas. Through unconventional means and new approaches, an A-grade road was built connecting the picturesque town to the main road network. The new road forms part of an RBI initiative to build 14 roads in the area.

Today, Lawas is a town reborn with lives changed for the better. New economic opportunities have become viable for the people of Lawas and the surrounding fishing villages and farms. For instance, the fishing village of Pantai Punang at the northern most point of Sarawak and one of the few beachfronts in the area is now connected to Lawas by a 12 km tarred road. A journey that previously took 1 hour can now be made in just 15 minutes.

Also enjoying the benefits of the new roads is the villagers of Kampung Pemukat, another fishing village. Village headman Abd Kadir explains how the roads have changed their lives. “When we opened our backdoor, it was still an island of nipah palm trees but now we see a road. We can even park our cars right behind our houses.”

Thus far, 39 families have opted to relocate their homes right next to the new roads instead of living by the river.

CHALLENGES

SHORTCOMINGS

The RBI NKRA is generally a straightforward initiative with fewer complexities involved with regards to implementation. Challenges did arise however due to the need for projects to be completed at a rapid pace as well as due to project realignments, changes in the scope-of-work and a variety of construction issues. These occasionally delayed project delivery.

However, most of these obstacles were successfully surmounted over the course of the year. Where required, PEMANDU assisted in accelerating the decision-making processes by ensuring that local governance agencies made decisions quickly and rectified site issues in a timely manner to meet their KPIs.

Among some of the challenges addressed in 2011 were:

- **Material shortfalls**

  Under Ministry of Finance (MoF) regulations, HDPE pipes for water reticulation works can only be sourced from registered suppliers. Due to the sudden surge of projects from the NKRA, the registered suppliers could not cope with the demand from the contractors. To resolve this problem, KKLW obtained approval from the DTF chaired by the Deputy Prime Minister to temporarily allow contractors to source HDPE pipes from non-MoF registered suppliers.

- **Land acquisition**

  Before the commencement of construction, land acquisition needs to be completed to enable contractors to enter the work site. The state land office will give a fair valuation for the land and the Ministry will proceed to pay the landowner based on land office recommendations. There were several projects in Sarawak where a small minority of landowners disagreed with the evaluation and refused to accept the compensation by the Ministry. To overcome these roadblocks, the local Member of Parliament was called in to mediate the negotiations between the landowner and the land office to come up with a mutually agreeable solution.

- **Inter-governmental coordination**

  As part of a local council's operating procedure, contractors working on the side of the road for road widening and water pipe installation are required to pay the local council a deposit of 5% of the total contract cost upfront before work commences. This guideline was meant to ensure that contractors properly reinstate the work area after the completion of projects. However, this regulation caused some contractors' cash flows to be severely affected as 5% of the total project cost is a large portion of a project's rolling fund. By paying this deposit, class E/F contractors had less rolling funds to actually run their projects.

  To overcome this matter, the Ministry requested a waiver from the local authorities. To ensure proper reinstatement, the Ministry would only release the final payment to the contractor upon agreement from the local council.

- **Lengthy tender processing and approval period**

  By convention, processing and approval of tenders by the MOF can take up to 150 days. As a result, many RBI-related projects initially faced delays. This process was rectified following DTF intervention which saw processing and approvals for RBI-related projects being fast-tracked. As a result, projects were once again brought back on track and deliverables rolled out on schedule.

LESSONS LEARNT

Integration of the RBI initiatives

In the course of implementing road, water and electricity delivery over 2011, RBI initiatives were managed within sector silos, resulting in lack of a comprehensive development perspective of each rural area. This led to a clash between road and water or electricity projects in some locations. The proper construction sequence for infrastructure works should be to complete road works before continuing with any utility works. This is due to design specifications that require water pipes and electricity poles to be laid on the side of roads. As a result of such work sequencing, several electricity projects were delayed intentionally to allow for completion of road works.

As the road and electricity and water projects are implemented by different agencies, KKLW needed to coordinate these seemingly independent initiatives. As such, all implementing agencies at state levels were given the project details of all projects to identify any project conflict. Having identified conflicts, KKLW then revised the schedule of utility projects in tandem with road construction. To address this together with other coordination issues, KKLW will embark on the Rural Transformation Plan in 2012.

PUBLIC PERCEPTION

The catalytic and tangible nature of RBI NKRA projects means that their effects can be immediately felt by the many rural communities they impact upon. In most instances, public perception has been very positive. While no formal survey on RBI initiatives has been conducted as yet, based on the positive feedback received from village leaders, beneficiaries and their families, it is evident that most are delighted with the transformational benefits yielded by the RBI NKRA.

Equally important is the fact that the rakyat are not just satisfied with the delivery of the services, but also the quality of the services i.e. the consistency and reliability of the water and electricity supply as well as the quality of the homes and roads built.

However, from a macro-perspective, more perception building activities are needed. While the impact of the RBI initiatives have been significant and far-reaching, it appears that public perception has been somewhat muted. Many possible explanations come to the fore including the notion that that since RBI initiatives are rather targeted in nature (i.e. they aimed at specific rural communities or areas), the benefits and impact of these projects will not be visible to Malaysians outside these locations.

Going forward there is a need to better engage the media and the respective Members of Parliament (MP) to promote greater awareness of RBI projects in their constituencies. The involvement of both the media and local politicians will help to bridge the perception gap while ensuring that the good work achieved comes to the attention of a greater number of people.

GOING FORWARD INTO 2012

Going forward into 2012, the RBI NKRA Team commits to the following NKPI targets:

NKPI	KPI	Budget (RM Million)
Roads	1,349 km	1,810.6
Houses	14,564 houses	302.9
Electricity	39,442 houses	1,073.9
Water	201,192 houses	2,089.9

New initiatives in 2012

In retrospect, 2011 was a good year for the RBI NKRA with good results achieved under each of the four NKPIs. However, more needs to be done in 2012. The RBI NKRA Team must remain proactive and double up its efforts to realise all targets. To further enhance the delivery of rural development, several strategies have been earmarked for implementation in 2012:

Military involvement in building houses (30% cost savings)

KKLW's innovative approach of garnering military support via collaboration with the Ministry of Defence (MINDEF) will enhance housing delivery efforts and yield several other advantages. The 30% cost savings alone is a major boon and will allow more houses to be built for less. The collaboration will cover raw materials, equipment costs and transportation. In fact, the approach has already been implemented for selected areas in 2011 with good success and will be extended to additional projects sites in 2012.

New Rural Transformation Programme

During the 2012 Budget Speech, the Prime Minister outlined several initiatives as part of on-going transformation efforts in rural areas. The Rural Transformation Programme or RTP will transform rural areas to attract private investment, create employment and economic activities, as well as provide opportunities for the younger generation to return and work in rural areas.

This programme will take effect in 2012 and will integrate all rural based initiatives to create a more holistic rural development for the nation.

The provision of rural basic infrastructure is one of the several components in the comprehensive approach to develop rural areas. There are already various initiatives in both GTP and ETP that are specifically focused on rural areas. For example, the Communications Content and Infrastructure (CCI) NKEA has one EPP on Extended Reach to increase the penetration of cellular and broadband services to rural areas. Another prime example is the Agriculture NKEA, where eight EPPs have been identified.

Improving Rural Basic Infrastructure

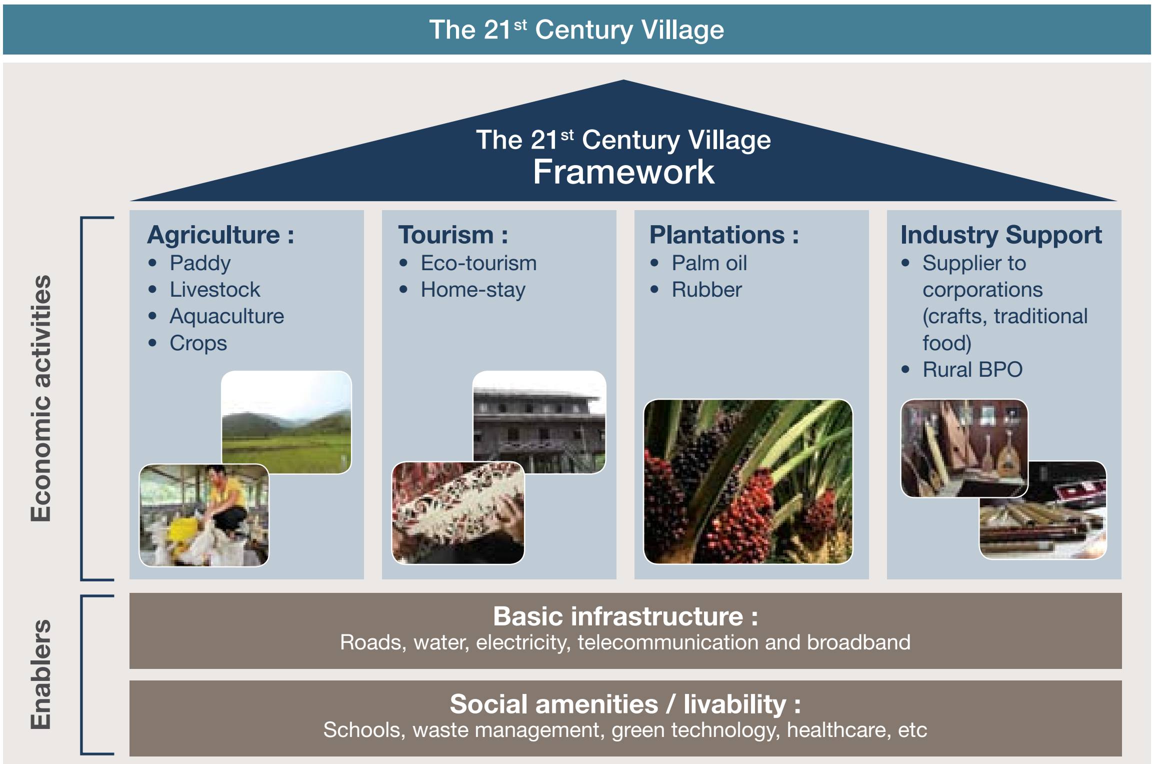
As announced in the Budget, new initiatives are being introduced to spur economic development and nurture the rural community. The following are two examples:

- The establishment of Rural Transformation Centres (RTCs) to integrate services including collecting, processing and distributing agricultural products; banking and insurance, business advisory services; training and skills; as well as providing clinics and retail space.

  The RTCs would also coordinate various programmes initiated by the relevant agencies. The first RTC is to be opened in Gopeng and officially launched by the Prime Minister in the first quarter of 2012.

- The implementation of the Rural Mega Leap Programme covering 6,500 hectares in 11 Agropolitan Projects nationwide for the cultivation of commodity and cash crops as well as fish-cage culture.

Development of the 21st Century Village



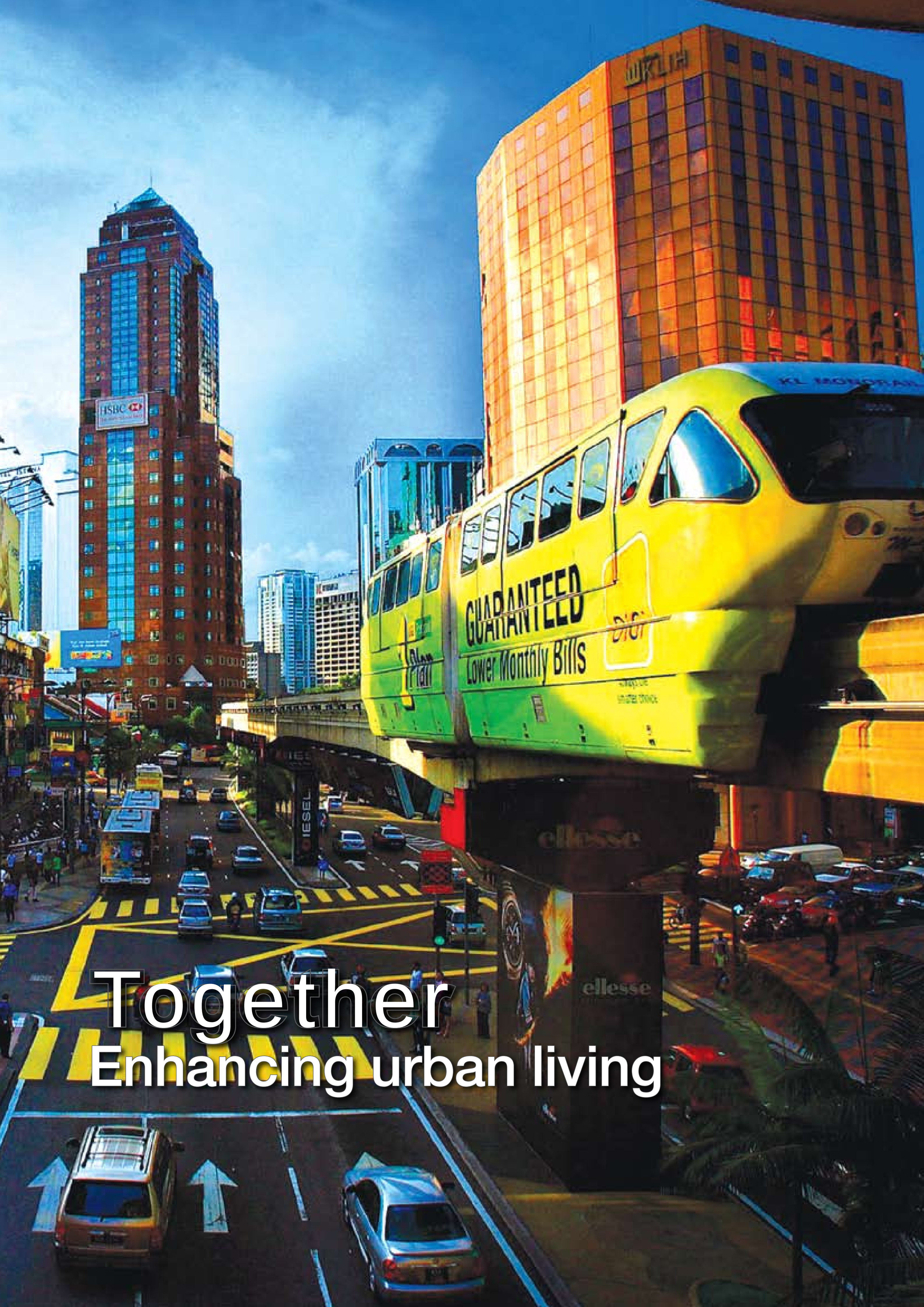
Themed the village of the future, the 21st Century Village Framework is a concept that is set to transform the very nature of rural locations in Malaysia. By providing suitable and sustainable economic opportunities, while at the same time providing both basic and social infrastructure, the 21st Century village will be redeveloped into a modern and progressive location that offers an attractive quality of life for inhabitants.

In this way, it is hoped that villages will be transformed into hives of activity; will be able to provide a better quality of life; and will be seen as an attractive alternative to the younger generation who can choose to stay or return to their villages to seek employment in agriculture. The influx of younger Malaysians returning to try their hand at agriculture will benefit the industry and help address the issue of rural-urban migration.

All these efforts, which will be approached in a holistic manner, will be anchored on economic development. Several sectors, such as tourism, agriculture, and palm oil/rubber have their rooting in rural areas. It is an apt time for the potential of these activities to be discovered. Pilot projects in several rural communities will be initiated in spearheading this effort.

While we have made good strides forward as a nation in the area of rural development and have elevated the lives of millions of Malaysians, we still have some way to go. Inspired by the achievements thus far and driven by future goals, the Ministry of Rural and Regional Development and its partner agencies continue to spare no effort to realise the vision of a Malaysia where all Malaysians, rural and urban, will be able to equally enjoy the fruits of our nation's progress.

Improving Urban Public Transport



Together
Enhancing urban living

Improving Urban Public Transport

Dato Seri Kong Cho Ha

Minister of Transport

"While 2011 proved to be a year of hard work rife with challenges, we continued the good work that had begun earlier and made strong advances in improving the Klang Valley's public transport system. While we continue to encounter hurdles along our journey, we are determined to march on and identify solutions to the issues faced by the rakyat. Our aspiration is to see Malaysia's public transport system become the mode of choice of urban commuters."

Accelerating closer towards a world-class urban public transport system

As Malaysia embraces the global economy and begins to transform itself into a high-income nation, we need to set in place a reliable, comfortable and affordable world-class urban public transportation system that will go hand-in-hand with this aspiration. The Improving Urban Public Transport (UPT) NKRA was conceived in 2010 to address the prevailing transport woes at that time while positioning the entire infrastructure to support the nation's progress.

In 2010, the UPT NKRA looked to address the prevailing transport issues faced by the Klang Valley's urban population. Some of these problems were high congestion during peak periods, unreliable service with cancellations and/or frequent delays as well as poor access to public transport services/the network.

In 2010, the UPT NKRA Team set itself the ambitious target of increasing public transport modal share in the Klang Valley to 15% in 2010 and to 25% by end 2012 during the daily peak morning period. And so began the work to transform the Klang Valley's bus, rail, network and integration infrastructure. This transformation was also undertaken with a view to meeting future demand by an urban population that is expected to reach 10 million people by 2020.

2010's initiatives required transformational change and unprecedented cooperation between government agencies as well as strong public-private sector collaboration. As a result of large scale, strategic and unified initiatives, the UPT NKRA yielded remarkable results in its inaugural year.

Its 2010 achievements included the construction and completion of the Integrated Transport Terminal Bandar Tasik Selatan (ITT BTS also known as Terminal Bersepadu Selatan); the introduction of five innovative Bus Expressway Transit (BET) routes with the primary aim of reducing bus journey time using underutilised highways; the refurbishment of 634 bus stops in the Sepang, Shah Alam, Subang Jaya, Klang, Selayang, Ampang Jaya and Kajang areas; and the introduction of 22 new four-car sets at the light rail transit LRT Kelana Jaya Line which singularly carried 2.43 million more passengers over 12 months in 2010.

In 2011, the team sought to follow through on the good momentum gained by 2010's achievements by taking UPT initiatives to even higher levels. We set an ambitious target of achieving a 21% modal share of public transport by end 2011 and introduced new initiatives to meet this target. 2011 also saw the introduction of a new NKPI – the Road Safety Index which aims to inculcate a road safety culture in Malaysia.

Improving Urban Public Transport

The NKRA Team faced many hurdles in achieving its targets, but even as the team worked hard to provide more efficient and effective services so as to increase the number of people utilising public transportation within the Klang Valley, these wins were delivered:

BIG WINS

- The introduction of 470 RapidKL buses, which increased the frequency of buses across the Klang Valley. As at 31 December 2011, up to 4.04 million more passengers used the RapidKL bus service in comparison to the preceding year
- The implementation of 35 additional four-car sets on the Kelana Jaya LRT Line system, which increased daily passenger capacity to 258,156 passengers (in 2011) from 254,745 passengers (in 2010). In 2011, 10.4 million more passengers used the LRT over a 12-month period
- Increase Kelana Jaya LRT Line ridership by 18%
- As of March 2011, the Integrated Transport Terminal Bandar Tasik Selatan or ITT BTS (also known as Terminal Bersepadu Selatan) became fully operational. The ITT BTS is helping to decongest Kuala Lumpur city by diverting 500 southbound express buses away from the central business district (CBD)
- The much awaited transformation of the Pudu Sentral terminal (formerly known as Puduraya Terminal) is now completed. Undergoing its first ever major revamp since it was opened to the public in 1976, the new Pudu Sentral reopened to the public in April 2011 and now offers modern world-class facilities
- The introduction of three more Bus Expressway Transit (BET) routes to shorten bus journey times at three prime routes
- For the first time in Malaysia's history, bus passengers can enjoy a seamless ticketing experience via the New Bus Ticketing System across all RapidKL buses introduced by Syarikat Prasarana Nasional Berhad (Prasarana)
- LRT passengers can now also enjoy seamless travel following the implementation of the RapidKL Automated Fare Collection (AFC) Integrated Ticketing System at the LRT Kelana Jaya and Ampang lines. The new AFC system allows travel by a single ticket to all RapidKL LRT destinations effective 28 November 2011

These successes are significant as they were achieved against a backdrop of increasing private person trips and private car ownership, which caused a drop in modal share of public transport.

However, despite this lower modal share figure, significant progress was made in improving the overall quality of urban public transportation. The UPT NKRA remains on track to providing an affordable, integrated and comfortable public transportation system while addressing traffic congestion woes in the Klang Valley.

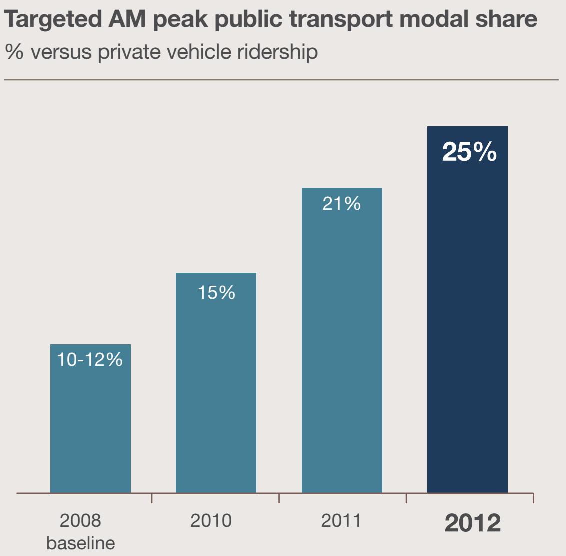
OVERVIEW

An urgent need to deliver an effective and efficient system

Even as Malaysia's cities come under tremendous pressure from continuing population growth, there is an urgent need to put an effective and efficient urban public transport system in place.

At the launch of the UPT NKRA lab in October 2009, the Prime Minister set a national priority of delivering 25% modal share of public transport in the Klang Valley by 2012 over the peak morning period (around 7.00 am to 9.00 am). Modal Share is the percentage of trips made via particular type of transport mode - in this case, a split between public transport and private vehicles. The decision to increase public transport modal share in the Klang Valley was made after the public transport modal share fell to a low of between 10% and 12% in 2008 from a high of 35% in the late eighties. While the initial focus was to be on the Klang Valley, there were also plans to subsequently adapt and apply successful initiatives in other major cities in Malaysia such as Penang, Johor Bahru, Kuantan, Kota Kinabalu and Kuching.

The aim is to improve public transport modal share from 10-12% (2008) to 25% (2012)



Improving Urban Public Transport

Sundram, 70

Retired, former clerk with Tenaga Nasional; from Pahang, but has resided in KL for 40 years

"I've been using the KTM Komuter since 1994. Since retiring, I use it to see my friends and do some sightseeing. The service is good – seating now is more comfortable and spacious, and the improvements such as the Ladies Coach and the new coaches have made the system better for all. I've heard they will have new trains next year and am looking forward to that. The stations have also been upgraded, and they're cleaner now. I spoke to someone at the counter just now, and she was very cordial. Service is a lot better now."

"I'm definitely satisfied, as there are improvements every year. In the past, KTM sometimes disappointed, but it's improved now, with trains coming within 30 minutes. I think timing could be improved however, and I also think they need to have toilet facilities in the stations."

In order to achieve the primary objective of 25% modal share during daily peak hours by 2012, six principal levers to accelerate public transport usage were identified.

Principal levers to increase public transport usage

FOCUS HORIZON

Today to end-2010 — *2011 to 2012* — *Beyond 2013*

1 Debottleneck capacity of a system already at its limits

- KJ LRT headway from 3 to 2 mins
- Improve existing bus services on high demand and congested routes
- Bus dedicated RoWs: BET, BRT and bus lanes
- Komuter and Monorail capacity expansion
- New rail lines

2 Stimulate demand to draw/"pull" people to public transport

- Service standards enforcement
- Station integration (e.g., KL Sentral-Monorail pedestrian link) and park-and-ride
- Feeder bus coverage of unserved (white) areas
- Number, quality, and coverage of Bus stops
- Integrated Smart Ticketing across all operators

3 Take heavy vehicles out of CBD area

- Enforce existing laws on heavy vehicle restrictions and bus lanes
- Transport terminals: Gombak ITT revival, intermodal terminals and city hubs for bus-rail linkages

4 Regulatory restructuring

- Accelerate formation and operations of LPTC (SPAD) to drive industry restructuring

5 Manage demand through "push"

6 MRT

- Achieve step increase in capacity;
- Improve PT connectivity in GKL/KV

Beyond 2012, the task of further enhancing urban public transportation will come under the purview of the Land Public Transport Commission or Suruhanjaya Pengangkutan Awam Darat (SPAD) which was formed in 2010

It was discerned that the best way forward to address the prevailing problems with the system was by upgrading and improving the entire urban public transport infrastructure through a comprehensive master plan. Half bit measures would not suffice and a larger view needed to be adopted. To achieve this ambitious three-year target (2010-2012), transformational change as well as unprecedented large scale, strategic and cohesive initiatives had to be implemented. Moreover, this exercise would involve the collaboration of many government agencies and the private sector, working together in an unprecedented manner. The UPT NKRA was created to champion these efforts.

While 2010's wins were transformational and brought about much needed game-changing effects, the journey was far from over. With the target of 25% modal share yet to be achieved, the UPT NKRA set even more challenging goals in 2011 in pursuit of Malaysia's ambition of creating a world-class, integrated urban public transportation system that was both affordable and efficient.

UPT NKRA OBJECTIVES

Approaching 2011's UPT NKRA

To continue delivering big, fast and unprecedented results under the UPT NKRA in 2011, four key focus areas were identified to steer the NKRA's overall efforts:

Key Focus Areas	Objective
Reliability and Journey Times	To improve the reliability of services with an emphasis on the punctuality of services; and to significantly reduce door-to-door journey times, including in-vehicle and out-of-vehicle travel times during the peak morning periods
Comfort and Convenience	To improve the end-to-end journey experience on public transport from the moment commuters step out of their homes to the moment they arrive at their destinations
Accessibility and Connectivity	To ensure that the rakyat enjoy ease of access to public transport
Availability and Capacity	To provide sufficient public transport capacity to serve existing and new passengers

The aim is to ensure these criteria are adequately met so that the use of urban public transport becomes more appealing, efficient and strongly entrenched among the public. Only then will it be possible for the government to implement a long-term "push" strategy to encourage the use of public transport (e.g. road pricing).

Improving Urban Public Transport

2011 NKPIs

Overall public modal share NKPIs for 2011

Having achieved 17% modal share of public transport in 2010, the UPT NKRA set a higher target of 21% modal share for 2011, which translates into overall public transport ridership during the AM peak period of 346,184.

Public Modal Share					
Focus Area	NKPI	System	2009 (Baseline)	2010	2011 Target
Public Transport Usage	Modal Share	Overall	10%	17%	21%
	Ridership of overall public transport	Overall	226,184	236,412	346,184

Specific UPT NKPIs for 2011

To meet the target of 21% modal share of public transport for 2011, the following NKPIs were established:

NKPIs	2010 Result	2011 Target
Ratio of Public Transport Journey Time vs. Private Transport Journey Time	1.86:1	1.7:1
Percentage of population living within 400 metres of public transport route	66%	70%
Customer satisfaction survey	48%	50%
Bus peak hour load factor	44%	56%
KTM Komuter load factor	130%	125%
Rapid KL Kelana Jaya line load factor	80%	80%
AM peak public transport ridership	236,412	346,184
Public transport modal share	17%	21%
Road Safety Index (road fatalities/10,000 registered vehicles)	3.32	3.12

Lew Siew Ling, 48
Clerk from Alor Setar; in KL for holiday shopping

"I'm a first-time user, heading to Mid Valley. I just decided to try taking the commuter. I found it quite easy, I just asked at the counter and they were very helpful."

With the exception of the new Road Safety Index NKPI, all others NKPIs in 2011 were follow-on NKPIs from 2010. The Road Safety Index was included in 2011 in line with the government's effort to reduce road fatality and inculcate a road safety culture in Malaysia. The Index will come under the purview of the Road Safety Department (JKJR), which is an agency under the MOT.

KEY PARTICIPANTS

The Ministry of Transport or MOT continues to lead the UPT NKRA supported by its implementing agencies while the Delivery Management Office (DMO) and PEMANDU are tasked with monitoring implementation plans. Progress reports are then presented in meetings at various levels i.e. on a weekly basis at the DMO/PEMANDU working-level, and every four to six weeks at the Delivery Task Force (DTF) level meeting chaired by the Deputy Prime Minister. All key stakeholders are obligated to attend the DTF where issues are raised and solved. Relevant key stakeholders include the Police Force, the Road Transport Department, local authorities and the Land Public Transport Commission or Suruhanjaya Pengangkutan Awam Darat (SPAD).

In instances where a private sector partnership would benefit the project (i.e. reduce government spending such as with the Integrated Transport Terminal in Gombak); the Public-Private Partnership Unit (PPP) in the Prime Minister's Department will take the lead in negotiations and the finalisation of the agreement. Once an agreement is signed, its ownership comes under the purview of the relevant ministry or government agency. This is to ensure that contractual commitments are fulfilled.

1. Delivery Management Office (DMO) and PEMANDU
2. Problem Solving Meetings (PSM)
3. Delivery Task Force (DTF) chaired by the Deputy Prime Minister *(4-6 weeks)*

Improving Urban Public Transport

Nor Hafizah, 28
Accounts executive

"I take the commuter only once a month, usually from KL Sentral to Bandar Selatan or Port Klang. The Ladies Coach is a good improvement, because sometimes the trains are just too packed. The stations are ok, but I think KTM needs to have more trains and increase the frequency of trains, because there are often delays."

INITIATIVES

In meeting 2011's set NKPIs, the MOT introduced 11 initiatives which were categorised into four main categories as per the previous year. Each of the Bus, Rail, Integration and Network categories had its own expected outcomes.

11 initiatives across four major categories were identified

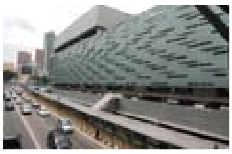
Buses

- Implementing dedicated bus right of ways
- Increasing quality and coverage of bus stops
- Improving current services and increasing coverage

Rail

- Increasing capacity on KTM Komuter
- Debottlenecking Monorail system
- Increasing capacity and coverage of RapidKL LRT systems

Integration



- Establishing transport terminals and city hubs
- Introducing a cashless Integrated Smart Ticket
- Improving inter-modal integration at key stations

Network

- Strengthening enforcement on all vehicles
- Implementing performance management for all public transport operators

Based on these initiatives, various targeted outcomes were identified for the UPT NKRA:

Targeted Outcomes in 2011 for the UPT NKRA	
Categories	**Expected Outcomes in 2011**
Bus	- 470 new buses - 3 new Bus Expressway Transit (BET) corridors - Completion of Feasibility Study for Bus Rapid Transit (BRT) and Bus Lanes - 606 existing rundown bus stops to be upgraded and construction of 306 new bus stops
Rail	- 35 sets of new four-car trains for the Kelana Jaya line - 6 sets of six-car sets for KTM Komuter delivered while 4 sets slated to be operational by end of 2011
Integration	- Newly refurbished Pudu Sentral (formerly known as Puduraya Terminal) - All RapidKL buses adopt cashless ticketing system - 6,905 additional new parking bays for Park and Ride at rail stations by end of 2012 - LRT and Monorail station integration at Masjid Jamek, Titiwangsa, Hang Tuah and KL Sentral stations - Single ticket for all LRT destinations under the RapidKL Automated Fare Collection (AFC) Integrated Ticketing System at the LRT Kelana Jaya and Ampang lines
Network	- Stage Bus Performance Monitoring System - Bus network reorganisation

These key initiatives, categories and outcomes were developed after taking into consideration the overall three-year roadmap for the UPT NKRA.

Enhancing the quality of bus stops

There are an estimated 4,000 bus stops in the Klang Valley, of which, 40% are not covered and bear no signage. In 2011, the UPT NKRA worked closely with the Selangor State Development Office (SDO) and seven local municipal councils / authorities (Pihak Berkuasa Tempatan or PBTs) in the Klang Valley (i.e. Sepang, Kajang, Subang Jaya, Ampang Jaya, Selayang, Klang and Shah Alam) to upgrade an additional 468 bus stops in 2011. It took about three months on average to complete the upgrading works.

Introducing three more BET routes

The Bus Expressway Transit or BET initiative serves to reduce public bus journey time by leveraging underutilised highways in the Klang Valley. The initial five BET routes introduced in 2010, reduced journey time by up to 55%. Based on this achievement, the decision was made to establish three additional routes and one trial route. These additional routes were:

- BET 6 – Bukit Beruntung – Pasar Seni
- BET 7 – Sri Nilam, Ampang - KLCC
- BET 8 – Semenyih Sentral – Pasar Seni

The selection of the BET routes was based on recommendations received by the respective bus operators. After further deliberation by PEMANDU and the Ministry, the routes were approved and the goal was to commence service within 2011.

The BET routes will provide the following benefits:

- On average, 30-40 minutes reduction in journey times
- Less traffic volume on the selected routes
- Reduced traffic congestion in the CDB by relying on alternative routes

Increasing rail capacity

With a total of 35 four-car sets operational in 2011, an additional 10.4 million commuters travelled on the LRT Kelana Jaya line in comparison to 2010. This translated into a ridership of approximately 44,170 passengers during peak periods. The injection of the new rolling stock into the revenue system is helping to increase ridership significantly and further reduce headway time to 2.07 minutes during peak periods (previously 2.79 minutes).

Afina, 21
University student

"I've been using the commuter for 10 years already. When I used to stay in KL, I would take the train frequently to Shah Alam, but now I only use the commuter once a month, usually to visit my sister. Personally I think there's not been that much change. The trains are still not punctual, and during peak periods it's really bad – I usually can't get on the first train that arrives."

"However, the Ladies' Coach is a good thing, it makes things more comfortable now. Before, it's too packed with the men and women together. It would be good for KTM to add more trains and improve the frequency."

As for the KTM Komuter, which has a ridership of 32,000 during the morning peak period, plans were made to introduce six six-car sets procured from Zhuzhou Electric Locomotive Company (ZELC), China into service. The first four sets of six-car set began operating in March 2012. Each six-car set will have a 1,100-passenger capacity.

At present, the system has its fair share of problems. It is currently operating at a load factor of 1.4 of the average load during the peak period. This effectively means that an EMU designed to operate with 400 passengers is overloaded with possibly up to 600 occupants. The service is also known for delays and cancellations, resulting in the perception that it is unreliable. The introduction of the new six-car sets would effectively resolve many of these issues if not all. For example, EMU frequency is expected to improve to 7.5 minutes from 15 minutes during peak periods and 15 minutes from half an hour (during off peak periods).

Refurbishment of 35 year-old Pudu Sentral (formerly known as Puduraya Terminal)

The Puduraya Terminal built in 1976 is one of the largest public transportation hubs in the Klang Valley. However, following explosive growth in the city's population, Puduraya Terminal struggled to cope with the increasing demands placed on it. The situation was exacerbated due to poor management, poor maintenance, lack of fund and overcrowding. After 35 years, Puduraya Terminal was in much need of a revamp.

In 2009, the Government tasked UDA Holdings Bhd to renovate and refurbish the existing building into a modern and well-designed transportation hub. Construction work began in August 2009 with the project valued at RM52.7 million. The expected outcome was a new, modern transport hub that would once again draw the public to choose public transportation.

Provision of Park and Ride facilities near rail stations

The availability of adequate parking bays is crucial to making public transportation more appealing to the rakyat, especially rail passengers. The decision was made to provide 6,905 parking bays at 15 strategic rail stations. These included KTM Komuter stations such as the KTM Serdang, KTM Kajang and KTM Bangi stations, as well as the Kelana Jaya Line LRT stations. Construction work on these parking bays has been steadily progressing throughout 2011. The full benefits of this initiative will be realised in 2012.

Improving Urban Public Transport

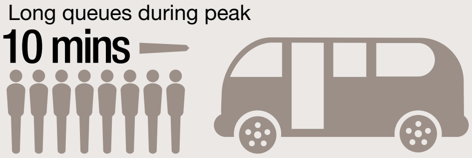
Seamless travelling experience

For multi-modal transit users, ticketing can be a complex transaction. Most buses in the Klang Valley run on a cash fare basis and transferring from trains to buses incurs time when it comes to using cash to purchase tickets. Currently up to 25% of travel time for the average bus traveller is spent queuing or waiting. In delivering greater convenience and a seamless travelling experience for commuters, RapidKL introduced a new cashless ticketing system known as the New Bus Ticketing System (NBTS).

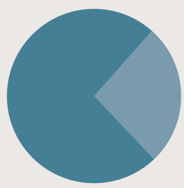
Benefits of the Integrated Smart Ticketing System

Integrated Smart Ticketing is Critical for Reducing Journey Times

1 Reduction in boarding times



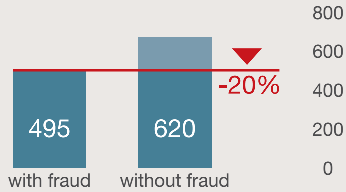
Time spent in vehicle



2 Reclaiming lost revenues

Cash transactions are subject to petty fraud - potential loss in revenues up to 20%

Industry revenues RM mn per year



3 Creating 1Seamless Journey

16 operators in the Klang Valley with 16 Tickets

METROBUS
KTM KOMUTER
EXPRESS RAIL LINK
rapidKL
KL Monorail

- Cashless ticketing has the potential to reduce boarding times by up to half
- Cashless ticketing has the potential to save the industry up to RM125 million in total annual revenues
- Creation of 1 Ticket Seamless Journey

Usha Rani, 55
Kindergarten teacher

"I used to stay in Sri Serdang, and back then I took the train every day. I've been taking the commuter for many years."

"I think they could improve on the timing, but the coaches are good and comfortable, especially the Ladies' Coach. The stations are good too, and they have definitely improved over the years. They only need to improve on the timing, perhaps the train could come every 15 minutes."

With this system, customers need only use a transit card for fare payment. The card operates via the Touch 'n Go platform. As such, it can be used on RapidKL buses, the Ampang and Kelana Jaya LRT lines, the KTM Komuter, Monorail and ERL (all these services already leverage on the Touch 'n Go platform).

The transit card's built-in Global Positioning System (GPS) also allows for accurate fare deduction based on passenger origin and destination. Now, passengers no longer need to rummage for the exact change. Time spent queuing to purchase a manual bus ticket is expected to reduce significantly.

Since 28 November 2011, LRT commuters only need to use one card at both the Ampang and Kelana Jaya LRT lines without the need to have two separate cards for the interchange between the two service lines. The new Automatic Fare Collection (AFC) system provides a single ticket for both LRT lines and also eases travelling between lines at the interchange stations. This integrated fare system will be extended to the Monorail services and the RapidKL bus ticketing system by the first quarter of 2012 and mid-2012 respectively.

KTMB is also currently upgrading their Automatic Fare Collection (AFC) which is scheduled for completion by the middle of 2012, while RapidKL rail have already started to implement their new LRT AFC System integrating the Kelana Jaya and Ampang lines since 28 November 2011. In the future (beyond 2013), all rail lines in the Klang Valley will possibly be integrated into one another, thus creating a seamless travelling experience for commuters.

ERL Passengers boarding the express or transit rail service can now experience a faster and more convenient way to pay for their fare via the Touch 'n Go system. The system has been enabled for use on the ERL Express since 8 August 2011, while Touch 'n Go for ERL Transit kicked off on 15th December 2011.

Salim bin Manan, 61
Retired, formerly self-employed

"I take the train once or twice a month. I stay at Port Klang, and the station is about 6 km from my house. Usually when I take the train from Port Klang, the train is still empty and there's plenty of seating available. But by the time the train reaches KL, it's full and it's hard to find a seat. But I'm glad I can switch trains easily when I need to change lines, because the platforms are on the same level."

SUCCESSES AND ACHIEVEMENTS

In 2011, the UPT NKRA achieved the following results:

Overall NKPI Results for UPT NKRA in 2011

No.	NKPIs	2011 Target	2011 Actual	Traffic Light
1	Public transport modal share	21%	16.42%	Yellow
2	[1] Percentage of population within 400 metres of public transport route	70%	67%	Green
3	Customer satisfaction survey	50%	53%	Green
4	Bus peak hour load factor	56%	96%	Green
5	KTM Komuter load factor	125%	105%	Green
6	Rapid KL Kelana Jaya line load factor	80%	80%	Green
7	[2] AM peak public transport ridership	346,184	321,487	Green
8	Ratio of Public Transport Journey Time vs. Private Transport Journey Time	1.7:1	1.49:1	Green
9	Road Safety Index (road fatalities/10,000 registered vehicles)	3.12	3.21	Green

[1] Result based on EMME 2 TRANSPORT MODELLING by Urusbudi (PEMANDU's appointed survey consultant)
[2] Result based on monthly returns from public transport operators

OUTCOMES

The UPT NKRA achieved tremendous success in its second year. Key outcomes included the overall increase in public transport ridership. As at 31 December 2011, an additional 85,000 commuters were using public transport on a daily basis during the AM peak hours. This is a 36% increase as compared to 2010. The ratio between public : private journey time too has improved considerably to 1.49 : 1 from the target of 1.70 : 1. The following are the highlights of specific outcomes achieved in 2011:

Outcomes in 2011 for the UPT NKRA (Klang Valley)

Categories	Expected Outcomes in 2011	Remarks
Bus	- 470 new buses	- All 470 new buses were delivered in 2011, with 400, forty four-seater buses and 70 midi-buses
	- 3 new bus expressway transit corridors	- Three new BET routes were successfully launched in 2011. These included BET 6: (Bukit Beruntung – Pasar Seni), BET 7: (Sri Nilam – KLCC) and BET 8: (Semenyih Sentral – Pasar Seni). In addition the new BET 9: (Bandar Tasik Puteri-Pasar Seni) currently undergoing trial runs and will officially launch in January 2012
	- Refurbishment of 606 bus stops	- Only 468 bus stops were identified by the PBTs in 2011. The refurbishment of 468 bus stops was completed by the end of 2011
	- 306 new bus stops	- Planning and design are still on-going
	- Feasibility Study for Bus Rapid Transit (BRT) and Bus Lanes	- The BRT and Bus Lane Feasibility Study was completed on 15 September 2011. Three corridors were prioritised for BRT implementation

Improving Urban Public Transport

Outcomes in 2011 for the UPT NKRA (Klang Valley) (Continued)

Categories	Expected Outcomes in 2011	Remarks
Rail	- 35 sets of new four-car trains for Kelana Jaya LRT line	- 35 sets four-car train were delivered and are now fully operational during the morning peak period on the Kelana Jaya LRT Line
	- 6 sets of six-car sets for KTM Komuter delivered from Zhuzhou, China	- All 6 sets delivered by end of 2011 for testing and commissioning before being injected into revenue service. The first 4 sets of six-car set became operational on 8 March 2012
Integration	- ITT BTS fully operational	- ITT BTS became fully operational on 1 March 2011 and is helping decongest the KL CBD daily by diverting 500 southbound express buses away from it
	- Newly refurbished Puduraya Terminal (renamed as Pudu Sentral)	- The refurbishment of Puduraya Terminal (currently known as Pudu Sentral) was completed on 16 April 2011
	- All RapidKL buses adopt cashless ticketing system	- The New Bus Ticketing System was launched on 27 February 2011
	- Smart Ticketing System	- RapidKL Automated Fare Collection (AFC) Integrated Ticketing System at the LRT Kelana Jaya and Ampang line was opened for public usage on 28 November 2011
		- All ERL stations are now equipped with Touch & Go readers
		- KTM Komuter passengers can now purchase or reload their Touch & Go cards at 38 Komuter stations in the Klang Valley

Tong Poo San, 27
Senior reservations officer in the hospitality industry, working in Melaka

"I've been to Terminal Bersepadu Selatan a few times before. Today, I'm travelling to Ipoh, my hometown; I go back several times a year. I find the terminal and the facilities much better than Pudu previously – it's cleaner, the environment feels safer and there is clear signage. I don't think there's anything they need to improve on."

Outcomes in 2011 for the UPT NKRA (Klang Valley) (Continued)

Categories	Expected Outcomes in 2011	Remarks
Integration	- 6,905 additional new parking bays for Park and Ride at rail stations by end of 2012 - LRT and Monorail station integration at Masjid Jamek, Titiwangsa, Hang Tuah and KL Sentral	- The construction of 6,905 parking bays for Park and Ride are currently in progress and will be made available at rail stations by 2012 - The integrated Masjid Jamek and Titiwangsa stations are ready for public usage
Network	- Bus Network Reorganisation - Stage Bus Performance Monitoring System	- Pending completion of the Bus Transformation Plan - Prasarana's Bus Fleet Tracking System was 91% complete by the end of December 2011. The installation of the Passenger Information System at a few locations is in progress
Road Safety Index	- To reduce Road Safety Index from 3.32 in 2010 to 3.12 in 2011	- 3.21 road fatalities / 10,000 registered vehicles

Refurbishment and construction of new bus stops

Since the implementation of the UPT NKRA, 1,102 bus stops across seven PBTs, namely in Sepang, Kajang, Subang Jaya, Ampang Jaya, Selayang, Klang and Shah Alam have been upgraded. In 2011, we achieved our target of upgrading 468 bus stops while 306 new bus stops are currently under planning and design. As bus stops are one of the first contact points for bus passengers, their condition is crucial to encourage the use of public transport. As an added measure, the refurbished bus stops will also incorporate bus information and schedules for passenger convenience.

Improving Urban Public Transport

Hasanah, 30
Executive in a private firm

"It's my first time at the Terminal Bersepadu Selatan – I used to take the bus from Pudu, to return to my hometown, Mersing. I think the terminal is very good – there are so many facilities, it's clean and easy to get here. Plus, now there are shops we can visit while we wait. The counters also make it easier to get tickets, and there are no touts. Overall it's more spacious and comfortable."

Significant improvements via new four-car train sets

With the successful injection of the additional 13 four-car sets into the Kelana Jaya LRT line, a total of 35 sets are now in service. In 2011, an additional 10.4 million more commuters travelled on the LRT – an increase of 18% as compared to 2010's figure. The combined use of two and four-car sets has seen the current headway time improve to 2.07 minutes from 2.79 minutes previously. In January 2011 alone, the number of passengers travelling daily during peak periods increased dramatically to 47,714 passengers. This is a 48% increase in daily AM peak passenger volume during the same month as compared to 2010.

Passenger comfort and convenience too have improved as commuters now need not rush nor squeeze past one another for seats as they have the assurance that another car set will arrive shortly. Considering that for many years, the Kelana Jaya LRT line was the most congested line, the consecutive improvements in 2010 and 2011 truly inspire optimism for the future. It provides clear indication that if changes are made, the Malaysian public will opt for public transport.

New Bus Expressway Transit (BET) routes successful and well received

Summary of Bus Expressway Transit and Time Saved

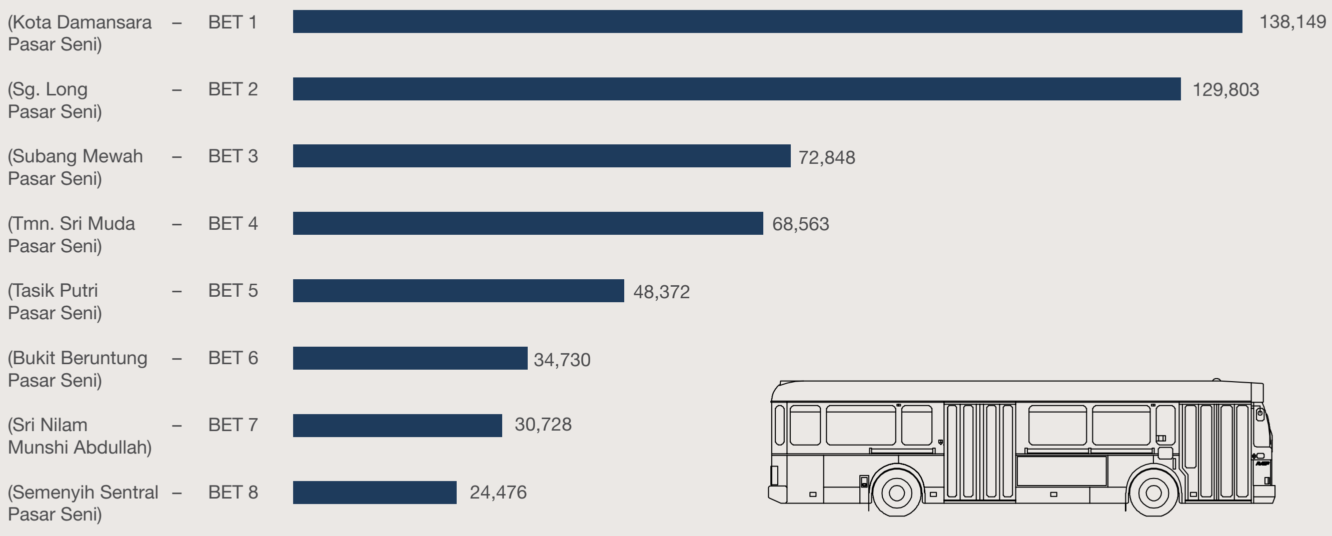
BET	ROUTE	Time taken to End-Stop using normal routes	Time taken to End-Stop using BET	Time saved
BET 1:	Kota Damansara - Pasar Seni	120 min	75 min	45 min
BET 2:	Sg. Long - Pasar Seni	85 min	50 min	35 min
BET 3:	Subang Mewah - Pasar Seni	75 min	60 min	15 min
BET 4:	Taman Sri Muda - Pasar Seni	90 min	75 min	15 min
BET 5:	Rawang - Pasar Seni	120 min	100 min	20 min
BET 6 (New):	Bukit Beruntung - Pasar Seni	150 min	80 min	70 min
BET 7 (New):	Sri Nilam, Ampang – KLCC	70 min	30 min	40 min
BET 8 (New):	Semenyih Sentral – Pasar Seni	120 min	50 min	70 min

The new Bus Expressway Transit (BET) routes have succeeded in reducing passenger journey time. As busses travel directly to the location and there are fewer stops, passengers save a considerable amount of travel time.

For example, passengers journeying on BET 8 from Semenyih Sentral to Pasar Seni have their travel time cut down from two hours to 50 minutes. Previously, passengers heading for Semenyih also had to change buses midway through their journey. The BET initiative eliminates such inconveniences. Altogether, there are now eight BET routes in operation throughout the Klang Valley. Moreover, the use of special multi-class toll lanes have also further shortened travel time by 5-10 minutes for passengers – a small time saving, but a precious one since every minute counts when most people are travelling to work or school. The system is still in its infancy but the feedback thus far has been positive.

The public have also expressed their approval for the new BET routes with strong ridership numbers since the commencement of the new routes. In total 547,669 passengers have benefitted from BET services.

In total, BET 1 to BET 8 carried 547,669 passengers in 2011



BET 5 was only launched in October 2010, BET 6 in June 2011
BET 7 & BET 8 were launched on 18 July 2011

ITT Bandar Tasik Selatan fully operational

While the Integrated Transport Terminal Bandar Tasik Selatan or ITT BTS (also known as Terminal Bersepadu Selatan) was completed in 2010, it only began full operations on 1 March 2011. Various operational issues caused the delay.

The RM570 million ITT BTS is equipped with modern facilities and comprises 55 bus platforms, 150 taxi bays, 1,000 parking bays and 1,800 seats for the public within its fully air-conditioned waiting halls. It is also located adjacent to a mini-airport. This integrated transport terminal has many other user friendly features including a computerised ticketing system as well as amenities such as restaurants and retail outlets. An electronic bus schedule of arrivals and departures allows travellers to easily receive real-time updates and keep abreast of any changes in schedule.

The construction of the ITT BTS has achieved the government's aim of decongesting the Central Business District (CBD). Since commencing operations in March 2011, it has diverted more than 500 express buses on a daily basis from the city, providing much needed relief to traffic flow. Moreover, as it is an integrated transport hub with rail, stage, express and city buses and the Express Rail Link (ERL) converging at the one location, it is easily accessible to travellers.

The ITT BTS is also connected via multiple highways such as the Seremban and Sungai Besi highways and the Middle Ring Road 2 (MRR2). The ITT BTS is one of three ITTs planned by the government. The ITT Gombak is slated for eastbound express buses while ITT Sungai Buloh is planned for buses heading north.

Norliza, 29
Nurse from Sabah

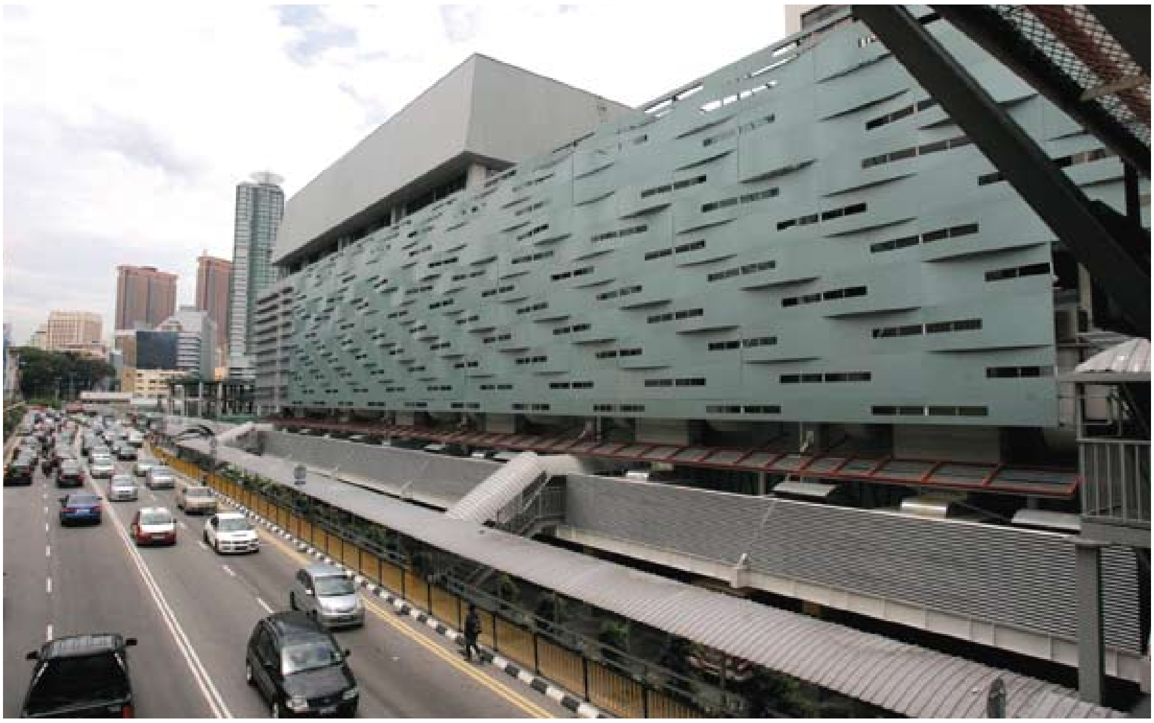
"This is my second time at Terminal Bersepadu Selatan – I'm taking the bus to Segamat. I find it so much more convenient here – the traffic at Pudu is really bad. Things here are more organised, which is good, especially if you're travelling with children – they even have a baby changing station! There are also lockers and plenty of places to eat, and with so many counters it's easy to buy tickets."

Refurbishment of Pudu Sentral

Pudu Sentral is a completely transformed terminal after massive refurbishment on the 35-year old structure. It features modern facilities and at the core of its operations lays a systematic traffic flow. It offers better comfort to travellers even as the chaotic environment of the past has been replaced with a comfortable and hassle-free travel experience.

Pudu Sentral was officially opened on 16 April 2011. Its features include three new waiting areas, escalators, a surau and disabled-friendly facilities. It is also equipped with automated teller machines, air-conditioned passenger terminals, restaurants, signage and electronic timetables and above all, is clean. Fifty ticket counters at the top level of the terminal ensure passengers enjoy greater convenience when purchasing tickets.

While the opening of ITT BTS has taken the load off Pudu Sentral, the latter still plays an important role as an important public transportation hub. It serves selected routes that are important to the public. Passengers have voiced their approval on the new Pudu Sentral, and more importantly are now returning to use the public transport services it offers.



Seamless travel is here to stay

The introduction of RapidKL's New Bus Ticketing System (NBTS) on 27 February 2011 has drastically cut passenger queuing time by half. Leveraging on the Touch & Go platform, the NBTS uses a single card for payment. Passengers now no longer need to search for the exact change, spend less time queuing and are able to travel with greater comfort. In addition to promoting seamless travel and facilitating convenient intra-modal transit, all ERL stations are now equipped with Touch & Go readers enabling ERL passengers to experience a faster and more convenient way to pay for their fares.

Commencing 28 November 2011, LRT commuters only need to use one card at both the Ampang and Kelana Jaya LRT lines without the need to have two separate cards for the interchange between the two service lines. The new Automatic Fare Collection (AFC) system provides a single ticket for both LRT lines and also eases travelling between lines at the interchange stations. This integrated fare system will be extended to monorail services by the first quarter of 2012 and the RapidKL bus ticketing system by mid-2012.

These initiatives will definitely help to reduce queuing and boarding time for passengers. Passengers will face no more hassles when changing lines without having to touch-out; nor will they need to queue to get two or three sets of tickets. Now a single ticket will allow passengers to travel seamlessly in a faster and more convenient manner.

Real-time updates for passengers

The use of Prasarana's Fleet Tracking System and Passenger Information system (PIS) has enabled better management and monitoring of RapidKL bus movements.

By relaying convenient real-time information on bus departures and arrivals to passengers, customer expectations are being better managed. Some 59 locations with high passenger traffic volume have been identified as PIS installation sites. The overall installation work should be completed tentatively by the middle of 2012.

CHALLENGES

SHORTCOMINGS

Delays and bureaucratic challenges

As with other NKRAs, the UPT initiative requires the participation of multiple agencies, each with their own processes and policies. While closer collaboration and working relationships have been forged these last two years, the nature of working with multiple parties will from time to time, result in coordination problems and approval delays.

Large agencies also tend to be bogged down by bureaucracy. The lack of a central unit to oversee the full programme management of complex projects further compounds the situation. This is arguably one of the main reasons why the delivery of UPT initiatives is at times not coordinated as effectively as it should be. On other occasions, agencies may need to prioritise their other commitments and this can make it difficult for agencies to focus their resources on UPT NKRA efforts.

Complexity of ITT Gombak development

Two issues have affected the delivery timeline of the ITT Gombak project. Firstly, a traffic report conducted in 2010, recommended that the MRR2 highway situated adjacent to ITT Gombak may need to be widened. It is expected that any widening works on this major Klang Valley artery will likely hamper progress on ITT Gombak.

Secondly, ITT Gombak has been identified as being situated on “Malay Reserve Land”. In view of future operational requirements, it is likely that a de-gazetting of the land title is required. However, such an exercise will warrant an alternative piece of land for a land swap. The entire process, especially the sourcing of alternative land, is likely to present a challenge.

Lack of trains for KTM Komuter

The target of reducing headway for KTM to not more than 20 minutes during peak hours (around 7.00 am - 9.00 am) could not be achieved in 2011. In order to meet the desired headway, KTM Komuter requires 32 car sets. At present, the rail service is operating with only 21-24 Electrified Multiple Units or EMUs. As a result, headway during peak times has increased from 45 minutes to 1 hour. However, there is light at the end of the tunnel.

While KTMB received six sets of the six-car sets from ZELC by 31 December 2011, not all could commence operations. Due to intensive testing and a rather complicated interface programme, progress was hampered. The Automatic Train Protection (ATP) testing and commissioning programme alone took two months to complete and certify. As such, the first four sets of the six-car sets only commenced operations in March 2012.

There had been several others issues such as power blackouts and signal failures during the testing and commissioning of the six-car set train. All of these have caused delays to the programme. However, these problems were rectified in early December 2011 by KTMB and ZELC. Both parties are currently making up for lost time with the testing and commissioning being fast-tracked as much as possible.

SPAD as the regulatory body has also expressed its concerns that the six-car set train (especially the T1) should pass all the tests and comply with all requirements under the Railway Act 1992/ SPAD Act 2010. In view of that, it has been foreseen that the operation of the six-car set train can only be rationalised by the middle of 2012.

Delays in the Bus Transformation Plan

Under the Bus Transformation Plan, SPAD is looking into developing specific and detailed programmes to immediately improve the Klang Valley bus services. Currently there are about 13 bus operators running more than 1,400 buses, with RapidKL operating only half of the total number of buses. However, at this point in time, SPAD has yet to finalise the Bus Transformation Plan and the document is still in its draft form.

A separate issue that is affecting bus services is the lack of qualified bus drivers in the market. This has resulted in reduced utilisation of assets by bus companies as the full available fleet cannot be deployed onto roads. It is understood that the lack of interest in becoming bus drivers is due to the existing wage structure more than any other factor involved. The matter is being looked into and deliberated with bus operators to arrive at an effective solution.

Lim Chai Ing, 18
College student on ITT BTS

"I'm on semester break from college, so I'm going back to Johor – I usually go back every semester. It's only my second time here – I've only been in college for a year, so I've always taken the bus from here. I find it quite convenient, and buying tickets is easy."

Shortfall in the modal share

Despite the best efforts and initiatives of the UPT NKRA, modal share of public transportation dropped to 16.42% in 2011. While there was an increase in absolute numbers as compared to 2010, there was a drop in percentage figures. The significance of this statistic does not detract from the various successes achieved in 2011 i.e. increased ridership during peak hours (from 236,412 passengers in 2011 to 321,487 passengers in 2011); considerably shorter waiting and journey times; and improved passenger comfort and convenience.

The double-fold increase in private person trips and private car ownership are the main factors behind the drop in modal share. This scenario is outside of the current UPT NKRA scope and needs to be addressed separately. The rise in the number of new and active vehicles in the Klang Valley presents a direct challenge to increasing public transportation ridership.

According to statistics released by the Road Transport Department or Jabatan Pengangkutan Jalan (JPJ) approximately 1,450 new vehicles were registered monthly in 2011. This equals approximately 17,500 new cars on Klang Valley roads this year. In addition, data for registered vehicles (active vehicles) for 2011 shows that on average, every month there was an increase of more than 25,000 "active vehicles" on Klang Valley roads as compared to last year. Even as this trend persisted over 2011, there were approximately 5.75% more private cars on the road in 2011 as compared to 2010. This translates into a total of 5,618,746 private cars on Klang Valley roads alone in 2011 as compared to 5,313,216 private cars in 2010.

The ease of securing end-financing is one of the reasons behind the rise of private car ownership. The availability of zero down payment loans, low interest rates, long repayment periods (up to nine years) and less stringent criteria for loan approvals mean almost anyone can obtain hire purchase financing. For instance, fresh graduates can easily get approval for car loans by simply providing pay slips for two months. As a result, those earning between RM2,000 and RM4,000 are now opting for private cars via car hire purchase – a change from the trend in 2010. This result is based on an independent survey done by an appointed traffic consultant.

Improving Urban Public Transport

These other factors too encourage private vehicle use rather than public transportation:

- Petrol is relatively cheap which, encourages private vehicles trips. The heavy subsidies provided by the government have seen the rakyat show less interest in travelling by public transport.
- Motorcycles still remain the most efficient and cheapest form of transportation.
- The length and KM of roads have increased tremendously. A subsidised local automotive industry has been a secondary factor in boosting the supply of cars.
- At present, no clear policy on limiting the number of vehicles on the road or the city.

Addressing traffic congestion woes

The daily grind of traffic jams remains a major headache for Klang Valley folk. The problem is made worse during the morning and evening rush hours (from 7.00 am to 9.00 am and from 5.00 pm to 7.00 pm). Road users have grown accustomed to the daily experience of the "stop and go" traffic flow or of just coming to a standstill for lengthy periods of time. The reason for this is simply because there are a high (and growing) number of private vehicles on the road during rush hour.

The rakyat have come to the conclusion that they have no choice but to buy cars due to the unreliability and lack of comfort of urban public transportation. With further world-class developments like the Kuala Lumpur International Financial District (KLIFD) planned for the urban epicentre, a world-class city would require a contemporary urban public transportation system to support its infrastructure and lifestyle.

While the issue of traffic congestion was addressed to some extent in 2010, it still remained a challenge in 2011. Although measures such as disallowing heavy vehicles to use city roads during certain hours, the removal of at least 500 express buses daily from city streets (rerouted to the ITT BTS), and the success of increasing modal share of public transportation to 17% (a 5% increase from the 2009 baseline), did alleviate traffic woes, traffic congestion still persists. Hence, it is imperative that the UPT NKRA continue to address the issue of traffic congestion in 2012.

LESSONS LEARNT

In avoiding any potential delays in the delivery schedule of UPT initiatives, it is the best to identify symptoms and to take corrective actions early. Applying these insights, PEMANDU and the DMO team will undertake comprehensive planning to ensure all internal parties can work together in a more efficient manner and better manage internal bureaucracy.

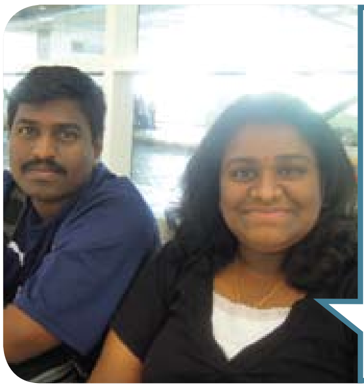
Rather than relying on secondary sources to validate project progress, we have learnt that it is more effective to personally go down to the ground to seek verification. By performing spot checks on NKRA-related projects, the UPT NKRA Team has been able to validate the progress and quality of project in a highly effective manner. These activities have also allowed the relevant teams to obtain accurate information on project status while ensuring that problems are ironed out from the start and projects stay on schedule.

Throughout the year, it was apparent that cooperation, communication and coordination were crucial to tackling the various problems faced. Strong teamwork and collaboration was often needed to ensure all agencies worked closely together, especially when there was a need for additional support in meeting deadlines. The role that PEMANDU and the DMO played in facilitating problem solving sessions and better managing stakeholders and internal bureaucracy certainly helped inject a greater sense of urgency among all parties involved and led to better results.

The way forward is further leverage on the closer collaboration between MOT, SPAD and PEMANDU across all working levels. It is likely that the involvement of senior transport officials is required in the process and cooperation should also extend into the area of problem-solving sessions, where any stumbling blocks can be effectively addressed.

While the UPT NKRA has indeed achieved big fast results, modal share of public transportation is likely to remain a challenge. Even as the UPT NKRA focusses on improving existing transportation services and amenities, any new strategies adopted must also take into consideration the issue of reducing private vehicle usage and addressing Malaysians' penchant for driving over utilising public transport.

Improving Urban Public Transport



Kasturi, 31 and Kumaren, 25 on ITT BTS

Kasturi is a secretary working in Puchong; Kumaren is studying International Business at a university in Shah Alam

"We're seeing our grandparents off to Kluang. They used to take the bus from Pudu, which was really inconvenient – there was always so much traffic, and it was always crowded. Here, it's very convenient for us to get here, with clearer information, and it's so much easier to buy tickets. Overall, it's very good – things are systematic, with adequate parking, and very accessible."

PUBLIC PERCEPTION

In a survey conducted by PEMANDU consultant, Urusbudi Transplan Sdn Bhd, it was found that public transport user satisfaction grew to 53% in 2011 as compared 50% in 2010. The survey was conducted based on a sample size of 20,000 respondents (i.e. 10,000 during the morning peak period and another 10,000 during the off-peak period).

ITEM	2010	2011
Number of respondents satisfied with the bus service	38%	46%
Number of respondents satisfied with the LRT service	63%	66%
Number of respondents satisfied with the KTM service	28%	48%

While user satisfaction is on the uptrend, it needs to be improved further. One factor that must be taken into account is that user satisfaction results are a composite of various different surveys on the individual modes of public transportation i.e. rail, bus, network and integration. As such, a very positive score on some surveys may be brought down by less positive results in other surveys. A good example would be scores measuring the Kelana Jaya PutraLine services which saw respondents commenting favourably compared to KTM Komuter users, who were less enthusiastic about their experience.

Nevertheless, the survey results further confirm which areas the UPT NKRA performed well in and those which warrant further improvement. The results have been taken into consideration in the formulation of 2012's UPT strategies and implementation efforts.

GOING FORWARD INTO 2012

Going forward, the UPT NKRA, as outlined in its master plan will focus on the following areas in 2012:

Our focus in 2012

Buses

- Traffic Impact Assessment and Detailed Engineering Study for Bus Rapid Transit
- Introduction of Bus Lanes for key corridors
- Completion of 9 Hentian Akhir Bandar (city bus terminus)

Integration

- Commencement of ITT Gombak project
- Upgrading of 24 LRT & 10 KTM Komuter stations
- Provision of 6,900 additional park and ride bays

Rail

- 38 six-car sets to be injected into KTM Komuter service
- Reduction of KTM Komuter (a.m.) headway to ~10 mins

Network

- Bus network rationalisation with 13 operators
- Completion of Performance Management Hub System

Improving Urban Public Transport

These broad based goals will be supported by the following NKPIs:

KPI	2012 Proposed Target
Ratio of Public Transport Journey Time vs. Private Transport Journey Time	1.6:1
Percentage of population within 400 metres of public transport route	72%
Customer satisfaction survey	55%
Bus peak hour load factor	70%
KTM Komuter load factor	100%
Rapid KL Kelana Jaya line load factor	80%
AM peak public transport ridership	600,000
Public transport modal share	25%
Road Safety Index (road fatalities/10,000 registered vehicles)	3.01

The UPT NKRA Team is committed to achieving the ambitious target of 25% modal share in 2012. This despite the realisation that achieving such a figure would be a near impossible task. However, the NKRA team remains resolute about achieving the four key areas which focus on improving reliability and journey times, comfort and convenience, accessibility and connectivity, as well as availability and capacity.

The pertinent question that needs to be asked is what does it take to encourage people to get on buses and trains? It is interesting to note that at present, buses during peak hours are not full. This clearly points to an attitudinal and perception issue among Malaysians regarding comfort, reliability and so on. Towards this end, two workshops and various three-foot plans have been held with the results being finalised.

2011 was very much a transitional year for the UPT NKRA as many of the initiatives and much of the facilitating infrastructure are still being put in place. As each of these comes online, the cumulative benefits of all these efforts will be felt and their full impact on modal share will become visible.

There is plenty of cause for optimism even as urban public transport infrastructure projects begin to take off. Aside from those under the UPT NKRA, several others are already in the pipeline. These include the doubling of capacity for monorails, the extension of the Kelana Jaya and Ampang LRT line to cover new areas in 2013, and the availability of the nation's first MRT line in December 2016. The MRT line will start from Sungai Buloh in the north and link to Kajang in the south, covering a distance of 51 km. There are 31 stations planned along the route, seven of which will be built underground.

In the near future, the issue of feeder buses for LRT stations will also be looked into. The introduction of the six-car sets for the KTM Komuter would give the service a much needed boost and alleviate the grievances of many passengers. The new KTM six-car sets will have various ancillary facilities such as automated fare collection, CCTV cameras and disabled facilities, while signalling too will be upgraded. Four such trains will be injected into service for the Batu Caves – Port Klang route initially, with another nine to go into service later in 2012. A total of 38 sets will enter into service by 2012.

The Land Public Transport Commission or SPAD has proposed extending the city rail services as one of its urban rail development projects under the Land Public Transport Master Plan. Some of the proposed enhancements include the extension of the KL Monorail services from its Tun Sambanthan station to Taman Gembira in Jalan Klang Lama, with the intention to improve accessibility to areas such as Bangsar and Mid Valley. There is also a consideration for a third LRT service to connect Klang and Shah Alam with the existing Kelana Jaya line.

These new proposals together with the existing services will improve the connections between the various rail services allowing for seamless travel. SPAD is also working on the Greater Kuala Lumpur/ Klang Valley Public Master Transport Plan, which will encompass development plans for taxi, bus, urban rail, land use, interchange/terminals, and travel demand management.

To realise the ambitions of the UPT NKRA, cooperation from the rakyat is essential. The rakyat must adopt a change in mind-set and opt for public transportation over other forms of transportation. While the government can take all the required action and make public transportation as attractive as possible, the public should also do their part by leaving their cars at home or at designated parking areas and ride the buses or rail networks. These are modes of travel that people in developed cities around the world have adopted. If Malaysians chose to follow suit, then urban public transportation in the Klang Valley has a bright future.

2011 Overview of the Ministerial Key Result Areas

Complementing NKRA efforts

Improving public service delivery remains at the heart of the GTP and the Ministerial Key Result Areas (MKRAs) complement the seven NKRAs as part of an overall, cohesive GTP effort. The distinction between the NKRAs and the MKRAs is that, while the former deals with critical needs of the rakyat for which the Cabinet is collectively responsible, the MKRAs comprise key functional areas that are within the purview of each ministry. These functional areas centre on improving the wellbeing of the rakyat.

Each MKRA in turn has specific key performance indicators, known as Ministerial Key Performance Indicators (MKPIs). The MKPIs are key deliverables that each minister is accountable for in a particular year. Specific examples of these would be reducing the incident of dengue cases and alleviating the number of people affected by floods through various initiatives.

The MKRAs were also developed to cover areas that were not addressed under the existing NKRAs. In this way, the NKRAs and MKRAs, working in tandem, ensure the overall success and effectiveness of the GTP.

Strengthening ministerial accountability

When the MKRAs were introduced, it was a major milestone for the government and the nation. It was the first time that ministers were committing to rolling out deliverables to the rakyat based on a set of targets. Each minister was responsible for the development of his or her respective MKRAs and the delivery of MKPIs within his or her respective areas.

Ministers were also subject to a twice yearly review by the Prime Minister based on their respective scorecards. Each Minister's Scorecard consisted of his or her entire KPIs for the year under review.

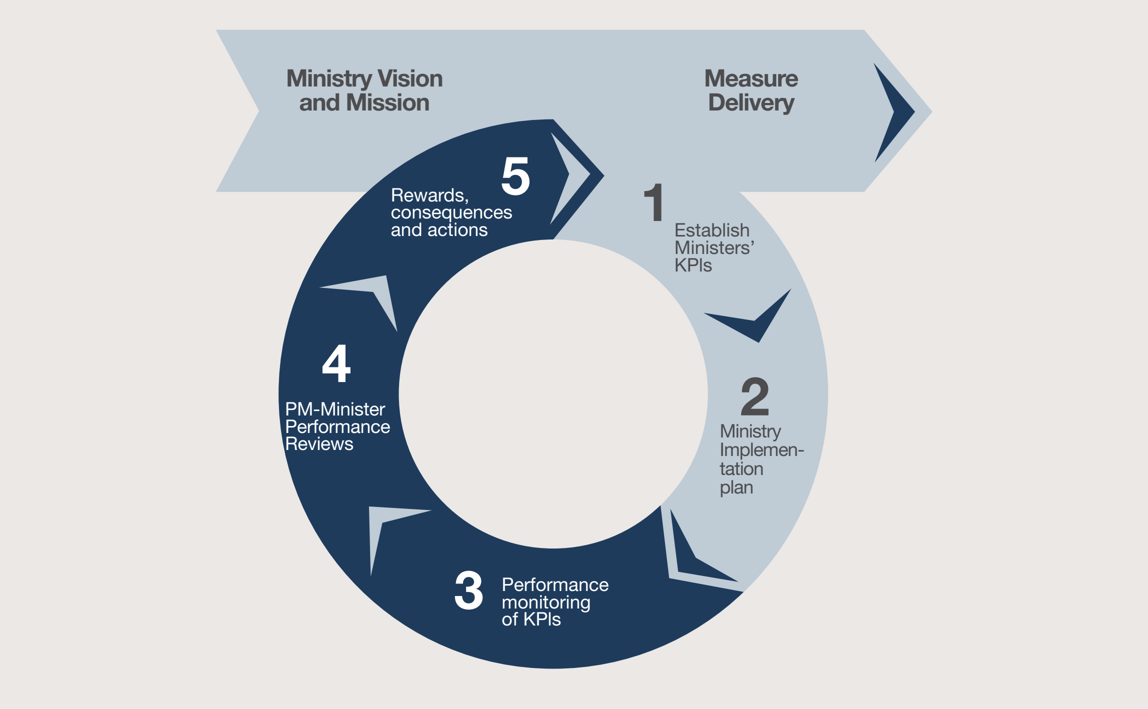
The Prime Minister would also outline areas for improvement or highlight new focus areas which had to be attended to before the next review session. The Minister's Scorecard and the Prime Minister-Minister review sessions were conscious and continuous efforts by the government to improve the efficiency and quality of government services. Such an approach was unprecedented in the history of Malaysia.

The MKRA initiative was a novel approach to create ministerial commitment, accountability and ownership as well as drive effective performance. Most importantly, the approach ensured that tangible results and outcomes would be derived for the rakyat, while sending across the message that better public service delivery must and will, start at the top.

The MKRA and MKPI journey thus far

Similar to year 2010, the MKRAs and MKPIs were formulated using a structured approach by first taking into account the respective vision and mission of each ministry.

A Structured Approach was used to Develop the KPIs for Ministers



2011 Overview of the Ministerial Key Result Areas

Using this as the base, MKPIs were developed, followed by detailed implementation plans spelling out key action plans, initiatives and targets towards realising the various MKRAs. A standard format was applied across all ministries for the development of the MKPIs. The format consisted of these key components:

- Key Result Areas developed based on the ministry's vision and mission;
- MKPIs which are outcome-oriented and which address the rakyat's needs;
- KPI targets which are to be Bold, Stretched and which deliver results Fast; and
- Identification of interdependencies between ministries and touch points i.e. how each MKPI brings positive impact to the country and the rakyat.

Example of the Ministry of Housing and Local Government

Minister of Housing and Local Government – Y.B. Dato' Seri Chor Chee Heung

Key Result Area (KRA) / Rationale for KRA	KPI				Initiatives / Support to realise MKPI	Remarks Touch Point
	KPI Identified	2010 Target	2010 Actual	2011 Target		
Reduce the number of existing licensed abandoned private residential projects **Rationale** To protect the interest of the house buyers and the housing industry in general	Revival of licensed abandoned private residential projects by efforts of its developer or new parties	35 housing projects	36 projects (8,030 houses/4,240 buyers)	30 projects (8,430 houses/6,737 buyers)	Initiate negotiation between developers and buyers to revive the licensed abandoned private residential projects Funding from MOF/EPU	Rakyat will benefit from revived housing projects

The KRA is developed based on Ministry vision / mission statement

The KPI reflects outcomes and addresses the rakyat's needs

The KPI target are Bold, Stretched and Fast

Interdependences and touch points are identified

2011 Overview of the Ministerial Key Result Areas

> "The Prime Minister-Minister Review sessions are all-important as they serve as platforms to evaluate how each minister has progressed. Of course, each ministry may have its shortcomings, but overall, we were told that we are on the right track and are fast progressing over the last two years."
>
> - Datuk Seri Peter Chin Fah Kui, Minister of Energy, Green Technology and Water

Thereafter, the respective ministers were held responsible for the implementation and success of the MKRA initiatives. Dedicated KPI officers were appointed to monitor and keep tabs on the progress of the MKPIs. They were responsible for providing updates on MKPI developments and issues to the respective ministers and PEMANDU.

This is the timeline for the MKRA journey in 2011:

The MKRA Journey in 2011

Oct - Dec 2010	Jan 2011	May 2011	Aug 2011	Jan 2012
• Ministries submit draft KPIs for discussion	• Prime Minister-Minister Year-end 2010 Review is conducted • 2011 Ministers' Scorecards are finalised • Cabinet "Away Day" is held	• Strategic Reform Initiative (SRI) KPIs for 2011 are incorporated into the Ministers' Scorecards	• Prime Minister-Minister Mid-year 2011 Review is conducted	• Prime Minister-Minister Year-end 2011 Review is conducted • 2012 Ministers' Scorecards are finalised

An improved MKRA approach in 2011

The experience gained from 2010 was put to good use with several changes made to the MKRA effort in 2011. While the spirit of the initiative remained the same – to focus on key functional areas within the respective Ministries, the approach was further refined.

In 2011, there was a conscious effort to ensure more KPIs were outcome-based rather than being process-driven in view of the importance of the MKRA. Also, all ministers had MKRA components in their scorecard in 2011 unlike the previous year, where only non-NKRA Lead Ministers carried MKPIs in their scorecards.

2011 Overview of the Ministerial Key Result Areas

"The Prime Minister wants all ministers to be on the ball with the transformation programmes and to be more progressive with the implementation of projects. He wants us (ministers) to go to the ground and reach out to the masses and enlighten them on programmes being carried out, what we do and our objectives. For my ministry, we have to hold regular dialogues with NGOs because we work closely with them in getting feedback, including on major concerns like flood mitigation and other issues. The review session is a very enlightening and productive session, whereby the KPIs of all ministries are reviewed."

- Datuk Seri Douglas Uggah Embas, Minister of Natural Resources and Environment

As a result, in 2011, all 29 ministers had MKPIs in their scorecard. In addition, with the implementation of Economic Transformation Programme (ETP) in October 2010, National Key Economic Area (NKEA) KPIs were also incorporated into the Ministers' Scorecards.

Following the Prime Minister-Minister Review in January, the Ministers' Scorecards were finalised which incorporated comments or new areas of focus as directed by the Prime Minister. A Cabinet "Away Day" was also held to provide an opportunity to garner feedbacks from other ministers on the MKPIs set for 2011.

May 2011 saw the incorporation of additional KPIs from the implementation of the Strategic Reform Initiative (SRI) in the scorecard of relevant ministries. Following these changes, weightage systems to assess ministers' performance were reviewed accordingly.

MKRA achievements 2011

The achievements of the MKRAs in 2011 are not comparable with the achievements in 2010 as the Minsters' Scorecards in 2010 only comprised NKRA and MKRA KPIs, whereas in 2011 their overall achievement was an aggregate of the NKRA, NKEA, SRI and MKRA components. In terms of results, 294 or 91% of the 324 MKPIs set in 2011 were achieved. The lower performance is due to the fact that targets set were more stretched and outcome-based while the overall achievement was an aggregate achievement of the NKRAs, NKEAs, SRIs and MKRAs.

MKRA SUCCESS STORIES

Among the many MKRA success stories, we have chosen to highlight the efforts of the Ministry of Works, the Ministry of Green Technology and the Ministry of Health in 2011, all of which had a positive impact on the rakyat.

MKRA Success Story #1 – Ministry of Works

In 2011, the Ministry of Works undertook the responsibility of carrying out rehabilitative works on areas known as "blackspots" with the goal of reducing road accidents.

The term blackspots refers to locations on federal roads and highways where at least three of the same type of accidents or five different types of accidents, have occurred in the past three years within a 50-metre radius due to engineering factors. The impact of this initiative will only be measured in 2012. However, the following report indicates the outcome of similar initiatives since 2009.

Statistics of road accidents in Malaysia show an increasing trend from 2006 to 2010 but with a reduction in the numbers of injuries and fatalities due to the safety enhancements made to the quality and condition of roads. The government through the Ministry of Works has put in place various programmes and initiatives to address accident spots and dangerous stretches along roads. The rehabilitation of road accident blackspots serves to enhance safety by reducing road accident fatalities and serious injuries.

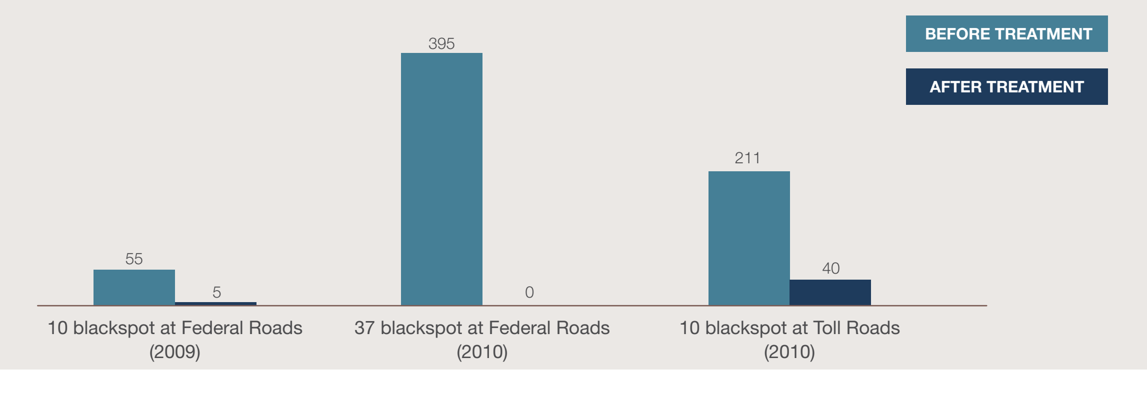
The remedial works carried out by the Ministry of Works consists of the following:

- Road resurfacing to improve skid-resistance properties;
- Installation of guard rails, flexible posts, road studs, LED Chevron signage and rumble strips;
- Road widening of junctions and road shoulders;
- Street lighting at junctions;
- Installation of medians; and
- Construction of acceleration and deceleration lanes.

The rehabilitation of road accident blackspots has delivered significant outcomes:

- 10 of 183 blackspots at Federal Roads were rehabilitated in 2009, resulting in an accident reduction rate of 90.91%;
- 37 of 93 blackspot locations at Federal Roads were rehabilitated in 2010, resulting in a 100% reduction in accidents from 395 accidents to 0 accidents; and
- 10 blackspots along Toll Roads were rehabilitated in 2010, resulting in a reduction of 81.04% of accidents from 211 accidents to 40 **(Figure 1)**.

Figure 1: Statistics of Accidents Before and After Treatment of Road Accident Blackspots



2011 Overview of the Ministerial Key Result Areas

F0001, Seksyen 270, Jalan Seremban - Tampin, Daerah Tampin, Negeri Sembilan.

Before

After

Issues

- No storage lane on the right curve
- Insufficient signage
- Illegal access
- Inadequate sight distance
- Improper installation of guardrail

Rehabilitation Activities

- Installation of road studs
- Installation and repair of guardrails
- Construction of yellow tranverse bars
- Road markings
- Increase in signage
- Widening of the road
- Construction of medians
- Installation of lamposts
- Construction of an additional lane

Laluan F0008, Seksyen 197, Jalan Gua Musang – Kuala Lipis, Daerah Gua Musang, Kelantan Darul Naim.

Before

Issues

- Substandard curve
- Damaged amber light
- Impaired sight distance due to trees
- Insufficient and damaged Chevron delineator
- Absence of signage indicating corners and intersections

After

Rehabilitation Activities

- Installation of concrete barriers
- Repair and addition of amber lights
- Tree-felling
- Repair of super-e and resurfacing
- Widening of the road shoulder
- Road marking, hatching (coloured skid (red) and tranverse bars
- Installation of chevron solar and road studs
- Installation of lamposts at the intersection
- Installation of warning signage

2011 Overview of the Ministerial Key Result Areas

MKRA Success Story #2 – Ministry of Energy, Green Technology and Water (KeTTHA)

As for the Ministry of Energy, Green Technology and Water (KeTTHA), its efforts to reduce the System Average Interruption Duration Index (SAIDI) have shown substantial progress.

In setting its 2011 targets, the Ministry focused on six states in Peninsular Malaysia as compared to 2010 when it looked at the Peninsular as a whole. This allowed the ministry to provide better services to consumers in Perak, Kedah, Johor, Pulau Pinang, Kelantan and Selangor – states which had been identified as having the highest occurrences of service disruption.

The Ministry's targets and the actual results achieved (as of December 31, 2011) are as follows:

	State	Target (minutes/consumer per annum)	Actual result (minutes/consumer per annum)
1.	Perak	160	119.74
2.	Kedah	110	87.18
3.	Johor	99	78.03
4.	Pulau Pinang	99	76.56
5.	Kelantan	75	72.78
6.	Selangor	74	61.34

For the 2010/2011 financial year, Tenaga Nasional Berhad (TNB) allocated approximately RM1.5 billion towards developing and improving the supply of electricity in Peninsular Malaysia. TNB also strengthened and improved the division and delivery system to reduce the rate of interruptions. As a result of these efforts, TNB's customers on the Peninsular, who number more than 7.56 million, enjoyed a higher quality of service (in terms of electricity supply) in 2011.

KeTTHA also had the MKPI of reducing SAIDI in Sabah in 2011. The supply of uninterrupted electricity to Sabah's rural consumers is a challenge due to the state's poor road network in its interior areas. These were the outcomes:

	SAIDI Sabah (minute/consumer/per annum)				
Year	**2009**	**2010**	***2011 (as of December 31, 2011)**		
Target	-	700	Sabah Sector 1 Sector 2 Sector 3	: : : :	700 400 700 700
Actual result	2,867	687	Sabah Sector 1 Sector 2 Sector 3	: : : :	494.64 307.66 652.28 990.8

Note: Targets were set for Sectors 1, 2 and 3. Each sector was categorised based on rate of development and population density

The year also saw Federal funding allocated to state electricity board, Sabah Electricity Sdn Bhd (SESB), for it to implement projects to reduce SAIDI in Sabah. These projects comprised:

- A second line from the Kota Marudu Main Division Substation (PPU) to the Pitas PPU;
- A second line from the Keningau Main Intake Substation (PMU) to the Tambunan PPU;
- A second line from the Keningau PMU to the Nabawan PPU;
- A second line to the Beluran PPU;
- A second line from the Beaufort PMU to the Kayul PPU; and
- The rehabilitation of the TshunNgen PPU.

2011 Overview of the Ministerial Key Result Areas

MKRA Success Story #3 – Ministry of Health

In 2010, there was a 11% jump in dengue cases with 46,171 cases reported as compared to 41,486 cases in 2009. Reported deaths resulting from dengue also rose by a higher margin of 52%, from 88 deaths in 2009 to 134 deaths in 2010.

Based on these statistics, the Ministry of Health embarked on proactive steps to arrest the spread of dengue. They did this by intensifying COMBI or Communication for Behavioural Impact projects to encourage public participation in eradicating breeding grounds for Aedes mosquitoes.

As at October 2011, a total of 2,178 COMBI projects had been set up and 208 of these were executed by non-governmental organisations (NGOs). This was a 207% increase over 2010 where only 1,052 COMBI projects had been established.

In addition, the Ministry of Health also erected 30 billboards in dengue hotspots in Selangor and Kuala Lumpur to educate the public on the danger of dengue in their localities. Celebrity Aznil Nawawi was also appointed as the icon for the Jom Ganyang Aedes drive to raise awareness on *gotong-royong* activities.

As a result of the concerted efforts of the Ministry of Health, government agencies and the public, as of 20 November 2011, a drop in dengue cases was reported throughout the country. A total of 17,450 cases were reported, compared to the 42,914 cases for the same period in 2010. This marked a remarkable 59% decline in dengue cases.

This trend was also reflected in the reduced number of dengue-related deaths. From January to 20 November 2011, some 28 deaths were reported, compared to 125 deaths for the same period in 2010 – an impressive drop of 78%. Initiatives by the Ministry of Health have garnered other positive results, such as the 81% drop in the number of dengue hotspots declared in 2011 i.e. 107 hotspots in 2011 in comparison to 572 hotspots in 2010.

Another MKPI of the Health Minster is to ensure those seeking outpatient treatment should receive their medicines within 30 minutes. The Ministry of Health has strived to improve the quality of its pharmacy services in light of the rising number of patients visiting government hospitals and clinics.

2011 Overview of the Ministerial Key Result Areas

The ministry embarked on several initiatives to ensure success of this MKPI including the implementation of the Appointment System for obtaining medication, Drive-Thru Pharmacy and Pos 1Malaysia service. These initiatives, not only makes it more convenient for patients to collect repeated dosages of their medication but also reduces waiting time at the pharmacy counter.

As of October 2011, all hospitals and 357 clinics under the purview of the Ministry of Health offer at least one of the services under the Appointment System. The appointment system especially Telephone/SMS & Pick service in particular, has met encouraging response from patients.

The Drive-Thru Pharmacy initiative was introduced at Hospital Pulau Pinang and Hospital Tuanku Fauziah in Kangar, Perlis. From these two hospitals, this service was expanded to nine other medical facilities under the Ministry of Health.

Like other Drive-Thru counters, customers need only drive past a special counter for their repeat medication which, based on their prescriptions, has already been packed for collection. As patients have clearly benefited from the convenience of the Drive-Thru Pharmacies, the Ministry of Health will consider these elements when planning and designing future medical facilities.

With the setting up of the Pos 1Malaysia service, patients no longer have to make repeated visits to a medical facility to obtain further dosages of their medication.

For a fee as low as RM5, medicine can be dispatched to any destination nationwide, while deliveries from Peninsular Malaysia to Sabah and Sarawak and vice versa will cost only RM8. To date, 39 government pharmacies, particularly those at state hospitals, are already providing this service. As of October 2011, 96.5% of some 27,272,002 prescriptions were dispensed within 30 minutes.

Setting higher benchmarks

The MKRA initiative continues to be a catalyst in bringing about internal and structural changes to the government bureaucracy with people-centric outcomes and result-oriented goals at the heart of everything the government does today. It has also played a significant part in heralding a new way of government – the development of a service-based and result-oriented administration that is focussed on serving the people in line with the aspirations of 1Malaysia, People First, Performance Now.

In maintaining this spirit of continuous transformational change, 2012's MKPIs have been set with further stretched and outcome-based targets to compel ministries and agencies to strive even harder. This emphasis on outcomes will continue to be a key feature in 2012 when setting the appropriate MKPIs.

On their own, the MKRA efforts have achieved much. Working in tandem with the various NKRAs, NKEAs and SRIs, the MKRA initiative plays a fundamental role in enabling the GTP to reach its fullest potential.

When one considers the various indirect benefits i.e. the transforming of public service delivery, the lives touched and so on, the MKRA initiative stands tall on its own as a truly transformational vehicle bringing about tremendous benefits to the government, the people and the nation.

The International Performance Review (IPR)

2011's GTP – independently assessed and objectively verified

While we in Malaysia may view the GTP as a highly successful transformational programme that has delivered on its promise of unprecedented change, it is not enough to assess the GTP based on domestic or internal perspectives alone. It is only right that we subject the GTP to a final rigorous assessment by an independent, international third party with no vested interest in its outcomes. Only when the GTP passes the careful scrutiny of such a body and receives their vote of confidence, can we truly say that the GTP has proven itself.

To this end, the government once again sought the views of the International Performance Review (IPR) Committee to provide an outside-in perspective of how 2011's GTP fared. The Committee was tasked with a robust and analytical role: to appraise and assess as well as comment and critique the 2011 GTP as a whole without fear or favour. In this manner, the government hoped to gain a clearer account of the programme's effectiveness while garnering valuable insights into how to fuel continuous improvement for 2012 and beyond. We have no illusions about our achievements to date. We know that while the GTP has delivered on its many promises, much more work needs to be done. The views of this international panel of experts will enable us to take stock of how far we have come and how far more we have to go.

Leveraging expert outside-in perspectives

The following pages present an overview of the credentials of the members of the 2011 IPR Committee, some of whom formed part of 2010's line-up and some of whom are new. The members of 2011's IPR Committee comprise a distinguished line-up of external experts, many of whom are acknowledged internationally as leading authorities in their respective fields and who have served in various capacities with leading international organisations and governments. Some of them have also been involved in similar transformation programmes elsewhere and are thus suitably qualified to discuss the merits of Malaysia's own GTP.

We also present here an overview of the review process, the key points presented by the IPR Committee to the Cabinet as well as their individual feedback and recommendations to bolster GTP efforts.

Members of the IPR Committee

With years of experience and a wealth of expertise to their names, these well respected individuals were invited to evaluate both the GTP and ETP programmes. They spent several days at the IPR Committee sessions as well as the Cabinet Away Day in Putrajaya in February 2012.

The International Performance Review (IPR)

Mr. Michael J. Hershman

Co-founder of Transparency International; current President of Fairfax Group

Michael Hershman is an internationally recognised expert on matters relating to transparency, accountability, governance, litigation and security. The Fairfax Group, which he founded in 1983, has been retained by governments, corporations, law firms and international financial institutions to assist on matters relating to the conduct of senior-level officials and/or the entities with which they do business.

Mr. Hershman, along with Peter Eigen in 1993, also co-founded Transparency International, the largest independent, not-for-profit coalition promoting transparency and accountability in business and in government.

For the past 28 years, Mr. Hershman through the Fairfax Group has been called upon repeatedly to respond to transparency issues by governments, public and private companies, law firms and individuals.

Mr. Hershman began his career with US military intelligence in Europe specialising in counter-terrorism. After leaving the military, he served with the New York State Attorney General's Office and the Office of the Mayor of New York City, investigating government misconduct and financial fraud. Mr. Hershman was also a senior staff investigator for the Senate Watergate Committee and the chief investigator for a joint Presidential and Congressional commission reviewing state and federal laws on wiretapping and electronic surveillance. He also served with the Federal Election Commission as Chief Investigator, where he was responsible for audits and investigations of candidates and their campaign committees.

For the past 12 years, Mr. Hershman has been a member of Interpol's International Group of Experts on Corruption and now serves as Vice Chairman. In 2008, 2009 and 2010, he was named to the Ethisphere Institute's list of the top 100 most influential people in business ethics worldwide. He is also a member of the International Anti-Corruption Conference Committee and an independent compliance advisor to the board of directors of Siemens AG.

Mr. Hershman has given hundreds of speeches throughout the world on issues related to transparency and accountability. He has provided commentary and been published extensively in various international media. For five years he was the co-host of the *Public Radio Law Show*.

The International Performance Review (IPR)

Mr. Stephen Sedgwick

Australian Public Service Commissioner

Mr. Sedgwick has had a long and distinguished career in the public sector, having served in a number of departments beginning in 1972. He was Secretary to the Commonwealth Departments of Finance, Employment and Education between 1992 and 2002, and was a member of the Board of the Asian Development Bank for five years until 2007. He became Australian Public Service Commissioner in December 2009 after a period as Professor and Director of the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne.

Mr. Sedgwick graduated with Honours in Economics from the University of Sydney and holds a Master's Degree from the University of London (LSE).

He is currently a member of the Board of the Sir Roland Wilson Foundation, the Advisory Council of the ANU Crawford School of Economics and Government, the Advisory Board for the Australian National Institute for Public Policy, the Board of Directors of the Commonwealth Association for Public Administration and Management, the Advisory Group for the Australian Human Rights Commission Male Champions of Change Research Project, and the ACT Government's Learning Capital Council.

The International Performance Review (IPR)

Dr. Ravi Balakrishnan

Resident Representative, International Monetary Fund (IMF)

Dr. Balakrishnan is currently the International Monetary Fund's Representative based in Singapore. He started his career at the Bank of England and Bank of Spain before joining the IMF in 2001. Since then, he has worked on various countries, including Bolivia and the United States, as well as on the World Economic Outlook, before taking up his current position. As Resident Representative, he has been actively involved in the Fund's work on Malaysia and Singapore, on capital flows to the region, and on inclusive growth.

More generally, Dr. Balakrishnan's policy and research interests are on labour and job dynamics, inflation dynamics, exchange rate dynamics and capital flows, as well as capital markets and financial systems. His research has been published in several professional journals.

Dr. Balakrishnan holds a M.Sc. and PhD in Economics from the London School of Economics (LSE) and a BA Honours from Churchill College, Cambridge University.

The International Performance Review (IPR)

Dr. Yukon Huang

Senior Advisor, Carnegie Asia Programme, formerly the World Bank's Country Director for China

Dr. Yukon Huang is a Senior Associate at the Carnegie Endowment in Washington DC and was formerly the World Bank's Country Director for China.

Prior to his World Bank assignment in China, he was the World Bank's Director for Russia and the former Soviet Union, and earlier the Lead Economist for Asia. He has held positions at the US Treasury and professorships at various universities in the USA and abroad.

Dr. Huang is currently an advisor to the World Bank and the Asian Development Bank, as well as various governments and corporations. He was also a member of the National Economic Advisory Council to the Prime Minister of Malaysia.

Dr. Huang has been published widely on development issues in professional journals and popular media. He is an A-List contributor to the *Financial Times* and his writings are frequently seen in outlets such as the *Wall Street Journal* and *Bloomberg*.

He holds a PhD in economics from Princeton University and a BA from Yale.

The International Performance Review (IPR)

Mr. HK Yong

Adviser on Public Private Partnership and Corporate Governance, Commonwealth Secretariat, London

As the PPP Adviser, Mr. Yong provides advisory and capacity-building support on PPP to the 54-member countries in the Commonwealth.

Mr. Yong has more than 30 years' experience advising public and private sectors on Public-Private Partnerships (PPP), privatisation, project financing and strategic planning.

Mr. Yong holds a B.Eng (Hons) in Civil and Structural Engineering (UK), an MBA (UK), a Diploma in Corporate Treasury (UK), and a Postgraduate Diploma in Islamic Studies from ISTAC, International Islamic University, Malaysia. Mr. Yong qualified as a Chartered Accountant (England and Wales) with Deloittes, Haskins and Sells, UK. He has published widely on issues in PPP and edited the book, *Public-Private Partnerships Policy and Practice – a Reference Guide*.

His views expressed here are his own.

The International Performance Review (IPR)

Dr. Homi Kharas

Senior Fellow and Deputy Director at Brookings Institution, Washington D.C. for the Global Economy and Development Programme

Dr. Kharas was formerly Chief Economist for the World Bank's East Asia and Pacific region and Director for Poverty Reduction and Economic Management, Finance and Private Sector Development. He was responsible for providing advice on structural and economic policies, fiscal issues, debt, trade, governance and financial markets.

Dr. Kharas has recently served as a Non-Resident Fellow of the OECD Development Centre and a member of the National Economic Advisory Council to the Malaysian Prime Minister. He was a member of the Working Group for the Commission on Growth and Development, chaired by Professor A. Michael Spence.

Previously, between 1990 and 1991, Dr. Kharas was a Senior Partner with Jeff Sachs and Associates, advising governments in Eastern Europe and the Soviet Union on transition.

Dr. Kharas holds a Ph. D. in economics from Harvard University. His research interests are now focused on global trends and the middle class, East Asian growth and development, as well as international aid for the poorest countries.

Sir Michael Barber

Chief Education Advisor, Pearson PLC, UK;
Formerly Chief Advisor in British Prime Minister Tony Blair's Administration

Sir Michael Barber is a leading authority on education systems and education reform. Over the past two decades his research and advisory work has focused on school improvement, standards and performance; system-wide reform; effective implementation; access, success and funding in higher education; and access and quality in schools in developing countries.

Barber recently joined Pearson as Chief Education Advisor, leading Pearson's worldwide programme of research into education policy and efficacy, advising on and supporting the development of products and services that build on the research findings, and playing a particular role in Pearson's strategy for education in the poorest sectors of the world, particularly in fast-growing developing economies.

Prior to Pearson, he was a Partner at McKinsey & Company and Head of McKinsey's global education practice. He co-authored two major McKinsey education reports: *How the World's Most Improved School Systems Keep Getting Better (2010)* and *How the World's Best Performing Schools Come Out on Top (2007).* He is also Distinguished Visiting Fellow at the Harvard Graduate School of Education and holds an honorary doctorate from the University of Exeter.

He previously served the UK government as Head of the Prime Minister's Delivery Unit (from 2001-2005) and as Chief Adviser to the Secretary of State for Education on School Standards (from 1997-2001). Before joining government he was a professor at the Institute of Education at the University of London. He is the author of several books including *Instruction to Deliver; The Learning Game: Arguments for an Education Revolution* and *How to do the Impossible: a Guide for Politicians with a Passion for Education*.

Barber was unable to make it in person to the IPR Committee sessions in Putrajaya. He was briefed and provided in-depth materials on the GTP to enable him to provide his perspectives.

The International Performance Review (IPR)

H.E. Seung Jun Kwak

Chairman of the Presidential Council for Future and Vision of the Republic of Korea

His Excellency Seung-Jun Kwak is the Chairman of the Presidential Council for Future and Vision (PCFV) which was established in April 2008 as an advisory body to President Lee Myung-bak. Despite its short history, the Council has already positioned itself as a key national organisation in the formulation of future strategies.

Prior to his work with the PCFV, Chairman Kwak served as a member of the 17th Presidential Transition Committee and later as Senior Secretary to the President for State Affairs Planning. He has also been a Professor of Economics at the Korea University College of Political Science and Economics (1995-present).

Chairman Kwak holds degrees in Economics from Korea University and a M.D and Ph.D in Economics from Vanderbilt University in the United States.

Chairman Kwak too was unable to make it in person to the IPR Committee sessions in Putrajaya. He was briefed and provided in-depth materials on both the GTP and ETP to enable him to provide his perspectives.

The role of the IPR Committee role and the IPR process

The role of the IPR Committee is to objectively assess the performance of the GTP in 2011 in terms of providing an overall perspective of the programme in 2011; highlighting the positive aspects of the GTP; and sharing insights on areas for improvement as well as best practices from other countries, if any.

From 7 to 8 February 2012, the IPR Committee went through a full two-day review of GTP and ETP efforts. During the course of these two days, the Committee was taken through detailed presentations of each NKRA and NKEA (including the work done during the labs) and the outcomes to date. The Committee was also furnished with presentations, materials, data and evidence that supported the results. As was the case in 2010, the Directors of each NKRA and NKEA were on hand to deliver detailed presentations of their respective NKRAs and NKEAs and field questions from IPR Committee members in an open and transparent manner.

Each Committee member had plenty of opportunity to ask questions and critique all aspects of the GTP and ETP. They were also given time to deliberate among themselves and prepare their feedback which was then shared with the Prime Minister, the Cabinet and the PEMANDU Secretariat. In the interest of public disclosure, the GTP findings have been published in this Annual Report. Together with the audit report or more precisely the Agreed upon Procedures (AUP) exercise undertaken by PricewaterhouseCoopers (PwC), the GTP's data has been verified and confirmed.

Insights from the IPR Committee

With regard to 2011's GTP, the IPR Committee highlighted the impressive approach, which translates vision into action.

The IPR Committee mentioned the following key points which underpin the impressive approach:

- A high level leadership and accountability, as illustrated by the Ministerial Key Performance Indicators;
- The inclusive approach taken to seek the input of the public, NGOs and the business community;
- The clarity of purpose in goals and measurable results, including the key performance indicators;
- The incorporation of last year's IPR recommendation into 2011's action plans;
- The impressive speed of implementation and delivery;
- The commitment to ensuring transparency and accountability in the reporting process with independent verification provided by PwC.

The International Performance Review (IPR)

Specific feedback on NKRA initiatives

The IPR Committee also provided further insight with respect to the individual NKRAs:	
Reducing Crime NKRA	Crime rates have reduced significantly and continue to be reduced. Malaysia has received international recognition for its efforts (for example, Global Peace Index 2011 and World Justice Project Rule of Law Index 2011).
Fighting Corruption NKRA	While corruption is difficult to tackle and measure, a stronger infrastructure has been put in place to show seriousness and commitment. The Whistleblower Act and Corruption courts shows that Malaysia is making innovative and great strides in fighting corruption. Petty corruption is being addressed but more emphasis is needed on grand corruption. Malaysia is being watched by the international community and greater focus on the latter will see Malaysia improve its perception score on international indices. The Committee recognises and compliments Malaysia on the implementation of its first Integrity Pact on the MRT project. This is a positive step that sets out transparency and accountability and it is hoped will be extended to other government and GLC projects. On grand corruption, the government should implement a strong risk management approach. This relates to identifying the high risk corruption sectors such as energy, defence, telecommunications, the relevant vulnerabilities; and instituting strong checks and balances. There should also be encouragement of freedom of the press/ information and efforts to further reform political financing.

The IPR Committee also provided further insight with respect to the individual NKRAs: (continued)	
Improving Student Outcomes NKRA	The increase in pre-school class enrolment and the focus on teacher and school quality shows that Malaysia has sets it sights on some of the right areas to improve its education system. The committee commended the comprehensiveness of the LINUS database. Going forward, lifting Malaysia's education standards to international benchmarks such as PISA, TIMMS – should be one of the key targets be it under the GTP or ETP. This is one area where there should be greater alignment between the GTP and ETP. There should also be a bolder approach to teacher training and development, helping produce high-calibre teaching staff for Malaysia's primary and secondary schools.
Raising Living Standards of Low-Income Households NKRA	The efforts here are commendable as illustrated by the broad range of interventions, although it will take time for their full impact to be felt.
Improving Rural Basic Infrastructure NKRA	The scale of improvement, which is targeted at the poor, is impressive.
Improving Urban Public Transport NKRA	Despite the drop in modal share of public transport, there have been commendable improvements. Going forward, the government should consider the impact that fuel subsidies have on the reluctance of passengers to switch from using cars to taking public transport. In particular, will the current levels of fuel subsidies impede further progress in increasing the modal share of public transport?

The International Performance Review (IPR)

The IPR Committee also provided further insight with respect to the individual NKRAs: (continued)	
Addressing the Rising Cost of Living NKRA	The issue of perception (with regard to the Cost of Living NKRA) must be managed effectively. In particular, entitlement programmes are difficult to get rid of once implemented. Moreover, consistency of the measures with fiscal sustainability and the overall fiscal envelope is an essential consideration. More generally, notwithstanding the importance of delivering results on issues that matter, the Committee was not sure whether this should be an NKRA. The main purpose of the GTP was to transform government rather than alleviate shorter term cost of living pressures. While these are undoubtedly important measures to tackle, it was not obvious that such measures should be under the purview of the GTP. Finally, some of the suggested measures (petrol rebates and reducing transportation import and excise duties) would not just worsen the fiscal position but would also reduce incentives to take public transportation.

Recommended areas for improvement

Top-level recommendations

Continuing to push the envelope

- The GTP process must continue resisting the temptation to set easy targets and should instead set challenging ones and ambitious goals. These targets are to be supported by clear communication, verifiable data and global benchmarking, hence enhancing the credibility of the programme in the eyes of the public.

Balancing between short-term fixes and long-term solutions

- It is important that the GTP establishes a clear balance between the desire to have an immediate but short-term impact and its long-term goal of transformation. For instance, in the case of fighting corruption, it is essential that efforts go beyond addressing activities such as petty corruption to tackling grand corruption. And improvements in this area over the long-term will have a considerable effect on Malaysia's ranking in the international corruption perception indices.

  Likewise, rather than having measures to simply address short-term cost of living pressures (as seems to be the focus of the Cost of Living NKRA), the focus should be on making growth more inclusive by enhancing social safety nets and improving the supply chain.

Sustainability and institutionalisation

- It is critically important that the reforms under GTP (be it the efforts to tackle bureaucratic administration or change organisational culture) are deeply rooted within the civil service. There must be greater buy-in and ownership from civil servants to make the GTP sustainable and part of everyday public life. The GTP should also have a clearer integration within the existing budget framework.

Better integration between the GTP and ETP

- While both programmes are relatively new (i.e. the ETP has just finished its maiden year), this is an opportune time to consider how both programmes can be better integrated. There is a need to bring the aspirations of the ETP and GTP together so there is long-term planning and sustainability.

- On many occasions, the objectives of both programmes are complementary. The challenge is to better identify these alignments, remove roadblocks to integration, and promote knowledge-sharing that will allow cross-functional progress between the goals of the GTP and ETP.

Aligning pricing and other incentives with policy objectives (e.g. urban public transport)

- The Committee highlighted that there needs to be congruence between pricing and policy objectives. For example, reducing road tax and petrol subsidies to reduce cost of living pressures will likely detract from the efforts to increase public transport ridership under the UPT NKRA. The Committee also suggested that further consideration should be given to the linkages between the NKRAs and other government efforts.

Managing Perception

- The Committee agrees that perception management is key to ensuring the success and sustainability of the GTP.

- Critically, in managing perception, the government must continue to gather feedback and respond adequately and in a timely manner to this input. By constantly seeking to “take the temperature” and feeling the pulse of the people, the government will be in a better position to address perception issues.

> Progressively, as the GTP heralds change, it is also helping to improve Malaysia's branding and image in the international area. The transformation process has caught the attention of many countries.
>
> - Mr. Michael Hershman

> The GTP should keep its focus on outcomes not processes, break down barriers and ensure the culture of the programme becomes deeply embedded in the civil service. Then the "lived experiences" of people dealing with government will also change.
>
> - Mr. Stephen Sedgwick

Individual comments from IPR Committee members

Mr. Michael Hershman

Having assessed the GTP in its inaugural year, I am pleased to once again be given the opportunity to share my views with the government of Malaysia. The GTP is an impressive approach to transforming government. It has successfully translated vision into action. Quite often, many change programmes have difficulty moving from aspirations into real action and outcomes. The GTP has proven that this is very much possible.

By involving high level leadership and accountability (MKPIs), keeping goals and targets people-centric and with undivided focus, the GTP has brought real change to the country. Progressively, as the GTP heralds change, it is also helping to improve Malaysian's branding and image in the international area. The transformation process has gained traction and caught the attention of many countries.

Mr. Stephen Sedgwick

I commend you for responding positively to a number of the suggestions that we made last year.

One of the GTP's strengths is its approach in addressing issues identified by the public and developing a reform agenda that is linked to these needs. It is true that at times, some of the changes brought on by the GTP may not benefit everybody directly. Governments always have to make choices - weighing the particular interests of one group against those of the nation. The key is to communicate the bigger vision and present to the people how the proposed reforms are making a real difference through performance indicators; demonstrate that different groups are treated fairly; and show that in the end, the entire nation will be better off.

The GTP should keep its focus on outcomes not processes, break down barriers and ensure the culture of the programme becomes deeply embedded in the civil service. This is one of the keys to ensuring the sustainability of the process. Then the "lived experiences" of people dealing with government will also change. Ultimately, it is the lived experience of the people that will have a more profound impact on changing perceptions.

The International Performance Review (IPR)

> There have certainly been many successes but as always, there are areas for improvements. And transformation doesn't happen overnight—the challenge will be to sustain the efforts over the years to come.
>
> - Dr. Ravi Balakrishnan

> The challenge now is for government to consider long-term sustainability vs. political implications and be willing to deal with difficult policy issues for the betterment of the country. The involvement of civil society at every level of discussion is important and should be pursued in all programmes, especially the GTP and ETP.
>
> - Dr. Yukon Huang

Dr. Ravi Balakrishnan

The GTP continues to gain traction and has made good progress in its first two years. Having been on the committee last year, I particularly welcome the audit by PWC and continue to be impressed by the level of public consultation.

The real key to transformation, however, is to sustain the efforts over the long-term and embed them in the civil service. Going forward, better aligning the objectives of the GTP with those of the ETP should payoff in having a more internally consistent policies. For example, the level of fuel subsidies (ETP) clearly have an impact on attempts to increase the use of public transportation (GTP). Moreover, many of the SRIs under the ETP are really about transforming government and so should be made consistent with objectives under the GTP.

It is also essential to make sure that all measures are consistent with a sustainable medium-term budget. To ensure this, the GTP should be fully integrated into the budget framework.

Dr. Yukon Huang

It is heartening to see that under the Education NKRA, rural schools can also excel and improve, when given the right support. Under the LIH initiative, the government has done well to support a variety of socio-economic programmes. This is no easy task and the effort is commendable.

As the GTP stands, the challenge now is how will the government maintain the momentum of excellence? With Horizon 2 not far away, will there be new programmes or will the GTP continue its existing initiatives?

On a separate note, the government must consider long-term sustainability vs. political implications. It must be willing to deal with difficult policy issues for the betterment of the country. The involvement of civil society at every level of discussion is important. The course of civil society should be pursued in all programmes, especially the GTP and ETP.

> In my work with Commonwealth countries, I have not seen anything like the GTP. It harnesses the key strengths of the government and private sector to deliver results for the people.
>
> - Mr. HK Yong

> Given the achievements of the GTP and the ETP, it is evident that Malaysia is discovering its own path to becoming a high-income, advanced nation. Malaysia is doing many of the right things and is also doing things right.
>
> - Dr. Homi Kharas

Mr. HK Yong

In my work in the Commonwealth countries, I have not seen anything like the GTP. It is a unique and radical approach driven by outcome that clearly works and has gained traction. It harnesses the key strengths of the government and private sector to deliver results for the people.

I am impressed by the approach whereby there is encouragement to accomplish more with less resources. The 30,000-feet macro view to 3-feet implementation view of doing things, together with detailed monitoring and evaluation system are impressive. They help to avoid 'missing the forest for the trees'. The approach allows for feedback and appropriate revision to the implementation plans. Transformation takes time. The GTP is still work-in-progress but the quintessential building blocks are in place for the future. Momentum must be maintained, and there must be continued discipline and commitment to stick to the journey. The government must be bold to deal with key political economy issues that can impact the success of the programme. I expect to see much bigger results in 2012 as the key initiatives gain further traction.

Dr. Homi Kharas

The GTP has shown great promise and potential to transform Malaysia into a high-income nation by 2020. Such a transformation is needed for Malaysia to avoid falling into the middle-income trap. If Malaysia is to become a high-income nation by 2020, its economy must become more competitive, innovative and dynamic (as per the ETP) and its government must become speedier, more efficient and provide more value for money (as per the GTP). At present, the GTP and ETP are conceived of and managed as separate programmes. This is not surprising given the history of their separate origins. But because they interact in important ways, any lack of coordination between them can affect the achievement of targets.

There needs to be greater linkage between the two programmes by explicitly discussing sequencing. For example, raising the share of public transport (under the GTP) is unlikely to be feasible without faster progress on petroleum subsidy reduction (under the ETP). This also applies to education. The divide right now is artificial and precludes raising issues of how the progress on secondary schooling (part of the GTP) affects the policies towards higher education (part of the ETP).

Given the achievements of the GTP and the ETP, it is evident that Malaysia is discovering its own path to becoming a high-income, advanced nation. Many countries fall into the middle-income trap when they do not adjust to a changing world. Malaysia's impressive transformation programme shows it is determined to do things differently. Under the GTP and ETP, Malaysia is doing many of the right things and is also doing things right.

The International Performance Review (IPR)

> I would urge in each NKRA, that this time the labs do not just produce a list of initiatives, however good, but an entire reform strategy, based on global best practice. The labs should also propose good ways of further developing effective leadership, management and drive for implementation within each NKRA system.
>
> - Sir Michael Barber

Sir Michael Barber

Once again, the GTP has outdone itself and produced a string of impressive results for Malaysia. Personally speaking, I do not know of any other government in the world that has adopted such an approach and delivered such big fast results across such a wide range of public sector outcomes.

There is no doubt that the success achieved is due to the continued focus, energy and drive from the highest levels of government, right through the Cabinet, the civil service and other branches of the public sector. This also includes the efforts and commitment of Malaysia's many public servants.

We have seen impressive results across the various NKRAs. In my view, the most impressive were the dramatic reduction in crime and the milestones achieved in providing rural basic infrastructure to millions of Malaysians. However, the good work done via the other NKRAs too is definitely worthy of praise.

With regards to crime, the big drop in crime rates for two consecutive years has clearly changed public perception as well as reality. This is crucial. The sheer number of lives positively touched by rural basic infrastructure efforts over these two years, after years of lacking basic amenities, must be very welcomed by the local people. It was also good to see the progress against corruption, but the catch is to change global perceptions. This will require the numbers from Transparency International to shift significantly.

On education, the progress is impressive here as well but there needs to be a shift from a range of initiatives, each desirable, to a comprehensive strategy. I am glad to see the strong emphasis on data integrity which is vital going forward.

Speaking from a more general perspective, I welcome the lessons learned section on each NKRA and think there is insight here to draw on significantly in Horizon 2. I think the shift to Horizon 2 is well-timed and appropriate. It is right to delve deeper into each area and to seek not just to build on what has been done, but to accelerate progress. Using labs, which PEMANDU has done so well, continues to makes good sense.

I would urge in each NKRA, that this time the labs do not just produce a list of initiatives, however good, but an entire reform strategy, based on global best practice, which also would enable coordination (as is clearly needed on both transport and rural basic infrastructure as well as education). In addition, the labs should also propose good ways of further developing effective leadership, management and drive for implementation within each NKRA system.

> Despite the short period of implementation, the outcomes of the GTP and its NKRAs have been significant.
>
> - H.E. Seung Jun Kwak

H.E. Seung Jun Kwak

Despite the short period of implementation, the outcomes of the GTP and its NKRAs have been significant. In particular, the results from the Crime and Education NKRAs, in my opinion, have been excellent.

The two-digit decrease in Index and Street Crime rates and enhanced pre-school classes, respectively are just two of the many commendable highlights from these NKRAs. It is meaningful that programmes to reduce crime have been effective in practice, along with the introduction of the evaluation and feedback system on the crime reduction efforts.

The introduction of a national pre-school information system and a national level web-based data system is impressive because these will become an important basis for developing new education policies from now on. It is notable that Malaysia has continuously made bold investments in education despite the global economic slowdown. This is especially evident in the expansion of pre-school classes which has enabled early public education and performance evaluation which will provide customised education by screening low performing schools and students.

The prevention of corruption is not an easy task, as it is closely related to the reform in the social structure and culture. However, progress is notable in the public-private cooperation system, collaboration among government agencies and reward guidelines.

On a separate note, Malaysia is providing jobs through vocational training for the poorer members of its society. This approach of teaching them how to fish rather than relying on hand-outs is the way forward as it is sustainable and builds independence in the long run.

With regard to rural basic infrastructure efforts, for more balanced development among regions, construction of roads needs to come first prior to electricity supply and housing construction. For efficient implementation of policies, better coordination and cooperation among agencies dealing with electricity and water supply and housing construction is necessary.

For urban public transport to become the mode of choice for people, it is necessary to continuously expand bus and railway (subway) facilities in KL city and attract people who are riding motorcycles to take a bus and the subway.

The International Performance Review (IPR)

Last but not least, the rising cost of living indeed is a global issue and Malaysia is clearly taking measures to address this. Among food, housing, transport and utilities, support for housing needs to be expanded including providing more housing supply. Cash provided to households with monthly income of below RM3,000 will be helpful in the short-term, but cannot be a fundamental solution in the longer term.

Going forward, I would recommend that the Malaysian Anti-Corruption Commission (MACC) be separated from the Prime Minister's Office to give it more independence.

The GTP has a timeframe of 10 years and as such, it is possible that the general public may not feel the actual progress. Therefore, continued efforts are necessary to attract people's attention throughout this period via various channels and methods.

Big Fast Results Seminar

Transforming a nation through Big Fast Results

The nation took an unprecedented step to share Malaysia's transformation methodology to an international audience comprising of 50 delegates from 14 countries recently at the Big Fast Results (BFR) Seminar 2011 held at The Westin Kuala Lumpur from 21-24 November 2011.

The international delegates from developed and developing countries gave Malaysia's transformation methodology a thumbs up, acknowledging that Malaysia's GTP and ETP are on the right track and delivering big fast results.

Methodology that works

The BFR Seminar was not just about presentations, but the delegates were given the opportunity to review the presentations and question the viability of the methods presented, as well as have first-hand practical experience in adopting the methodology through break-out sessions.

Big Fast Results Seminar

> We usually have meetings but these meetings are not enough to create Big Fast Results. The lab is something I will recommend back home and more importantly the inclusion of the RIGHT people is key to the success of a lab. That's what I am taking back from the lab methodology presentation today.
>
> - Ms Natinee Songkumarn, Public Sector Development Office of Thailand

"I am entirely impressed with the content and outcome of the Transformation Programme of Malaysia and the commitment that has been shown, especially by the Prime Minister, because for such an undertaking, you need the support of the highest political authority. With this singular arrangement, Malaysia seems to be achieving its ambition of becoming a first world country," said Dr. Shamsuddeen Usman OFR, Honourable Minister and Deputy Chairman of the National Planning Commission, Nigeria when asked for his view on the Seminar.

Breaking down the big picture

The initial stages of the BFR Seminar addressed the prioritisation of Malaysia's social and economic challenges which were identified from multiple public and media surveys with attention to issues that were affecting the majority of the population.

As emphasised by Dato' Sri Idris Jala during the seminar, the transformation process, must start with prioritising the needs of the people and focusing in key areas, as resources are limited. Attempting to reform everything will end in a half-baked job. Each prioritised field must then be tackled by experts for solutions which are then set into implementation templates with a detailed working methodology to ensure fast implementation and achieves the desired results.

Labs that work

The lab methodology session was very well received during the BFR Seminar. Delegates from countries such as Thailand, Indonesia, Nigeria, Botswana, South Africa and Tanzania concurred that the lab methodology practised by PEMANDU is definitely a solution that they will work towards implementing in their own countries. The labs were the source of where detailed three feet plans were robustly developed.

Three feet planning

Three feet planning zooms into action items under a plan. Each programme is drilled down to answer the issues of what are the processes involved to materialise the programme, who is the implementing agency, when is the deadline, where is the impact noticed and how to obtain the funds. Such detailed documentation will ensure all those involved are held accountable for their actions or non-actions.

The delegates were then given the opportunity to apply the day's tools in the context of their own countries. The issues prioritised by each country were used as the subject for a mock lab environment where the delegates had to innovate solutions, argue their sustainability and implementation as well as create a three feet plan for a chosen initiative.

"The delegates like the fact that we are bold in our targets, put in speed of execution, our labs, open days and that we are brave enough to publish our GTP and ETP roadmaps, and subsequently our annual reports to be accountable. This seminar has been a two way learning experience where we also got the chance to understand what they have been implementing in their respective countries."

"We are glad that delegates are energised and inspired by the lessons learnt to take on the challenges in their own countries."

- Dato' Sri Idris Jala

Buy in and accountability

Implementation alone does not measure success. The National Key Performance Indicators (NKPIs) was a new concept introduced in the Malaysian Government to ensure that ministers become more result-oriented. The process began at the announcement of the NKPI following which high impact areas for each minister were identified to measure their performance.

The delegates were also given some guiding principles on how to identify the right KPIs. The KPIs should be outcome based, provide high impact i.e. Big Fast Results, supported by the right elements and of timely relevance to the stakeholders.

The methodology also serves as a best practice whereby it emphasises on KPIs, targets and results while ensuring prudent budget expenditure.

Communicating to the public

Another crucial component to achieve Big Fast Results that were shared with the international delegates is the aspect of engagement and communication. This is not only with the rakyat but also with the Ministers, Parliamentarians and media. Due to the nature of the transformation, information needs to be disseminated in a timely and accurate manner at various level of progress. Several communication channels were developed like the published Roadmap, Cabinet Workshops, Public Open Days, Annual Report, accessing the social media channels and mainstream media rapidly to gain media coverage.

Olympian targets

"Transformation is all about setting a task so big that it consumes you. Olympic targets were what we implemented to derive Big Fast Results. The KPIs set for the GTP and ETP were the anchors of the whole effort. All recommendations and projects were channelled to contribute to the KPIs. The measurement tools held each person involved accountable for their projects and all ideas thrown in were challenged to the point of no contest to ensure there are no loopholes in the activities," espoused Dato' Sri Idris Jala.

Commendable initiative

In the penultimate session of the BFR Seminar, most delegates were clear that a key driver to start a Transformation Programme is the undivided commitment from the top leadership followed by a complete buy-in by participating parties and deriving big and viable targets.

Tweetbits from Twitterjaya

GTP Roadmap

@gtp_roadmap

The Government Transformation Programme (GTP) Roadmap defines and details the 7 NKRAs that will accelerate Malaysia's social infrastructure development.

Malaysia · http://www.pemandu.gov.my/gtp/

Affendi @Affendi4 Follow

Good to know that normal rakyat is appreciating @najibrazak national transformation RT @rosejohari Maksud NKRA = National Key Result Areas

2:15 AM – 24 Feb 12 via Reputome. Embed this Tweet

Christopher Tock @spinzer Follow

Here to make a report. Can c NKRA initiatives being done here. The police forces will now hv better quality of life...4sq.com/tbnwey

Elizabeth Lee @elee618 Follow

National Transformation Summit – NKRA: Bringing Quality Education. Do join us now. twitpic.com/8kyzsa

3:31PM – 17 Feb 12 via Twitpic . Embed this Tweet.

Muhd fadzly @KiryuYakuza Follow

Ronda NKRA bersama JPAM dan RELA. RT "@hafiz_18: @KiryuYakuza haha. Ops ape derr ? Ke jaga kawasan je ?"

7:25 PM -22 Feb 12 via Twitter for BlackBerry® . Embed this Tweet

Hishammuddin Hussein @HishammuddinH20 Follow

Results good – working on omnipresence now "@juanajaafar: @H20 How's your Crime NKRA coming along?"

10:41 PM – 22 Feb 12 via Twitter for iPad . Embed this Tweet

Hishammuddin Hussein @HishammuddinH20 Follow

"@tankengliang: Success of @PDRMsia evident #1Malaysia RT: Street #crime decreased significantly by 39.7% compared with 35% in 2010

11:10 PM – 23 Feb 12 via Twitter for iPad . Embed this Tweet twitter

Haikal Shafie
@HaikalShafie
Follow

Congratz! RT Well done #1Malaysia RT: NKRA report showing the overall #crime index for last year has dropped by 11.1% @HishammuddinH20 #fb

4:40 PM – 23 Feb 12 via web . Embed this Tweet

VAdm Kamarul
@mykamarul
Follow

Good job @PDRMsia "@gtp_roadmap: latest NKRA report showing the overall #crime index for last year has dropped by 11.1% @HishammuddinH20

8:28 PM – 23 Feb 12 via Twitter for iPad. Embed this Tweet

Noorul Ainur
@NoorulAinur
Follow

@IdrisJala_RT @NKRA_KPWKM: Shingga 30 Nov 2011, 1,000 org usahawan wanita lagi Berjaya dilatih dan dibangunkan dengan kerjasama AIM

7:13 PM – 22 Dec 11 via UberSocial for Blackberry . Embed this Tweet.

Scope Group
@scopeconsult
Follow

Hishammuddin: NKRA report shows 11.1% drop in crime index for 2011 bit.lu/wCDTe2 via @staronline (Malaysia)

9:48 PM – 17 Feb 121 via web . Embed this Tweet

Tan Keng Liang
@tankengliang
Follow

Well done #1Malaysia RT: NKRA report showing the overall #crime index for last year has dropped by 11.1% @HishammuddinH20

4:35 PM – 23 Feb 12 via web . Embed this Tweet

Yip Cheong
@yip_cheong
Follow

SK TTDI 1 is a High Performing School under the #Education NKRA initiative of the @gtp_roadmap. Keep the excellence going! @ttdiTV

3:16 PM – 13 Feb 12 via UberSocial for BlackBerry . Embed this Tweet

---

I ♥ Tizzy

TizzyCosmic
@Tizzy_Cosmic
Follow

Kegiatan tidak bermoral itu terbongkar selepas diserbu Urusetia NKRA Ibu Pejabat Polis Kontinjen (IPK) Selangor,... fb.me/1l8oENoYS

11:32 PM – 22 Feb 12 via Facebook . Embed this Tweet

Muhd Zahiruddin
@zaridabwa
Follow

Kemain sekolah ni. Nmpk je kecik tapi pernah dpt anugerah pengetua cemerlang dgn Anugerah NKRA okeh... Hebat kot

11:04 PM – 20 Feb 12 via UberSocial for BlackBerry . Embed this Tweet

Follow @gtp_roadmap for updates on GTP

2011 NKRA Performance & Expenditure Budget

NKRA PERFORMANCE AND EXPENDITURE BUDGET

In the interests of transparency and accountability, we present here a detailed summary of the NKRA performance and expenditure budget. It serves to provide readers with a quick overview of the magnitude of the GTP and its outcomes, as well the amount of public funds committed to the programme. The government continues to make this information public to ensure greater accountability and transparency in ensuring all public funds allocated to the GTP are properly utilised and that every taxpayer sen is accounted for.

One of the key distinctions of the GTP is its emphasis on cost effectiveness rather than expenditure. The approach previously adopted by the government sector i.e. viewing budget exhaustion as a measure of success, has been discarded. In its place, the GTP adopts a preference for budget savings where possible, provided such actions do not impede the achievement of the set NKPIs.

In this regard, 2011's programme has excelled with each NKRA showing varying budget savings. In 2011, a total budget of RM9.229 billion was allocated for GTP initiatives. Of this, RM8.529 billion was utilised, resulting in a savings of RM700 million or 7.58% for the year under review. The following is a snapshot of the results achieved when compared to 2010:

Year	2010 (Billion)	2011 (Billion)
Total Budget allocated	RM5.443	RM9.229
Budget Utilised	RM4.311	RM8.529
Savings	RM1.132 (20%)	RM0.700 (7.58%)

Measuring the Achievements of the GTP

Three varying scoring methodologies were used to assess the success of the NKPIs and the NKRAs. Each one has a varying level of strictness (added rules) providing three different testing benchmarks.

The rationale for this approach is to ensure that the results achieved are truly robust. The scoring methodologies are explained below:

Table 1: Scoring Methodology for the GTP	
Scoring Method	**Description**
Method One	Scoring is calculated by a simple comparison against set 2011 targets. The overall NKRA composite scoring is the average of all scores
Method Two	Scoring is calculated by dividing actual results against set 2011 targets with an added rule: • If the scoring is less than 100%, score #2 is taken as the actual percentage • If the scoring is equal or more than 100%, score#2 is taken as 100% The overall NKRA composite scoring is the average of all scores
Method Three	Scoring is calculated by dividing actual results against set 2011 targets with an added rule: • If the scoring is equal and less than 50%, score #3 is indicated as 0 • If the scoring is more than 50% and less than 99%, score #3 is indicated as 0.5 • If the scoring is equal or more than 100%, score #3 is indicated as 1

Results by NKRA

The results of each NKRA with its respective NKPIs are highlighted in the following pages. The Addressing the Cost of Living NKRA has been excluded this time around. Having only been launched in July 2011, most of the initiatives under this NKRA only commenced in the later part of the year, with results and outcomes expected to be fully realised in 2012.

For the benefit of readers, a colour code system has been used to reflect the success rate of the NKPIs. The percentages provide an accurate identification of the achievement level.

2011 NKRA Performance & Expenditure Budget

Method 1 & 2		Method 3		
Achievement%	**Traffic lights**	**Achievement%**	**Scoring**	**Traffic lights**
90% and above	Green	100% and above	1	(Y) Yes
51% to 89%	Yellow	51% to 99%	0.5	(P) Partial
50% and less	Red	50% and less	0	(N) No

* The difference between Method 1 and 2 is that if Method 2 achievement >100%, it will be capped at 100%.

* Rounding down achievement with 0.1%-0.4%; rounding up achievement with 0.5%-0.9%.

NKRA Overall Performance 2011

			Method 1		Method 2		Method 3				
No.	NKPIs	2011 Target	Score #1	Traffic Lights 1	Score #2 (max 100%)	Traffic Lights 2	Score #3 (Yes, Partial, No)	Traffic Lights 3	2011 Budget (RM mil)	2011 Actual Expenditure (RM mil)	% of Expenditure
1	Crime	100%	130%		99%		80%	P	473	349	74%
2	Corruption	100%	133%		95%		75%	P	7	4	49%
3	Education	100%	187%		99%		92%	P	375	265	71%
4	Low Income Household	100%	103%		98%		75%	P	506	497	98%
5	Rural Basic Infrastructure	100%	123%		100%		100%	Y	6,480	6,086	94%
6	Urban Public Transport	100%	108%		96%		78%	P	1,387	1,328	96%
	Overall composite scoring		131%		98%		83%	P	9,229	8,529	92%

2011 NKRA Performance & Expenditure Budget

Method 1 & 2		Method 3		
Achievement%	**Traffic lights**	**Achievement%**	**Scoring**	**Traffic lights**
90% and above	Green	100% and above	1	(Y) Yes
51% to 89%	Yellow	51% to 99%	0.5	(P) Partial
50% and less	Red	50% and less	0	(N) No

* The difference between Method 1 and 2 is that if Method 2 achievement >100%, it will be capped at 100%.
* Rounding down achievement with 0.1%-0.4%; rounding up achievement with 0.5%-0.9%.

NKRA : Reducing Crime

				Method 1		Method 2		Method 3					
No.	**NKPIs**	**2011 Target**	**Actual Results (Dec 2011)**	**Score #1**	**Traffic Lights 1**	**Score #2**	**Traffic Lights 2**	**Score #3 (Yes, Partial, No)**		**Traffic Lights 3**	**2011 Budget (RM mil)**	**Actual Expenditure (Dec 2011; RM mil)**	**% of Expenditure**
1	Reduction in reported Index Crime	5%	11.1%	222%		100%		222%	1.0	Y			
2	Reduction in reported Street Crime	40%	39.7%	99%		99%		99%	0.5	P			
3	Reduce fear of becoming victims of crime	50%	52.8%	95%		95%		95%	0.5	P	473.3	348.9	73.7%
4	Arrest cases brought to trial	20%	23.4%	117%		100%		117%	1.0	Y			
5	Increased public perception on police performance	60%	70.5%	118%		100%		118%	1.0	Y			
Overall composite scoring				130%		99%			80%	P			

2011 NKRA Performance & Expenditure Budget

Method 1 & 2		Method 3		
Achievement%	**Traffic lights**	**Achievement%**	**Scoring**	**Traffic lights**
90% and above	Green	100% and above	1	(Y) Yes
51% to 89%	Yellow	51% to 99%	0.5	(P) Partial
50% and less	Red	50% and less	0	(N) No

* The difference between Method 1 and 2 is that if Method 2 achievement >100%, it will be capped at 100%.

* Rounding down achievement with 0.1%-0.4%; rounding up achievement with 0.5%-0.9%.

NKRA : Fighting Corruption

				Method 1		Method 2		Method 3					
No.	NKPIs	2011 Target	Actual Results (Dec 2011)	Score #1	Traffic Lights 1	Score #2	Traffic Lights 2	Score #3 (Yes, Partial, No)		Traffic Lights 3	2011 Budget (RM mil)	Actual Expenditure (Dec 2011; RM mil)	% of Expenditure
1	Number of Ministries scoring above 90% in Procurement Accountability Index	19	18	95%		95%		95%	0.5	P	7.3	3.6	49.0%
2	Number of arrest cases brought to trial	20%	23.4%	117%		100%		117%	1.0	Y			
3	70% of companies annoucing EPPs in Progress Update to sign the CIP	70%	64.0%	91%		91%		91%	0.5	P			
4	No. of people in the database of convicted offenders	100	496	496%		100%		496%	1.0	Y			
5	No. of summons issued vs. Total hours of operation	12	12.41	103%		100%		103%	1.0	Y			
6	No. of summons settled vs. No. of summons issued by JPJ	60%	49%	82%		82%		82%	0.5	P			
7	TIs Corruption Perception Index	4.9	4.3	88%		88%		88%	0.5	P			
8	TIs Global Corruption Barometer survey	50%	49%	98%		98%		98%	0.5	P			
9	Percentage of trials completed within a year	70%	58.73%	84%		84%		84%	0.5	P			
10	Percentage (%) of government procurement with Integrity Pact	80%	77%	96%		96%		96%	0.5	P			
11	TNS perception survey on how much enforcement agencies are perceived to be affected by corruption	3.5	2.9	140%		100%		140%	1.0	Y			
12	Produce a clear procedure for effective implementation of Whistle Blower Act	100%	100%	100%		100%		100%	1.0	Y			
13	Begin the process of reporting of actual numbers of Whistle Blower case	100%	100%	100%		100%		100%	1.0	Y			
14	% of completion of compliance unit activities	60%	99%	165%		100%		165%	1.0	Y			
	Overall composite scoring			133%		95%			75%	P			

2011 NKRA Performance & Expenditure Budget

Method 1 & 2			Method 3		
Achievement%	**Traffic lights**		**Achievement%**	**Scoring**	**Traffic lights**
90% and above	Green		100% and above	1	(Y) Yes
51% to 89%	Yellow		51% to 99%	0.5	(P) Partial
50% and less	Red		50% and less	0	(N) No

* The difference between Method 1 and 2 is that if Method 2 achievement >100%, it will be capped at 100%.

* Rounding down achievement with 0.1%-0.4%; rounding up achievement with 0.5%-0.9%.

NKRA : Improving Student Outcomes

				Method 1		Method 2		Method 3					
No.	NKPIs	2011 Target	Actual Results (Dec 2011)	Score #1	Traffic Lights 1	Score #2	Traffic Lights 2	Score #3 (Yes, Partial, No)		Traffic Lights 3	2011 Budget (RM mil)	Actual Expenditure (Dec 2011; RM mil)	% of Expenditure
1	LINUS Numeracy rate (Cohort 1)	95%	97.5%	103%		100%		103%	1.0	Y			
2	LINUS Literacy rate (Cohort 1)	95%	99%	104%		100%		104%	1.0	Y			
3	LINUS Numeracy rate (Cohort 2)	90%	91%	101%		100%		101%	1.0	Y			
4	LINUS Literacy rate (Cohort 2)	90%	95%	106%		100%		106%	1.0	Y			
5	High Performing Schools	50	52	104%		100%		104%	1.0	Y			
6	Pre-school enrolment rate	80%	77%	97%		97%		97%	0.5	P			
7	New Deals - Primary school principals exceeding target	3%	5%	168%		100%		168%	1.0	Y			
8	New Deals - Secondary school principals exceeding target	2%	4%	209%		100%		209%	1.0	Y	375.0	265.2	70.7%
9	New Deals - Primary school principals performing below target	8%	1.17%	684%		100%		684%	1.0	Y			
10	New Deals - Secondary school principals performing below target	10%	10.89%	92%		92%		92%	0.5	P			
11	School Improvement Programme - Reduce Band 6 & 7	20%	40.3%	201%		100%		201%	1.0	Y			
12	School Improvement Programme - Increase Band 1 & 2	8%	21.86%	273%		100%		273%	1.0	Y			
	Overall composite scoring			187%		99%			92%	P			

2011 NKRA Performance & Expenditure Budget

Method 1 & 2		Method 3		
Achievement%	**Traffic lights**	**Achievement%**	**Scoring**	**Traffic lights**
90% and above	Green	100% and above	1	(Y) Yes
51% to 89%	Yellow	51% to 99%	0.5	(P) Partial
50% and less	Red	50% and less	0	(N) No

* The difference between Method 1 and 2 is that if Method 2 achievement >100%, it will be capped at 100%.

* Rounding down achievement with 0.1%-0.4%; rounding up achievement with 0.5%-0.9%.

NKRA : Raising Living Standards of Low-Income Household

				Method 1		Method 2		Method 3					
No.	NKPIs	2011 Target	Actual Results (Dec 2011)	Score #1	Traffic Lights 1	Score #2	Traffic Lights 2	Score #3 (Yes, Partial, No)		Traffic Lights 3	2011 Budget (RM mil)	Actual Disbursement (Dec 2011; RM mil)	% of Expenditure
1	To verify and register all e-Kasih open registration - Backlog and new cases	100%	96%	96%		96%		96%	0.5	P			
2	To increase home ownership amongst poor households	4,965	4,865	98%		98%		98%	0.5	p			
3	To train and develop women entrepreneurs	100%	110%	110%		100%		110%	1.0	Y	506.1	497.4	98.3%
4	To ensure ekasih registered poor households participate in the 1AZAM initiatives	57,793	63,147	109%		100%		109%	1.0	Y			
Overall composite scoring				103%		98%			75%	P			

2011 NKRA Performance & Expenditure Budget

Method 1 & 2		Method 3		
Achievement%	**Traffic lights**	**Achievement%**	**Scoring**	**Traffic lights**
90% and above	Green	100% and above	1	(Y) Yes
51% to 89%	Yellow	51% to 99%	0.5	(P) Partial
50% and less	Red	50% and less	0	(N) No

* The difference between Method 1 and 2 is that if Method 2 achievement >100%, it will be capped at 100%.
* Rounding down achievement with 0.1%-0.4%; rounding up achievement with 0.5%-0.9%.

NKRA : Improving Rural Basic Infrastructure

				Method 1		Method 2		Method 3					
No.	NKPIs	2011 Target	Actual Results (Dec 2011)	Score #1	Traffic Lights 1	Score #2	Traffic Lights 2	Score #3 (Yes, Partial, No)		Traffic Lights 3	2011 Budget (RM mil)	Actual Expenditure (Dec 2011; RM mil)	% of Expenditure
1	Roads Delivery (km)	905.12	1,013	112%		100%		112%	1.0	Y			
2	Water Delivery (units of households)	58,087	73,227	126%		100%		126%	1.0	Y			
3	Electricity Delivery (units of households)	26,882	27,004	100%		100%		100%	1.0	Y	6,480.4	6,085.7	93.9%
4	Housing Delivery (units of houses)	9,146	14,365	157%		100%		157%	1.0	Y			
	Overall composite scoring			124%		100%			100%	Y			

2011 NKRA Performance & Expenditure Budget

Method 1 & 2		Method 3		
Achievement%	**Traffic lights**	**Achievement%**	**Scoring**	**Traffic lights**
90% and above	Green	100% and above	1	(Y) Yes
51% to 89%	Yellow	51% to 99%	0.5	(P) Partial
50% and less	Red	50% and less	0	(N) No

* The difference between Method 1 and 2 is that if Method 2 achievement >100%, it will be capped at 100%.

* Rounding down achievement with 0.1%-0.4%; rounding up achievement with 0.5%-0.9%.

NKRA : Improving Urban Public Transport

				Method 1		Method 2		Method 3					
No.	NKPIs	2011 Target	Actual Results (Dec 2011)	Score #1	Traffic Lights 1	Score #2	Traffic Lights 2	Score #3 (Yes, Partial, No)		Traffic Lights 3	2011 Budget (RM mil)	Actual Expenditure (Dec 2011; RM mil)	% of Expenditure
1	Public transport modal share	21%	16%	78%		78%		78%	0.5	P	1,386.5	1,328.4	95.8%
2	% population within 400 metres of public transport route	70%	67%	96%		96%		96%	0.5	P			
3	Customer satisfaction survey	50%	53%	106%		100%		106%	1.0	Y			
4	Bus peak hour load factor	56%	96%	171%		100%		171%	1.0	Y			
5	KTM Komuter load factor	125%	105%	119%		100%		119%	1.0	Y			
6	Rapid KL Kelana Jaya line load factor	80%	80%	100%		100%		100%	1.0	Y			
7	AM peak public transport ridership	346,184	321,487	93%		93%		93%	0.5	P			
8	Weighted average ratio of public journey time to private journey time	1.70 : 1	1.49:1	114%		100%		114%	1.0	Y			
9	Road Safety (Deaths per 10,000 vehicle)	3.12	3.21	97%		97%		97%	0.5	P			
Overall composite scoring				108%		96%			78%	P			

Going Forward into 2012

The last 24 months

The GTP continues to do the impossible, setting bigger targets and improving processes. It continues to set new parameters for what is possible, challenges conventional ideas, confounds its critics and brings renewed hope to all Malaysians. Most of all, it is proven that when the government is truly committed to helping the people, nothing is impossible.

This is clearly evidenced by the results achieved in both 2010 and 2011. The GTP did not just achieve an excellent composite score for both years, the programme had actually over-achieved – going above the set 100% by an additional 36% in 2011 and 21% in 2010. These results have been audited and independently verified, proving just how effective the GTP has been as a forerunner of progress and change to the nation. Truly, it has been an unprecedented two years of improvement, new ideas, innovation, drive, determination, sacrifice and most of all, success and vindication.

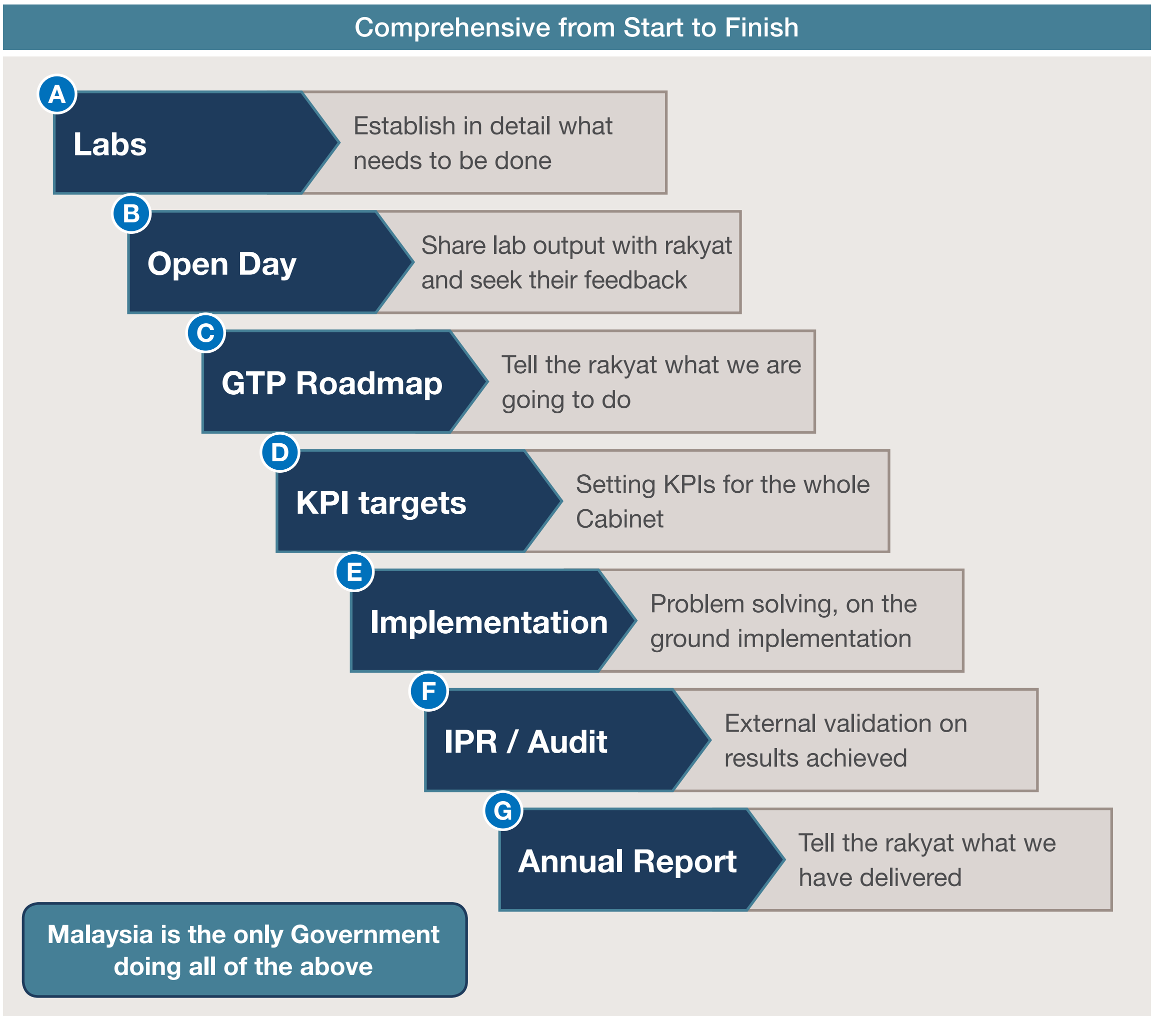
With composite scores of over 100% for each NKRA and some RM700 million in savings garnered, the government showed that it was capable of walking the talk and was serious about evolving into leaner, more agile machinery. Through enabling knowledge sharing and collaboration across ministries, and in many instances removing the silos and bureaucracy completely, the GTP helped reshape the mind-sets of civil servants and brought about a more outcome-based and service-oriented civil service culture.

More importantly by bringing transformational and real change to Malaysians from all walks of life, the GTP showed it was well placed as a catalyst to drive Malaysia closer towards its ambition of becoming a developed, high-income nation. Millions of targeted Malaysians have been able to experience the tangible benefits of the GTP in their lives. Through delivering a “lived experience”, the programme has done much to convince the hardest of cynics that the tangible transformation efforts have indeed made Malaysia a better country through the National Key Results Areas.

To date, many parties have remarked that the GTP is one of the most comprehensive transformation programmes undertaken by any country. Through engaging stakeholders in labs and open days from the onset and getting their buy-in on initiatives, right up to reporting to them how the initiatives were delivered, the GTP is the only transformation programme in existence to truly accomplish what it set out to do in a consistent manner.

Going Forward into 2012

> "It is crucial that people are made aware of what is being done under the NKRAs and that this should be done by engaging them in forums. My ministry is planning to hold a Clients' Day as well as an Open Day at the ministry. We will organise meetings with non-governmental organisations so that the people are well aware of initiatives that have been or are being put in place as well as what the government is doing for them."
>
> - Datuk Seri Chor Chee Heung, Minister of Housing and Local Government



Going Forward into 2012

Crossing over into 2012

As the GTP crosses over into 2012, the government will continue to adopt the Big Fast Results Methodology. It is also important to take note that 2012 will mark the end of Horizon 1 of the GTP. Over this phase of our journey, the GTP will continue to provide a strong foundation for change while delivering substantial outcomes to the rakyat quickly. The fact that the government continues to set higher targets for success and is preparing to intensify its efforts to deliver the desired changes and outcomes, shows it is sincere and committed about accomplishing real transformation and positioning Malaysia for Horizon 2.

The year 2012 holds much promise as many of the efforts undertaken in the first two years of the GTP will have reached their full potential during the year. For example under the UPT NKRA, while many of the initiatives have yielded strong results, it is expected that the full impact of the efforts surrounding public modal share will become visible in 2012. This outcome and others like it, present an exciting proposition for the GTP and the NKRAs moving forward.

Preparing for Horizon 2

Even as Horizon 1 concludes at the end of 2012, the government is already preparing to embrace Horizon 2. Under Horizon 2, the GTP is set to deliver change that is far more pervasive. The important aspects of daily life (defined here as NKRAs and MKRAs) should and would have improved significantly. The structure of the economy should have evolved in line with the New Economic Model into higher-value-added sectors and private sector productivity should have been further enhanced through the Economic Transformation Programme (ETP).

It is only natural that the lessons from Horizon One, in particular aspects of the GTP that have proven most effective, will continue to feature prominently in Horizon 2. The strategy of adopting both detailed and macro approaches i.e. a 30,000 feet perspective and three-foot implementation is one such example. The constant tracking and monitoring of NKPIs is another, as is the linking of rewards to KPIs. These practices will be among the many best practices carried forward into Horizon 2.

If we are to realise Horizon 2 in a similar fashion, the GTP must continue to evolve. Fresh ideas and fresh targets must be conceived. In line with this, the government is already planning to hold a series of labs in 2012 to define the direction of the NKRAs for Horizon 2. It is most fitting that we return to this approach as this was how the GTP initiatives in Horizon 1 were also conceived. The labs will ensure that the NKRA and NKPIs are aligned to the ever-changing needs and demands of the public. They will serve as an opportunity for all of Malaysia to share their insights as we work together to create bold, new pathways for this nation. As we set our sights on this next critical milestone, we cannot afford to grow complacent nor bask in past victories. We must go further, faster, stronger.

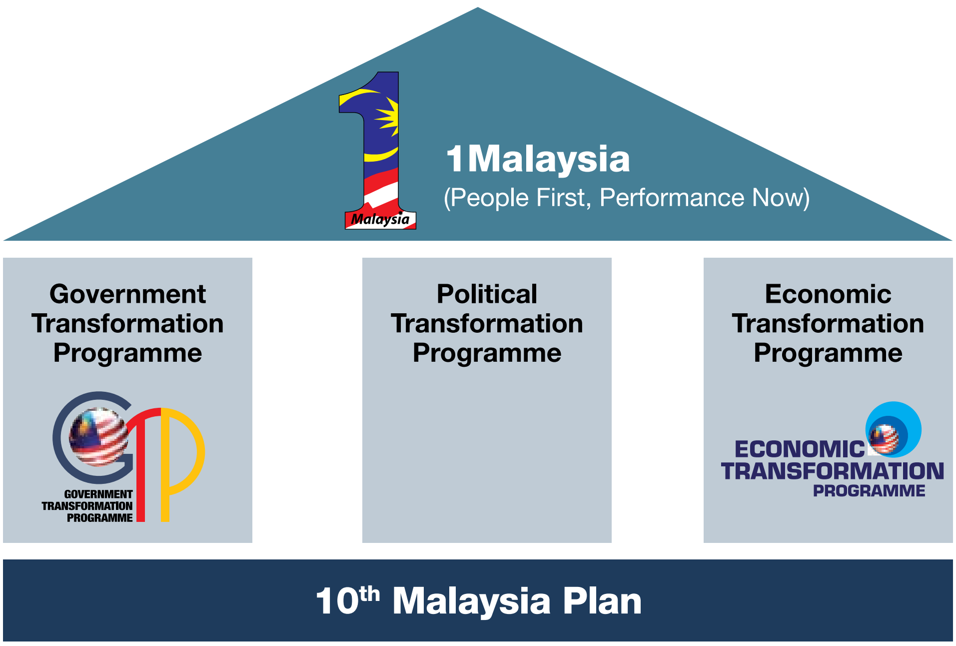
Going Forward into 2012

As always, despite the successes achieved, transformation is always met with some level of resistance. There are those who would prefer that the government revert to its old way of public service delivery. But this will not be the case going forward. The GTP has created a new landscape for all and we must maintain the momentum of this transformation if we are to succeed.

The way forward

The achievements of the past two years inspire optimism and confidence in us as we move forward. 2012 will see the GTP continuing to deliver transformational change for the government and ultimately the people.

The GTP has truly come a long way since its introduction by the Prime Minister in 2009. The government has clearly proven that the GTP, the NKRAs and NKPIs are not mere acronyms or lip service for the people. They are clear measures designed to ensure that the government is continuously working to better serve the rakyat. In the grand scheme of things, the GTP is taking its place as a key strategic thrust that will help Malaysia accelerate towards its ambitions of becoming a developed nation with a high-income economy and a well educated citizenry. Akin to other national initiatives that seek to further build upon the 10th Malaysia Plan, the GTP represents a key strategic pillar in the government's overall master plan.



The need to work together

Going forward, there is a real need to consider how best to approach the next phase of our nation's transformation. Transformation is never easy. It is extremely challenging. It requires all hands on board to steer a course towards better horizons. The public must continue to work with government to herald in the improvements that this country needs as our destinies and futures are intertwined together. It is not possible for the government to be successful without the support of the people and vice versa. But if both work in unison for the betterment of all Malaysia, then we are capable of achieving anything that we set out to accomplish.

Already, our counterparts around the world are looking to learn from the Malaysian experience. At the recently held Big Fast Results (BFR) Seminar 2011, over 50 delegates from 14 countries came forward to learn about Malaysia's transformation methodology. International delegates from developed and developing countries gave Malaysia's a thumbs up, acknowledging the GTP and ETP's effectiveness in delivering big fast results.

Much promise, great potential

The future holds much promise and great potential for Malaysia. It is now time for all Malaysians to stand proud and further unlock this potential. The GTP has proven that we can achieve almost anything that we envisage even as we can create our own pathway. Rather than follow others, we are capable of achieving our goals the Malaysian way. As a united 1Malaysia, we need to leverage our shared beliefs and confidence to actualise our potential and turn Vision 2020 into a reality. The onus is on all of us to do our bit to ensure that we as a nation go on to accomplish great things.

The government looks forward to the year ahead with confidence and we call upon the people of Malaysia to join us in driving vital transformational change for our nation.

2011 GTP Milestones

JANUARY

1 Jan 2011
Launch of 1AZAM Insurance benefitting low-income households

24 & 26 Jan 2011
Prime Minister-Minister Year-end 2010 Review for all Cabinet ministers

FEBRUARY

11 Feb 2011
924 primary school head teachers receive New Deals award

17 Feb 2011
Announcement of 23 new High Performing Schools (HPS)

27 Feb 2011
Introduction of new bus ticketing system on RapidKL buses

MARCH

1 Mar 2011
Opening of Terminal Bersepadu Selatan

7 Mar 2011
Launch of Anti-Corruption Campaign

REPORT CORRUPTION 1-800-88-6000

31 Mar 2011
Launch of the Corporate Integrity Pledge

AUGUST

15 & 16 Aug 2011
Prime Minister-Minister Mid-year Review for all Cabinet ministers

17 Aug 2011
Some 20,324 PBR Houses constructed

SEPTEMBER

13 Sept 2011
Launch of Customer Service Rating (CSR) machines in Selangor

13 Sept 2011
92 secondary school head teachers receive New Deals award

27 Sept 2011
Touch & Go Installation at Express Rail Link (ERL) Stations

OCTOBER

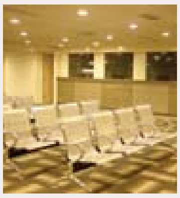
3 Oct 2011
Physical completion of new road brings new hope to villagers in Kota Samarahan, Sarawak

17 Oct 2011
Launch of the TTDI Safe City Programme (SCP)

APRIL

9 Apr 2011
Launch of the SeDidik Pre-school to promote early childhood education

16 Apr 2011
Opening of the newly refurbished Pudu Sentral



30 Apr 2011
Masjid Jamek Station line-integration completed

MAY

25 May 2011
Additional nine new HPS announced

JUNE

1 Jun 2011
Reward and recognition guidelines passed to award civil servants who report instances of corruption

NOVEMBER

14 Nov 2011
5,000 Pulau Sebatik villagers' homes are electrified

28 Nov 2011
RapidKL Automated Fare Collection (AFC) integrated ticketing system at LRT Kelana Jaya and Ampang lines

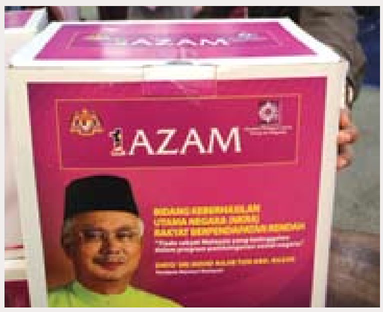
DECEMBER

4 Dec 2011
Completion of 22 water reticulation upgrading projects in Melaka

14 Dec 2011
Implementation of SCP by 151 municipal councils across Malaysia

31 Dec 2011
Completion of Hentian Akhir Bandar (HAB) at Dayabumi

31 Dec 2011
Over 63,000 poor households participate in the 1AZAM programme



31 Dec 2011
100% eKasih verification is completed

GLOSSARY

Acronym	Full Name
A	
AIM	Amanah Ikhtiar Malaysia
AUP	Agreed-upon procedures
AADK	Agensi Anti-Dadah Kebangsaan (National Anti-Drug Agency)
AGC	Attorney-General Chambers
1AZAM	Akhiri Zaman Miskin
AFC	Automated Fare Collection
ATP	Automatic Train Protection
ASEAN	Association of South-East Asian Nations
B	
BET	Bus Expressway Transit
BR1M	Bantuan Rakyat 1Malaysia
BB1M	Bantuan Buku 1Malaysia
BHEUU	Bahagian Hal Ehwal Undang-undang (Legal Affairs Division)
BLT	Balai League Table
BPI	Bribe Payer Index
BFR	Big Fast Results
BPH	Bahagian Pengurusan Hartanah (Property Management Division)
C	
CSRM	Customer Service Rating Machines
CSR	Customer Service Rating
CIP	Corporate Integrity Pledge
COL	Cost of Living
CPI	Consumer Price Index
CCTV	Closed-circuit television

Glossary

CPO	Chief Police Officer
CCSC	Care and Cure Service Centre
CPI	Corruption Perception Index
CSI	Corporate social investment
CPC	Certificate of Practical Completion
CF	Certificates of Fitness
CCI	Communications Content and Infrastructure
CBD	Central Business District
COMBI	Communication for Behavioural Impact

D

DBKL	Dewan Bandaraya Kuala Lumpur (Kuala Lumpur City Hall)
DTF	Delivery Task Force
DIG	Deputy Inspector-General
DMO	Delivery Management Office
DoS	Department of Statistics

E

ETP	Economic Transformation Programme
EIU	Economist Intelligence Unit
EPU	Economic Planning Unit
EPP	Entry Point Projects
ECCE	Early Child Care Education

F

FMCG	Fast-moving consumer goods
FELDA	Federal Land Development Authority
FDI	Foreign direct investment

G

GTP	Government Transformation Programme
GPI	Global Peace Index
GNI	Gross National Income
GCR	Global Competitiveness Report
GIS	Geographical information system
GCB	Global Corruption Barometer

Glossary

H

HPS	High Performing School
HDR 2011	Human Development Report 2011
HDPE	High-density polyethylene
HAB	Hentian Akhir Bandar

I

IPR	International Performance Review
IRB	Inland Revenue Board
IO	Investigating Officer
IGP	Inspector-General of Police
ICU	Implementation Coordination Unit
ITT BTS	Integrated Transport Terminal Bandar Tasik Selatan (also known as Terminal Bersepadu Selatan)
IIM	Institute of Integrity Malaysia

J

JPAM	Malaysian Civil Defence Department
JPAM	Jabatan Pertahanan Awam Malaysia (Malaysian Civil Defence Department)
JPAM	Jabatan Perkhidmatan Awam Malaysia (Public Service Department of Malaysia)
JPA	Public Service Department of Malaysia
JPJ	Jabatan Pengangkutan Jalan Malaysia (Road Transport Department)
JPNIN	Department of National Unity & Integration
JNJK	School Inspectorate of Malaysia
JAIS	Jabatan Agama Islam Selangor
JNJK	Jemaah Nazir dan Jaminan Kualiti (School Inspectorate)
JTK	Labour Department
JKM	Social Welfare Department
JPW	Jabatan Pembangunan Wanita
JKR	Public Works Department
JPBD	Town and Country Planning Department

K

KSN	Chief Secretary to the Government
KR1M	Kedai Rakyat 1Malaysia
KAR1SMA	1Malaysia Rakyat Welfare Programme
KDN	Ministry of Home Affairs
KPKT	Kementerian Perumahan dan Kerajaan Tempatan (Ministry of Housing and Local Government)
KTMB	Keretapi Tanah Melayu Berhad
KWPKB	Kementerian Wilayah Persekutuan dan Kesejahteraan Bandar (Ministry of Federal Territories and Urban Wellbeing)

KBS	Kementerian Belia dan Sukan Malaysia (Ministry of Youth and Sports)
JPNIN	Jabatan Perpaduan Negara dan Integrasi (National Unity and Integration Department)
KEMAS	Department of Community Development
KPWKM	Kementerian Pembangunan Wanita, Keluarga dan Masyarakat (Ministry of Women, Family and Community Development)
KKLW	Kementerian Kemajuan Luar Bandar dan Wilayah (Ministry of Rural and Regional Development)
KeTTHA	Ministry of Energy, Green Technology and Water
KEJORA	Lembaga Kemajuan Johor Tenggara
KEJORA	Lembaga Kemajuan Kelantan Selatan
KETENGAH	Lembaga Kemajuan Terengganu Tengah
KEDA	Lembaga Kemajuan Wilayah Kedah

L

LINUS	Literacy and Numeracy Screening
LIH	Low-Income Households
LPG	Liquid petroleum gas
LPPKN	National Population and Family Development Board
LRT	Light Rapid Transit

M

MKRA	Ministerial Key Result Area
MACC	Malaysian Anti-Corruption Commission
MKPI	Ministerial Key Performance Indicator
MoF	Ministry of Finance
MDTCC	Ministry of Domestic Trade, Cooperative and Consumerism
MoA	Ministry of Agriculture and Agro-based Industry
MITI	Ministry of International Trade and Industry
MoH	Ministry of Health
MOT	Ministry of Transport
MPIC	Ministry of Plantation Industries and Commodities
MOHA	Ministry of Home Affairs
MOICC	Ministry of Information Communications and Culture
MCAD	Mobile Computerise Access Devices
MRT	Mass Rapid Transit
MRR2	Middle Ring Road 2
MCPF	Malaysian Crime Prevention Foundation
MAMPU	Malaysia Administrative Modernisation and Management Planning Unit
MACA	Malaysian Anti-Corruption Academy
MRCB	Malaysian Resources Corporation Berhad

Glossary

N

NKRA	National Key Result Area
NEM	New Economic Model
NKPI	National Key Performance Indicator
NPCS	National Pre-school Curriculum Standard
NUTP	National Union of the Teaching Profession
NBTS	New Bus Ticketing System
NGO	Non-governmental organisations
NPE	New Pantai Expressway

O

OCPDs	Officer-in-Charge of Police District

P

PBT	Pihak Berkuasa Tempatan (Local Municipal Councils)
PEMANDU	Performance Management and Delivery Unit
PwC	PricewaterhouseCoopers Malaysia
PPP	Purchasing Power Parity
PR1MA	Projek Rumah 1Malaysia
PIAM	Persatuan Insurans Am Malaysia (General Insurance Association of Malaysia)
PDRM	Polis DiRaja Malaysia (Royal Malaysian Police Force)
PVR	Police Volunteer Reserve
PGA	Pasukan Gerak Am
PUSPEN	Pusat Pemulihan Penagihan Narkotik
PISA	Programme for International Student Assessment
PPP	Public-Private Partnership Unit

R

RELA	Ikatan Relawan Rakyat Malaysia (People's Volunteer Corps)
RTD	Road Transport Department,
RBI	Rural Basic Infrastructure
RTC	Rural Transformation Centre
RoS	Registrar of Societies Malaysia
JKJR	Road Safety Department
RTM	Radio Television Malaysia
RISDA	Rubber Industry Smallholders Development Authority

S

SCP	Safe City Programme
SMPK	Sistem Maklumat Prasekolah Kebangsaan
SEAS	School Examination Analysis System
SPNB	Syarikat Perumahan Negara Berhad
SRS	Skim Rondaan Sukarela
SCMS	Safe City Monitoring System
SME	Small and Medium Enterprises
SMPK	Sistem Maklumat Prasekolah Kebangsaan
SAPS	Sistem Analisis Peperiksaan Sekolah (School Examination Analysis System)
SIP	School Improvement Programme
SIT	School Improvement Toolkit
UPEN Sabah	Sabah State Economic Planning Unit
SPU Sarawak	Sarawak State Planning Unit
SPAD	Suruhanjaya Pengangkutan Awam Darat (Land Public Transport Commission)
SAIDI	System Average Interruption Duration Index
SPRINT	Sistem Penyuraian Trafik KL Barat Sdn Bhd

T

10MP	Tenth Malaysia Plan
TUKAR	Transformasi Untuk Kedai Runcit
TI	Transparency International
TNB	Tenaga Nasional Berhad
TI-M	Transparency International Malaysia

U

UNDP	United Nation Development Programme
UPT	Urban Public Transport
UKAS	Public-Private Partnership Unit

V

VPS	Voluntary Patrol Scheme
VTREC	Vehicle Theft Reduction Council of Malaysia

W

WJP	World Justice Project
WEF	World Economic Forum
WCP	World Class Policing

Acknowledgements

The success of the GTP in its second year was made possible through the collective effort, support and commitment of various public and private sector entities as well as individuals.

In acknowledgement of their efforts, the Government of Malaysia wishes to express its appreciation to the many participating bodies and individual persons who through their specific capacities and expertise, have contributed to the good momentum achieved in 2011.

While it would be practically impossible to provide an exhaustive list of every participating entity, the government wishes to mention the many key agencies, organisations and other entities that have played a key role in the various NKRAs, MKRA and the overall GTP initiative.

ADDRESSING THE COST OF LIVING NKRA

Economic Planning Unit (EPU), Prime Minister's Department
Ministry of Agriculture and Agro-based industry
Ministry of Domestic Trade, Cooperative and Consumerism
Ministry of Education
Ministry of Finance
Ministry of Health
Ministry of Higher Education
Ministry of Home Affairs
Ministry of International Trade and Industry
Ministry of Plantation Industries and Commodities
Ministry of Transport

Acknowledgements

REDUCING CRIME NKRA

Attorney-General's Chambers
Chief Registrar's Office, Federal Court of Malaysia
Department of National Unity (JPNIN), Prime Minister's Department
Chief Justice Office, Federal Court Of Malaysia
Legal Affairs Division (BHEUU), Prime Minister's Department
Malaysia Anti-Drug Agency (AADK)
Malaysian Civil Defence Department (JPAM)
Malaysian Crime Prevention Foundation (MCPF)
Ministry of Federal Territories and Urban Wellbeing (KWPKB)
Ministry of Home Affairs (KDN)
Ministry of Housing and Local Government (KPKT)
Ministry of Youth and Sports (KBS)
Performance Management and Delivery Unit (PEMANDU), Prime Minister's Department
Prison Department, Malaysia
Public Service Department of Malaysia (JPA)
RELA – Ikatan Relawan Rakyat Malaysia (People's Volunteer Corp)
Royal Malaysian Police (PDRM)

FIGHTING CORRUPTION NKRA

Astro Awani
Attorney-General's Chambers
Auditor-General's Department
Bernama TV
Broadcasting Department of Malaysia
Bursa Malaysia Berhad
Central Bank of Malaysia
Civil Service Department
Chief Registrar's Office, Federal Court Of Malaysia
Companies Commission of Malaysia
Economic Planning Unit (EPU), Prime Minister's Department
Election Commission of Malaysia
Immigration Department Malaysia
Implementation Coordination Unit (ICU), Prime Minister's Department
Institute of Integrity Malaysia (IIM)
Legal Affairs Division, Prime Minister's Department (BHEUU)
Local Government Department
Malaysia Administrative Modernisation and Management Planning Unit (MAMPU)
Malaysian Anti-Corruption Academy (MACA)
Malaysian Anti-Corruption Commission (MACC)
Malaysian Communications and Multimedia Commission
Malaysian National News Agency
Media Prima
Ministry of Finance
Ministry of Foreign Affairs
Ministry of Home Affairs
Ministry of Housing and Local Government
Ministry of Information Communications and Culture
Ministry of International Trade and Industry
Ministry of Tourism
Ministry of Works
National Institute of Public Administration (JPA)
National Security Council
Performance Management and Delivery Unit (PEMANDU), Prime Minister's Department

Acknowledgements

FIGHTING CORRUPTION NKRA (continued)

Public-Private Partnership Unit (UKAS)
Public Services Commission Malaysia
Public Works Department
Radio Television Malaysia (RTM)
Registrar of Societies Malaysia (ROS)
Road Transport Department Malaysia (JPJ)
Royal Malaysian Customs Department
Royal Malaysian Police Force (PDRM)
Securities Commission Malaysia
Transparency International, Malaysia
United Nation Development Programme (UNDP)

IMPROVING STUDENT OUTCOMES NKRA

Community Development Department (KEMAS)
Department of National Unity & Integration (JPNIN)
District Education Offices
Early Child Care Education (ECCE) Council
Implementation Coordination Unit (ICU), Prime Minister's Department
Ministry of Education
Ministry of Health
Performance Management and Delivery Unit (PEMANDU), Prime Minister's Department
Public Service Department of Malaysia (JPA)
State Education Offices

RAISING LIVING STANDARDS OF LOW-INCOME HOUSEHOLDS NKRA

Amanah Ikhtiar Malaysia (AIM)
Economic Planning Unit, Prime Minister's Department
Implementation Coordination Unit (ICU), Prime Minister's Department
Ministry of Agriculture & Agro-based Industry
Ministry of Agriculture & Food Industry, Sabah
Ministry of Health (MoH)
Ministry of Human Resources
Ministry of Rural Development, Sabah
Office of the State Secretary, Sabah
Office of the State Secretary, Sarawak
PETRONAS
Performance Management and Delivery Unit (PEMANDU), Prime Minister's Department
Pos Malaysia
Sarawak State Planning Unit
State Development Office, Sarawak
State Development Office, Sabah
Syarikat Perumahan Negara Berhad (SPNB)
Talian Nur 15999

IMPROVING RURAL BASIC INFRASTRUCTURE NKRA

Department of Irrigation and Drainage, Malaysia
Department of Irrigation and Drainage, Sabah
Department of Irrigation and Drainage, Sarawak
Department of Orang Asli Affairs
Economic Planning Unit (EPU), Prime Minister's Department

IMPROVING RURAL BASIC INFRASTRUCTURE NKRA (continued)

Federal Treasury
FELCRA Berhad
Implementation Coordination Unit (ICU), Prime Minister's Department
Lembaga Kemajuan Johor Tenggara (KEJORA)
Lembaga Kemajuan Kelantan Selatan (KESEDAR)
Lembaga Kemajuan Terengganu Tengah (KETENGAH)
Lembaga Kemajuan Wilayah Kedah (KEDA)
Majlis Amanah Rakyat
Ministry of Public Utilities, Sarawak
Ministry of Rural Development, Sabah
Ministry of Rural Development, Sarawak
Ministry of Rural & Regional Development
Office of the Deputy Chief Minister, Sarawak
Performance Management and Delivery Unit (PEMANDU), Prime Minister's Department
Perbadanan Labuan
Public Works Department, Malaysia
Public Works Department, Sabah
Public Works Department, Sarawak
Sabah Electricity Sdn Bhd
Sabah State Government
Sarawak State Government
SESCO Berhad
State Economic Planning Unit, Sabah
State Water Authority, Sarawak
State Water Department, Sabah
Tenaga Nasional Berhad
Rubber Industry Smallholders Development Authority (RISDA)

IMPROVING URBAN PUBLIC TRANSPORT NKRA

Ampang Jaya Municipal Council
Property and Land Management Division (BPH), Prime Minister's Department
Besraya (M) Sdn Bhd (BESRAYA)
Department of Statistics (DOS)
Economic Planning Unit (EPU), Prime Minister's Department
Express Rail Link Sdn Bhd
Implementation Coordination Unit (ICU), Prime Minister's Department
Kajang Municipal Council (MPKJ)
Klang Municipal Council (MPK)
Kesas Sdn Bhd (KESAS)
Keretapi Tanah Melayu Berhad (KTMB)
Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd (DUKE)
Kuala Lumpur City Hall (DBKL)
Land Public Transport Commission (SPAD)
Lingkaran Trans Kota Sdn Bhd (LITRANS)
Local Government Department (JKT)
Malaysian Highway Authority (LLM)
Malaysia Institute of Transport (MITRANS)
Malaysian Resources Corporation Berhad (MRCB)
Ministry of Federal Territories and Urban Wellbeing (KWPKB)
Ministry of Finance (MOF)
Ministry of Housing and Local Government (KPKT)
Ministry of Transport (MOT)
Ministry of Works (KKR)
New Pantai Expressway Sdn Bhd (NPE)

Acknowledgements

IMPROVING URBAN PUBLIC TRANSPORT NKRA (continued)

Performance Management and Delivery Unit (PEMANDU), Prime Minister's Department
PLUS Expressway Berhad (PLUS)
Public Private Partnership Unit (UKAS)
Projek Lintasan Kota Holdings Sdn Bhd (AKLEH & GCE)
Railway Asset Corporation (RAC)
Road Transport Department Malaysia (JPJ)
Road Safety Department (JKJR)
Shah Alam City Council (MBSA)
Sistem Lingkaran - Lebuhraya Kajang Sdn Bhd (SILK Highway)
Sistem Penyuraian Trafik KL Barat Sdn Bhd (SPRINT)
Selayang Municipal Council (MPS)
Sepang Municipal Council (MPSepang)
Subang Jaya Municipal Council (MPSJ)
State Economic Planning Unit (UPEN), Selangor
Syarikat Prasarana Negara Berhad (SPNB)
Town and Country Planning Department (JPBD), Selangor

MINISTERIAL KEY RESULT AREAS (MKRAs)

Prime Minister's Department
Ministry of Agriculture and Agro-based Industry
Ministry of Defence
Ministry of Domestic Trade, Co-operatives and Consumerism
Ministry of Education
Ministry of Energy, Green Technology and Water
Ministry of Federal Territories and Urban Wellbeing
Ministry of Finance
Ministry of Foreign Affairs
Ministry of Health
Ministry of Higher Education
Ministry of Home Affairs
Ministry of Housing and Local Government
Ministry of Human Resources
Ministry of Information, Communication and Culture
Ministry of International Trade and Industry
Ministry of Natural Resources and Environment
Ministry of Plantation Industries and Commodities
Ministry of Rural and Regional Development
Ministry of Science, Technology and Innovation
Ministry of Tourism
Ministry of Transport
Ministry of Women, Family and Community Development
Ministry of Works
Ministry of Youth and Sports

Our sincere thanks also goes to Info Centre, Menara Star, Star Publications (Malaysia) Bhd and other organisations/individuals for the use of their photographs.

PERFORMANCE MANAGEMENT & DELIVERY UNIT (PEMANDU)

Prime Minister's Department
Level 3, East Block,
Federal Government Administrative Centre,
62502, Putrajaya

Tel : +603 8872 7240
Fax : +603 8889 4428

www.pemandu.gov.my

ISSN : 2231-7619