

Improving Rural Basic Infrastructure



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We are pleased that we achieved our 2010 objective of providing the rakyat with an ever-improving standard of rural basic infrastructure. The progress made last year was significant in terms of the sheer scale of infrastructure development and the vastly improved rate of implementation. The projects we have delivered are already showing positive results and bringing new and better opportunities for the rakyat. We are humbled to have been able to touch so many lives in the rural areas and we are looking forward to sustaining this good momentum in 2011.

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Dato' Seri Mohd Shafie bin Haji Apdal
Minister of Rural and Regional Development



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SNAPSHOT OF 2010'S ACHIEVEMENTS

Significant Progress in the Provision of Rural Basic Infrastructure (RBI)

Malaysia has had a long and successful history of rural development since Independence. Through the various Malaya and Malaysia Plans, the Government has made rural development a key item on the national agenda. The Rural Basic Infrastructure (RBI) NKRA follows this trend albeit with one distinction: the delivery of big and quick wins never achieved before in the history of Malaysia.

The rollout of development initiatives for roads, electricity, water and housing have been accelerated to bring the fruits of modernisation to the less developed areas of the country. Our aim is to ensure that the fruits of the country's development and prosperity are shared by all. As a whole, the various strategies and measures put into action for 2010 have delivered significant results. These include the following achievements:

12,000

KAMPUNGS ACROSS
MALAYSIA WITH ENHANCED
ROAD CONNECTIVITY

36,273

ADDITIONAL HOUSES
SUPPLIED WITH CLEAN OR
TREATED WATER

27,266

ADDITIONAL HOUSES
CONNECTED WITH 24-HOUR
ELECTRICITY SUPPLY

16,962

HOUSES FOR RURAL POOR
BUILT OR RESTORED

Big Wins

- 2 million Malaysian living in the rural areas have seen their lives significantly improved in 2010 with the provision of roads, water, electricity and houses.
- 783.1 km of rural roads were built and upgraded across the country (equivalent to the length of the North-South Highway)
- Over 12,000 kampungs across Malaysia with enhanced road connectivity
- Over 36,273 additional houses are now supplied with clean or treated water
- 27,266 additional houses connected with 24-hour electricity supply
- 16,962 houses for rural poor built or restored



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Ultimately, the vision of the Government is to ensure that 100% of the population is living within 5km of a paved road and have access to basic amenities, i.e. water, electricity and housing.

The challenge to deliver is significant and the targets are ambitious. We are now seeing the early signs of delivery. The Ministry of Rural and Regional Development, (Kementerian Kemajuan Luar Bandar dan Wilayah or KKLW) through various implementing agencies will continue to maintain this strong momentum to achieve all set NKPIs.

GENERAL OVERVIEW

Transforming the Rural Landscape like Never Before

The initiatives under the RBI NKRA comprise four components, namely roads, electricity, water, and housing. As outlined in the GTP, the access to basic infrastructure is a fundamental right of every Malaysian, no matter where they live. Approximately 35% of Malaysians currently live in rural areas.

This basic infrastructure is important as it lays the foundation for the introduction of social amenities such as schools and hospitals as well as economic opportunities in the rural areas. Subsequently secondary development such as wireless broadband, Internet services and so on can take place in the near future. This will further improve the quality of life for Malaysians living in rural areas.

The RBI NKRA is a big step for the Government as expenditure is now concentrated for rural development especially in Sabah and Sarawak unlike recent years. This large-scale development programme is unprecedented.

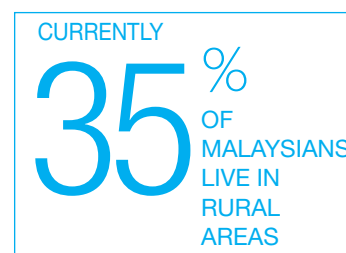
2010 RBI NKRA OBJECTIVES

2010 NKPIS

The RBI NKRA commits to provide rural basic infrastructure to the rakyat, to ensure an improved quality of life is attained and enjoyed by all Malaysians regardless of age, race and location. Most RBI projects involve a long lead-time. Hence, the targets are set across calendar years instead of on an annual basis.

In addressing the need for basic infrastructure to be in place for all Malaysians, specifically for those living in rural areas, four programmes within the RBI NKRA have been identified:

1. To build or upgrade 751.9km of Federal and State roads in rural areas
2. To provide clean or treated water connection to an additional 70,181 households
3. To provide 24-hour electricity supply to an additional 25,312 households
4. To build or restore 16,626 houses for the rural poor



Driving Economic Progress

“There are various road projects in construction now in this division. We believe that once the roads are completed, we will prosper as we can participate in economic activities like selling our produce. It will also be more affordable as we now have the option of using motorcycles instead of four-wheel drives.”

Jangan anak Bakar, a civil servant from Limbang, Sarawak. Limbang is a remote division in the Northern part of Sarawak, adjacent to Brunei Darussalam.

This effort is all the more important in Sabah and Sarawak, due to its significant rural area, which has challenging terrain and accessibility. Over the recent Malaysia Plans, the developmental spending has been disproportionately skewed towards urban development.

In the recent decade, this is one of the largest rural development programmes in Malaysia. The scale and pace of delivery is significantly higher compared to the average from 2006 to 2008.

KEY PARTICIPANTS

A Classic Case of Collaboration

RBI is a classic case of collaboration. The Lead Ministry, the Ministry of Rural and Regional Development serves as the overall project manager. However, the implementation of the individual projects involves various federal and state departments and agencies. These are the agencies involved:

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

Through the close co-operation and communication between the various agencies, the RBI agenda was pursued effectively with problem solution methodologies being developed and implemented effectively. The close collaboration was a key success factor in eliminating roadblocks in implementation.

INITIATIVES

The following are among the initiatives undertaken in 2010 to achieve the RBI NKPI targets:

Building / Upgrading Roads

Under the RBI NKRA, each and every road to be built and upgraded has been clearly identified. Key features of these roads such as point of origin, destination, total length, width and material to be used as well as the implementing agencies and number of people connected have been determined prior to the start of actual construction work. This method ensures that all implementation considerations and challenges are identified beforehand and adequately addressed to ensure work progresses smoothly in the interest of time and budgets.

Delivery processes were monitored according to each milestone namely planning, design, procurement, implementation and handover. Any roadblock was analysed and resolved to ensure timely delivery.



Providing Clean / Treated Water Supply

Connecting to the reticulation network is the default in adding water connections across the country. While some new connections will be built upon the investments made in recent years to increase water treatment capacity, others will be dependent upon new water treatment plants.

Under the RBI initiative, the target set was the completion of 36 water treatment plants to serve rural areas. In areas that are remote with low population density, alternative solutions such as tube wells, gravity wells and rainwater harvesting were tapped.

Providing 24-hour Electricity Supply

Connecting to grid-based electricity is the default option for adding connections across Malaysia. The new connections will be carried out upon new investments made to increase electricity generation capacity in parts of the country.

However, in some rural areas, the distances from the electricity generation and transmission infrastructure are very far. In these cases, after conducting cost and benefit analysis, technologies such as solar hybrid power generation or micro hydro-electricity will be introduced. This approach has helped to provide electricity to many villages in rural areas.



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Building / Restoring Houses for Rural Poor

The key issue in the delivery of houses was to resolve the beneficiaries list to ensure that only the truly deserving cases would benefit from this initiative. Hence, the various district and state level agencies were recruited in identifying the needy households. In addition, the e-Kasih portal the national database for low-income households, was also utilised in the selection of candidates.

The district level focus group assesses the merit of potential beneficiaries and decides on whether households are eligible to be part of the housing programme. Close contact with the relevant authorities is maintained to ensure local realities are taken into account in making decisions and subsequently in managing the deliveries.

In ensuring consistency, all the houses built utilised common standards for building quality as well as design. This also was a prudent measure in managing cost control.





SUCCESSSES AND ACHIEVEMENTS

BIG WINS

We are pleased to announce that we have achieved most of our targets for 2010.

The overall results of the NKPI targets set for 2010 are shown in the table below.

Table 1: 2010 National Key Performance Indicators

No.	NKPIs	2010 Target	Actual Results	Remarks	Traffic Lights
1	Roads Delivery (km)	751.9	783.1	783.1 km of rural roads built or upgraded <ul style="list-style-type: none"> • P. Malaysia – 317.6km • Sabah – 213.5km • Sarawak – 252 km 	 104%
2	Water Delivery (unit of households)	70,181	36,273	Only 52% of target achieved in 2010 due to source capacity and procurement issues (under review)	 52%
3	Electricity Delivery (unit of households)	25,312	27,266	27,266 rural houses provided with 24-hours electricity supply for the first time. <ul style="list-style-type: none"> • P. Malaysia – 759 • Sabah – 14,194 • Sarawak – 12,313 	 108%
4	Housing Delivery (units)	16,626	16,962	16,962 new or restored houses provided for rural poor. <ul style="list-style-type: none"> • P. Malaysia – 7,321 • Sabah – 2,274 • Sarawak – 7,367 	 102%






Lives Changed for the Better

"I am excited to see many households are now connected with water and electricity supply. Lives have changed significantly for many of us now."

Terence Idang, Bisayah community leader. The Bisayah are an ethnic group indigenous to the northern region of Sarawak.

783.1 km
OF ROADS PROVIDED

 Achievement of 90% and above
  Achievement of 51% to 89%
  Achievement of 50% and below

Most of our achievements were in Sabah and Sarawak as they have more rural areas compared to Peninsular Malaysia. This is a sample of some of the RBI projects completed in 2010.

Roads

No	Project Name	Location	Outcome
1	Bypass road from Sengkang to Felda Inas	Bandar Tenggara, Johor	11.5km
2	Kg. Changkat Belulang to Malim Nawar	Malim Nawar, Perak	5km
3	Tomis – Tiong – Lokos – Kotunan – Wasai	Tuaran, Sabah	18km
4	Jalan Rumah Semut - Rumah Lapik - Rumah Untang - Rumah Memaloh - Ulu Yong	Kapit, Sarawak	10.3km
5	Jalan Sayong – Entabai	Sarikei, Sarawak	2km

Water

No	Project Name	Location	Outcome
1	Water treatment plant and reticulation project	Kuala Tahan, Pahang	550 households
2	Expansion of Puncak Borneo treatment plant and additional reticulation	Kuching, Sarawak	2,059 households
3	Reticulation projects across various Kampung Orang Asli	Across Peninsular Malaysia	600 households
4	Water treatment plant and reticulation project	Sipitang, Sabah	5,396 household

Electricity

No	Project Name	Location	Outcome
1	Solar hybrid project for in Pulau Banggi	Kudat, Sabah	602 households
2	Submarine cable connection to Pulau Sebatik	Tawau, Sabah	833 households
3	Grid extension in Mambong	Mambong, Sarawak	663 households
4	Grid extension across various Kampung Orang Asli	Across Peninsular Malaysia	759 households



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Housing

No	Project Name	Location	Outcome
1	Restoration of four longhouses in RASCOM area	Kanowit & Selangau, Sarawak	1,490 units
2	New re-settlement area in Kampung Pulau Seduku	Sri Aman, Sarawak	250 units
3	New houses built in Kota Marudu	Kota Marudu, Sabah	80 units

As the RBI NKRA involves tangible developments, the benefits of efforts have indeed been felt by the various rural communities. This has led to an overall in positive perception towards the initiatives undertaken. The involvement of the government in providing electricity, houses, water and roads has been welcomed by the people as enablers that will better their lives.

The rakyat are also satisfied with not just the availability of this basic infrastructure, but the quality or standards of the facilities made available to themselves and their families e.g. uninterrupted water as well as electricity supply and roads with good connectivity and accessibility.

In essence, the RBI initiatives have transformed rural communities who now enjoy a better quality of life.

The implementation of Programme Jalan Luar Bandar has enhanced the road connectivity across over 12,000 kampungs across the country. In Kapit, Sarawak, at least four longhouses will now be connected with the completion of 10.3 km of new roads. With these new roads, residents can now make full use of vehicles and participate in various social and economic activities like selling their produce. Their children too now have better access to school.

Residents of Kampung Chupak in Mambong, Sarawak and Kampung Orang Asli Air Tawas, Ledang will no longer face the pitch darkness of night following the implementation of 24-hour electricity supply to their villages. The introduction of Programme Bekalan Elektrik Luar Bandar has definitely done much to elevate the lives of these villagers.

Today, many Orang Asli communities who previously relied on rivers and rain for their supply of water, now enjoy access to clean, uninterrupted tap water. The implementation of Programme Bekalan Air Luar Bandar in rural areas such as Kampung Orang Asli Hulu Kuang, Gombak, Selangor and Kampung Orang Asli Hulu Woh, Tapah, Perak has solved the problem of getting a clean water supply to the community and helped mitigate the spread of diseases.

Having a roof above their heads means the world to many residents in Kampung Pulau Seduku in Sri Aman, Sarawak. With the new settlement under Programme Bantuan Rumah, they now have access to various economic activities including easy access to the market that serves as the local economic engine. At the same time, they are also within reasonable distance of oil palm plantations where many of them are potential smallholders.

All in all, RBI initiatives are enabling many of the residents in Sabah and Sarawak the opportunity to enjoy the fruits of the nation's progress.

Touching the Lives of more than 2 million People Living in the Rural Area

783.1 km of rural roads have been completed	36,273 rural houses with clean / water supply	27,266 rural houses with electricity supply	16,962 houses for rural poor build & restored
1.8 million people	176,000 people	136,000 people	85,000 people

CHALLENGES

SHORTCOMINGS

Spillover in Achieving Targets

As some projects may take a longer time than others, there is a possibility of projects experiencing a spillover effect with completion expected in the following year.

In addition, the nature of the RBI initiative and its deliverables require the participation of many parties. While this aspect has been managed well in 2010, the process is lengthy and as a result, can have an effect on timelines.

In many cases, the implementing agencies are not necessarily the operating agencies. For example, in the case of water projects, the contractor appointed by the Ministry of Rural and Regional Development will hand over the operations of completed water treatment plants to state water authorities. Therefore, good cooperation amongst all parties is needed to ensure timely delivery of results.

LESSONS LEARNT

Effective Processes Required

There is a need to constantly improve the procurement timing process to avoid delays in the commencement of subsequent contract activities, which in turn could possibly cause delays in the entire project delivery. Going forward, we will plan our projects much earlier in anticipation of possible delays in the implementation of our programmes due to the bureaucratic process or any other factors.

The desk-bound processes (plan, design and procure) should be carried out earlier before we start construction to help fast-track the rollout of projects. We realise the procurement process can be lengthy and will spend more time over the 2011 and 2012 period to improve the whole process to ensure better efficiency and perhaps even a shorter lead time for future projects.

GOING FORWARD INTO 2011

These are the 2011 NKPI Targets committed to by KKLW:

Table 2: 2011 NKPI TARGETS		
Timelines		2011
Roads	Length in Kilometre	905
Water	No of houses	58,087
Electricity	No of houses	32,242
Houses	No of houses	9,146

New Initiatives in 2011

For 2011, we intend to reduce the time needed for administrative processes such as procurement, tendering, land acquisition or resolution of land matters. This will help in expediting delivery. The objective is to make the process leaner without sacrificing good governance.

While we are aware of the improvement areas, as a whole, the results achieved under the RBI NKRA, have to date, been very encouraging. Three of the programmes namely roads, houses and electricity exceeded their targets. This demonstrates the success of the programme and the government's commitment to ensure that rural Malaysians are not deprived of the basic amenities for a better quality of life.



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Improving Rural Basic Infrastructure continued

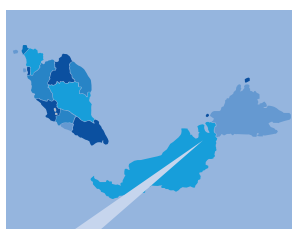


We strongly believe that all Malaysians, regardless of where they live, should have access to socio-economic development. Once the basic infrastructure is in place, social amenities and economic development can be introduced to the area. One of the efforts that is currently taking place is the implementation of telecommunications and broadband connectivity. In some rural areas, where road access and electricity supply are now available, communication towers are being planned and constructed. With the completion of these towers, residents will soon have access to mobile and broadband connectivity. Apart from that, the Government can simultaneously start planning to introduce social amenities such as school, hospitals, and community centres to the area.



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We will continue to strive endeavour to deliver this basic, fundamental right of every Malaysian so that everyone will have equal opportunity to enjoy a lifestyle of comfort, convenience and security.

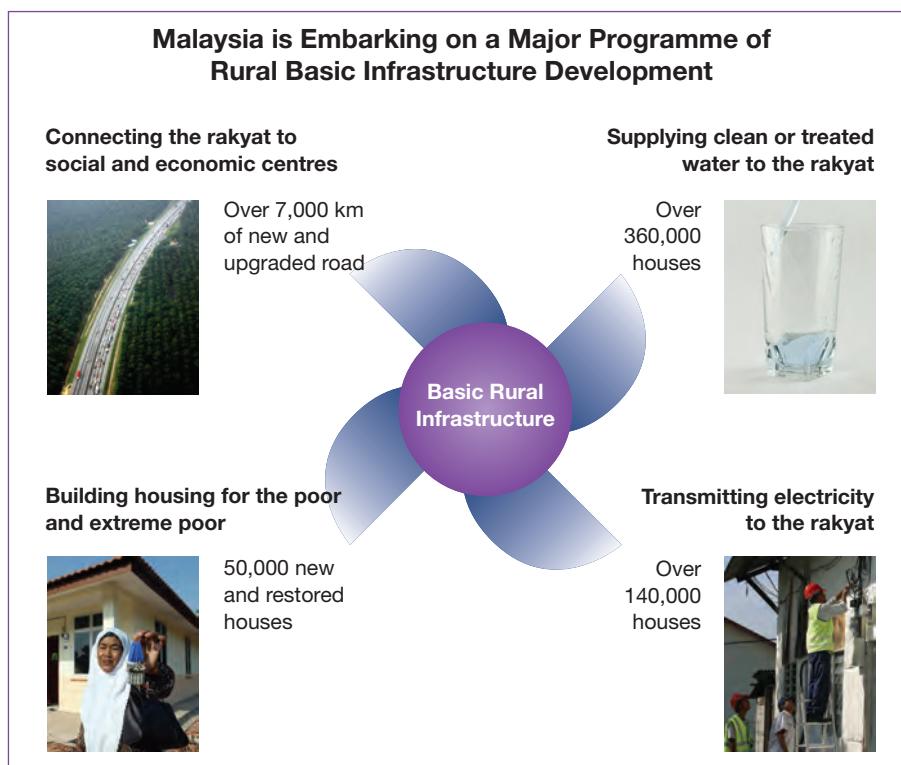


RBI Initiatives Impact Positively on the Local Economy

Ba'kelalan, located in rural Sarawak is among the many areas impacted by the RBI projects. A road project, between Ba'kelalan and Long Semadoh is currently in progress. This 150km road is being constructed by KKLW in collaboration with the Armed Forces.

According to locals, it will soon be easier for them to sell agricultural products such as their famed Ba'kelalan apples to nearby towns such as Lawas. It is envisaged that the travel time will be reduced from 12 hours to 4 hours once the road is completed. There will also be impact on local development. The price for cement for example, will reduce by half from the current RM60 per bag.

Table 3: RBI Targets for 2010-2012



Note that the figures illustrated above differ from the original figures published in the GTP Roadmap as these were modified in line with the final budget allocation for the RBI NKRA. As is the case with the long lead-time needed for infrastructure projects, we anticipate that some of these projects will be delivered beyond 2012.