

PM: FLOOD MITIGATION PROJECTS ON HOLD

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RM7b allocation of a RM15b package was approved via direct negotiations by the previous govt

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PRIME Minister Datuk Seri Anwar Ibrahim yesterday got the ball rolling on his earlier pledge to end approvals and procurements of government projects without proper tender by slamming the brakes on a RM7 billion allocation previously approved for flood mitigation initiatives.

The RM7 billion is a portion of the RM15 billion worth of flood mitigation projects announced by the previous administration.

Anwar, who is also finance minister, said the funds for the projects in question would be put on hold as it was approved through direct negotiations, and not through tender.

"I have asked for the matter not to be continued and to be reviewed so it is transparent and follows the rules that have been set.

"(RM7 billion) is not a small amount. It was approved on the basis that flood mitigation initiatives must be immediately resolved but there are issues when the rules are not adhered to," he said at the Finance Ministry here yesterday.

He also hit out at his critics, who had defended the allocations as being above board.

"They can claim that (the projects) are clean, but it's actually otherwise. When we talk about approvals, procedures were not followed."

Anwar thanked Finance Ministry officials for informing him about the issue.

The officials, he said, did not agree with the move when the allocations were approved and were only following instructions.

The prime minister, in his first address to staff members of the Prime Minister's Department on Nov 29, announced that he would implement changes within the government to promote transparency and good governance.



Datuk Seri Anwar Ibrahim

One of the changes, he said, was that the government would no longer give approvals and procurements of projects without proper tender.

He said the unity government, led by him would not allow leakages or graft to continue in the country.

"Approvals and procurements without tender should no longer be allowed to ensure corruption will not take place."

The flood mitigation initiatives were announced during the tabling of the 2023 Budget in October.

The budget had allocated an additional RM15 billion for flood mitigation works nationwide as part of a long-term strategy to combat climate change.

The government had said that the allocation would involve RM562 million to construct check dams in 46 locations to reduce flood risks, as well as mud floods like the one that occurred in Baling, Kedah, earlier this year.

It also involved RM2 billion for the construction of multipurpose retention ponds along Sungai Klang and Sungai Rasau in Selangor.

Prior to this, only RM1 billion had been set aside for flood mitigation projects under the 12th Malaysia Plan 2021-2025.

Datuk Seri Mustapa Mohamed, who was minister in the Prime Minister's Department (Economy), earlier this year announced that the additional RM15 billion allocation would be handled by the Environment and Water Ministry (KASA).

KASA, he said, would distribute the allocation as decided by the cabinet.

Comments from Mustapa were unavailable at press time.

Datuk Seri Tuan Ibrahim Tuan

Man, who was environment and water minister when the allocations were initially announced, said awarding urgent flood mitigation projects through direct negotiations was not a procurement offence.

The Pas deputy president said Anwar should know this since he was also the finance minister.

He said Anwar should not consider all projects awarded through direct negotiations as "disorganised and involving opportunistic parties".

"He knows that many urgent projects need to be expedited to avoid greater disasters and losses. They have to be done through direct negotiations or a selected tender, especially projects related to disasters like floods, burst dams and landslides," he said yesterday.

However, he said these projects must follow the set financial procedures for procurements.

Tuan Ibrahim said every financial process went through stringent checks, procedures and guidelines set by the Finance Ministry.

Meanwhile, Transparency International-Malaysia president Dr Muhammad Mohan said people should be informed about how the RM7 billion flood mitigation project was justified via direct negotiations under the previous administration.

"More so when several officials had (also) raised concerns and objections, but were ignored by politicians. The prime minister is spot on to order a review of the project so that it can be tendered properly and awarded transparently."

Sahabat Alam Malaysia president Meenakshi Raman said it was unclear why the government was only reviewing the RM7 billion portion of projects when the total allocation for the flood mitigation work was RM15 billion.

"There has to be more transparency on what the mitigation work entails and why the need for such a huge expenditure.

"It is not just about whether a project implementation is via direct negotiation or open tender. It depends on what the plans are in the first place.

"Flood mitigation work should not be a way to enrich vested interests and contractors, but about addressing flood problems." **Additional reporting by Qistina Sallehuddin and Yasmin Oun**