



**RAISING LIVING
STANDARDS OF
LOW INCOME
HOUSEHOLDS**

MINISTER'S FOREWORD

Message by the Honourable

Dato' Sri Mohd Najib bin Tun Abdul Razak

Prime Minister and Acting Minister of Women,
Family and Community Development



The goal of this National Key Result Area (NKRA) is to reduce the poverty rate amongst Malaysians to 2% by 2015 from 3.8% currently. These are Malaysians who are classified as poor and extreme poor, and whose quality of life has not improved despite the country's economic progress over the past 55 years.

To reduce the disparity between this disadvantaged group and the rest of Malaysians, the federal government and its related agencies, working closely with state governments through the 1AZAM programme, are helping the poor earn higher incomes. The Government is also providing low-income households with other forms of financial assistance, and with the appropriate entrepreneurship and employment skills needed for them to start businesses and otherwise pull themselves out of poverty.

However, the needs of the poor go beyond just financial aid,

and extends to care, assistance and support. Under the GTP 2.0, the Ministry will foster close collaboration with the private sector and non-governmental organisations to deliver programmes such as home help services for the elderly, distribution of food baskets, transport aid for kidney patients and shelter for the homeless.

Helping the poor break out of the cycle of poverty needs the support of everyone. As Malaysia progresses towards becoming a developed nation by 2020, our success should not only be measured by how much we have helped improve the quality of life of the advantaged Malaysians, but by how we have treated the less fortunate and what we have done to help them to be self-reliant and to stand on their own feet.

Let's work together to effectively implement the initiatives set out in this plan and to make a better Malaysia for everyone.

Looking back at the GTP 1.0 (2010 - 2012)

Under the GTP 1.0, the Raising Living Standards of Low Income Households (LIH) NKRA achieved great strides in meeting its objective of reducing the disparity between the economically advantaged and the disadvantaged. Above and beyond moving affected households into higher income categories, initiatives under the LIH NKRA paved the way for the start of a new cycle of a better quality of life for the country's poor¹ and extreme poor². At the end of 2010, in just the first year of the NKRA's three-year poverty

eradication programme, only 0.2% of the nation's population remained in the extreme poor category, with 44,535 households successfully moved out of this bracket.

The measures implemented under the GTP 1.0 resulted in a number of Big Wins. Additionally, the programme kicked off efforts aimed at achieving long-term change for the low-income demographic, for which the LIH NKRA's initiatives will continue in the GTP 2.0.

The implementation of the initiatives under the GTP 1.0 has not been without its challenges. Some of the 1AZAM initiatives could not be implemented due to geographical and financial constraints, especially in the remote areas of Sabah and Sarawak. The GTP 2.0 will also see better coordination between the key players involved in poverty eradication to better deliver targeted programmes.




Year	Strategy	Outcome
2010 Move out of Poverty 	Cash assistance to move them out of extreme poverty	99.67%, or 44,535 out of 44,643 Extreme poor out of extreme poverty
2011 Participate in Income Generating Programmes 	Participate in an income generating programme	Target of 57,793 Households registered in e-Kasih
2012 Measure the Outcome 	Measure the outcome, increase in income	20,717 (35%) participants to increase their income

Figure 1: Overall strategy of the Low Income Household NKRA in the GTP 1.0

¹ Poor households have average monthly incomes of less than RM760 in Peninsular Malaysia, less than RM1,050 in Sabah and less than RM910 in Sarawak.

² Extreme poverty is defined as households with average monthly incomes of less than RM460 in Peninsular Malaysia, RM630 in Sabah and RM590 in Sarawak.

BIG WIN 1 Effective management of poverty cases

In order to ensure effective delivery of aid and support of low-income households, the e-Kasih programme was established. e-Kasih is the only designated database to monitor and manage these households. An extension of e-Kasih is the 1AZAM (Akhiri Zaman Miskin) programme, which focuses on

providing economic opportunities that enhance the productive capacity of low-income households to move them out of this category in a sustainable manner.

The initiatives under 1AZAM aim to build capacities through a combination of employment and entrepreneurship. The

1AZAM programme is a collaborative effort which involves multiple ministries/agencies to provide services related to their core functions such as job placement, small business start-ups and micro-credit, and self-employment opportunities to help target groups move out of the poverty trap.







Type	Description	Implementing Agencies
 AZAM Tani KEMENTERIAN PERTANIAN DAN INDUSTRI ASAS TANI	Agricultural and agro-based activities	<ul style="list-style-type: none"> Ministry of Agriculture & Agro-based Industry
  AZAM Niaga	Small businesses	<ul style="list-style-type: none"> Amanah Ikhtiar Malaysia; Ministry of Women, Family & Community Development
 AZAM Kerja	Job matching/ Job placement	<ul style="list-style-type: none"> Ministry of Human Resources
  AZAM Khidmat	Services (self-employment)	<ul style="list-style-type: none"> Amanah Ikhtiar Malaysia; Ministry of Women, Family & Community Development
 AZAM Bandar	Skill training, small business, kiosk	<ul style="list-style-type: none"> Ministry of Federal Territories and Urban Wellbeing
 1AZAM Sabah	AZAM Tani, Niaga, Kerja, Khidmat	<ul style="list-style-type: none"> Sabah State Government & agencies
 1AZAM Sarawak	AZAM Tani, Niaga, Kerja, Khidmat	<ul style="list-style-type: none"> Sarawak State Government & agencies

Figure 2: 1 AZAM Initiatives Description & Implementing Agencies

Some of the highlights of the e-Kasih and 1AZAM programmes include:

- Processing 317,359, or 96%, of the cases registered with e-Kasih
- Facilitating the participation of 63,147 poor households in the 1AZAM programme, exceeding the target of 57,793 households.
- In addition to the initiatives under 1AZAM, other initiatives under the GTP 1.0 include the affordable Insurance scheme for LIH including the poor/extreme poor, covering

death and critical illnesses.

- Housing assistance was also granted to the poor that provided the rental and sale of low-cost units under Projek Perumahan Rakyat (PPR) and Perumahan Awam (PA) in urban areas, and under the Rural Basic Infrastructure (RBI) NKRA in rural areas.

Funds were also made available to restore/rebuild houses under RBI. Initiatives in the health sector include

50 1Malaysia Clinics and four 1Malaysia Mobile Clinics to provide basic medical care to LIH and provision of food baskets to children from low-income families. In the education sector, funds were granted to repair and upgrade dilapidated schools (sekolah dhaif). Other initiatives included support for the Anjung Damai Halfway House for marginalised groups (including former drug addicts, HIV-AIDS patients, ex-convicts and juvenile delinquents).

BIG WIN 2 Moved households into higher income categories

A key achievement for this NKRA is the number of households moved out of the extreme poor and poor categories. With over 90,000 households identified in these

categories in 2010, this initiative succeeded in:

- Reducing households in the extreme poor category by 99.9%, moving 44,535 households out of

this bracket

- Reducing the number of poor households by 15,868

BIG WIN 3 Provided entrepreneurship and skills training to achieve economic empowerment

Entrepreneurship and skills training represents a vital factor in gaining economic empowerment and is crucial towards achieving poverty alleviation. In an effort to build entrepreneurship

skills among affected households and specifically, women, the LIH NKRA has trained 6,904 women entrepreneurs, exceeding the initial targets set for the GTP 1.0.



BIG WIN 4 Increased home ownership amongst poor households

Housing is another key issue in determining a community's standard of living. To this end, providing access to home ownership amongst poor households represents a crucial measure for the LIH NKRA. Under this transformation programme, 35,095 low-cost homes under Projek Perumahan Rakyat (PPR) and Perumahan Awam (PA) under Dewan Bandaraya Kuala Lumpur were offered for sale to its current tenants. Home ownership by



poor households increased by 4,865, or almost double the previous

ownership numbers.

Introduction to the GTP 2.0 (2013 - 2015)

Case for Change

The measures under the GTP 1.0 laid the foundations for the ultimate goal of poverty eradication. The first phase of the poverty eradication program, spanning three years from 2010-2012, recorded tremendous progress, but more can be done to ensure that incidences of poverty are eliminated in a sustainable manner.

Eradicating poverty is a learning process and most of these lessons come from direct, hands-on experience in working with the poor. For instance, under the GTP 1.0, the LIH NKRA encountered the following obstacles:

- Lack of clarity of purpose among 1AZAM recipients
- Low job opportunities or economic activities in rural areas
- High cost of delivery services in remote Sabah & Sarawak
- Challenges of verifying the poor and extreme poor through e-Kasih

The challenges are many: It is projected that 190,000 households will be registered with e-Kasih by 2015, there are still cases of undernourished children in this country and 12,600 households still earn less than RM670 a month. As such, efforts at poverty eradication and reduction must take on a holistic approach, targeting long-term change and achieving the transformation of lifestyles.

However, there will be key differences between the initiatives of the GTP 1.0 and the GTP 2.0. While the GTP 1.0 initiatives were primarily led by the

government, the goal for the next transformation phase is to get broader engagement from corporate entities, NGOs and individuals.

Many programmes organised by the NGOs have an effective delivery system due to its strong grass-roots support and on-the-ground network. Therefore, the Government is committed to supporting and enhancing NGO programmes that are aligned with the GTP 2.0 scope.

Secondly, while the GTP 1.0 focused on the individual, the GTP 2.0 will expand its scope to tackle poverty on the community level as well. Initiatives of the GTP 2.0 will target specific communities where poverty levels are higher than the national average. Examples include the Penan tribe in Sarawak and Orang Asli communities in Peninsular Malaysia.

As a whole, the GTP 2.0 will emphasise the economic empowerment of individuals and communities through productive welfare, and this effort will require the establishment of basic facilities and the right environment. In order to achieve this objective, the LIH NKRA will work more closely with the various ministries and other relevant NKRA's – Rural Development, Urban Public Transport and Education, for example.

In essence the GTP 2.0 is aligned with the 10th Malaysia Plan by helping to raise the income generating potential

of the bottom 40% households as well as building a more progressive and inclusive society. Nonetheless, the LIH NKRA will remain primarily focused on helping the poor and extreme poor, and vulnerable groups.

Vulnerable groups that will be targeted for economic empowerment include the disabled, ex-drug addicts, single parent households, and ex-convicts.

The LIH NKRA aspires to achieve two goals by 2015:

- Reduce poverty to 2% from 3.8% currently
- Ensure that every poor and extreme poor household registered with the e-Kasih database gets the opportunity to economically empower themselves, either through 1AZAM or other programmes organised by corporate partners and NGOs.

The key focus areas in the GTP 2.0 are quite diverse, but are anchored primarily on the 1AZAM programmes. Targets have been set for each sub-programme measuring participation rates and how effective the programme has been for the participants. The aim is to raise the incomes of participants by RM400.

Overview

In order to realise the aspirations outlined above, the approach to the GTP 2.0 will be different from the GTP 1.0. The journey out of poverty will be different for each individual and community. Therefore whilst the 1AZAM Programme will be the Government's central programme of economic empowerment for the poor and extreme poor; the Government realises that there are many existing programmes managed and led by NGOs, CSOs (Community Services Organisations) and corporates that contribute

significantly to transforming the lives of the poor and vulnerable groups.

The Government recognises that providing the tools of economic empowerment is insufficient unless the basic needs of the individual and community are met. For example, a mother in the city cannot have peace of mind in the workplace if she worries about providing basic shelter or if her children are not provided with proper daycare facilities. Similarly, a farmer cannot tend to his land productively if

his children are not in school and are undernourished.

Therefore, in the GTP 2.0, there will be better coordination across other NKRA's of Rural Development, Education, Cost of Living, Urban Public Transport and Crime to ensure all needs of the communities are met. On top of this, the GTP 2.0 will also implement specific and targeted programmes that provide support such as health/nutrition-based programmes, child care and elderly care.

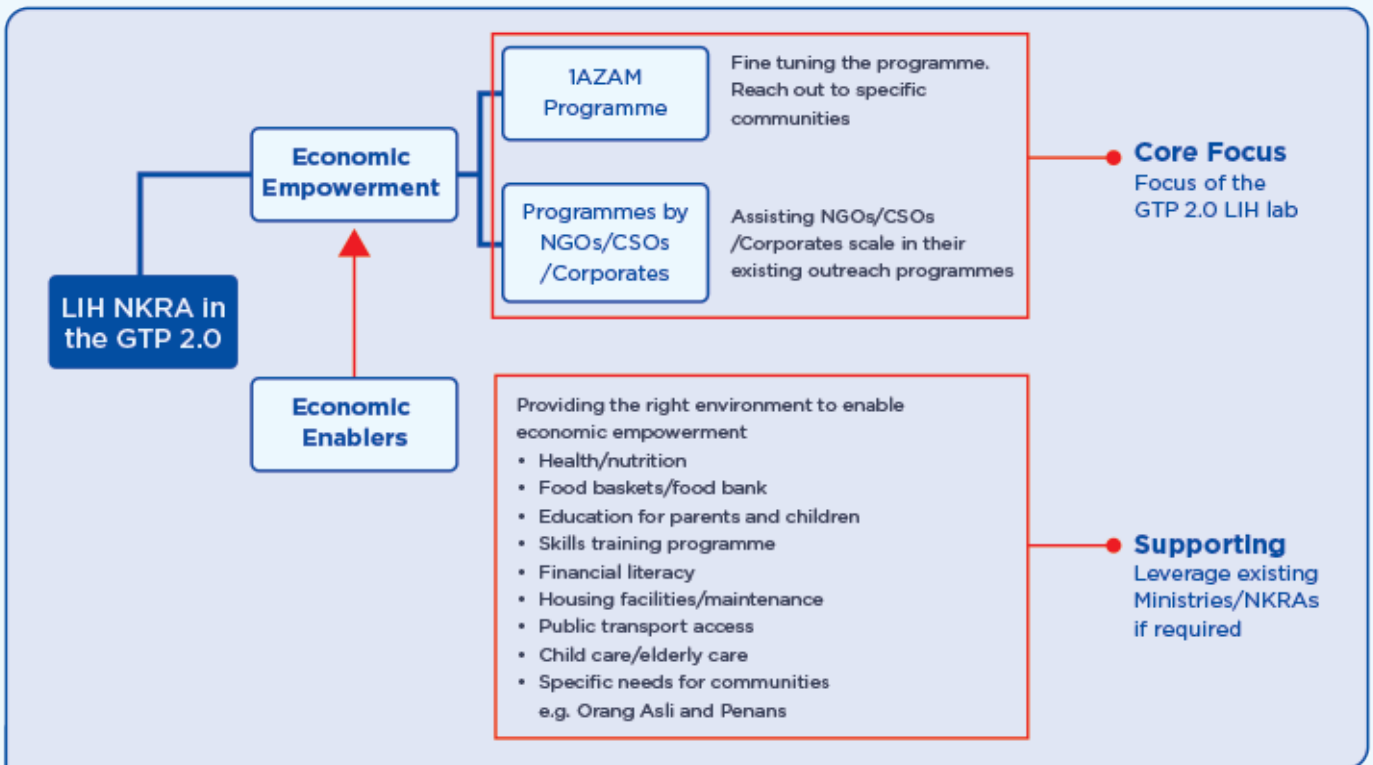


Figure 3: Key Principles of the LIH NKRA in the GTP 2.0

The GTP 2.0 will target three main segments. Firstly, it will continue to target the poor and extreme poor. These families are found across the nation in each state and in urban and rural areas.

Secondly, the GTP 2.0 will look at specific communities that have higher incidences of poverty as well as communities that have not been provided sufficient support due to the environment and circumstances that

they are in. For instance, 80% of the Penan communities are classified as poor and extreme poor. Approximately 30% of the Orang Asli Communities are poor and extreme poor. These communities have a significantly higher

incidence of poverty, which is above the national average. The GTP 2.0 recognises that due to the rising cost of living, greater emphasis in supporting the urban poor, particularly the elderly poor and homeless is necessary.

Thirdly, the Government will not neglect vulnerable groups. These groups, whilst they may not be clearly classified as poor and extreme poor, are in need of support due to their circumstances. In the GTP 2.0, the specific groups targeted are ex-prison convicts, ex-drug

addicts, disabled persons (OKU), the elderly and single parents. In addition to reaching out to these individuals, the Government recognises that support must be provided to their families as well in order to ensure a sustainable journey out of poverty.

Economic Empowerment

The LIH NKRA recognises that the permanent solution of poverty is through economic empowerment and productive welfare. There needs to be a shift in mindset so that the recipient of aid adopts a proactive approach through greater self-commitment

and responsibility to pull themselves out of poverty. The road to economic empowerment is unique for every individual and community, and there is therefore a need to create and facilitate alternative paths. The emphasis of economic empowerment is to fine

tune the existing 1AZAM programme implemented in the GTP 1.0, and support programmes by NGOs, CSOs and the corporate sector to enable them to upscale and expand their respective outreach programmes.

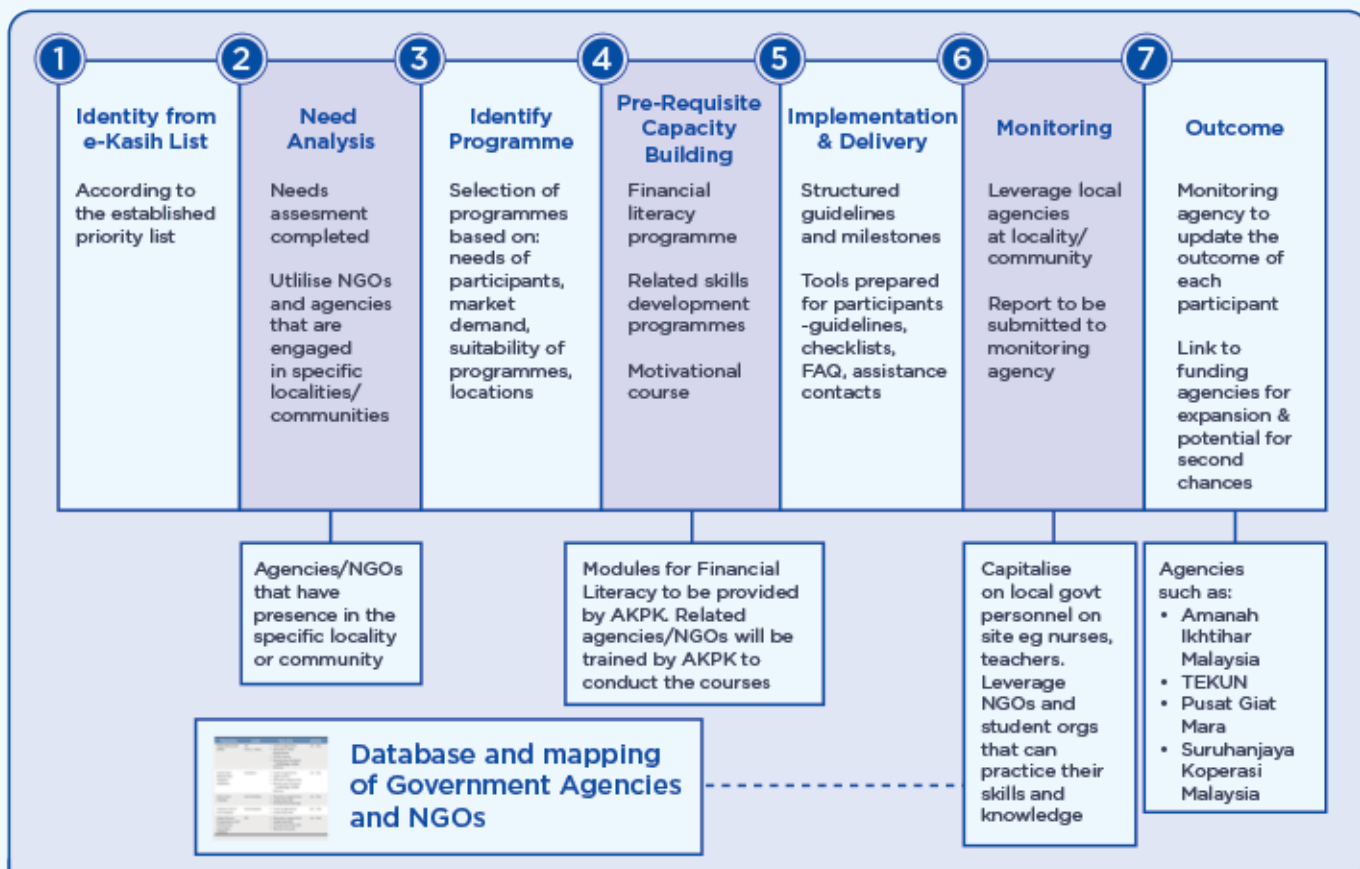


Table 1: Improved mechanism of implementation for 1AZAM initiatives

Government-Led Initiatives

Initiative: Expanding the e-Kasih Database

An improved version of e-Kasih, the database managed by the ICU (Implementation Coordination Unit of the Prime Minister’s Department) maintaining records of Malaysia’s poor and vulnerable, called Greater e-Kasih will be implemented with broader data sources to accurately reflect the social and productive welfare support provided to each person.

Currently, ICU, government ministries, agencies and a selection of NGOs contribute to the e-Kasih database. Going forward, more NGOs and CSOs will be engaged to provide and update information on e-Kasih.

To do so, the e-Kasih database will be simplified and training provided to help NGOs to upload information onto e-Kasih. ICU, through the district focus

groups and State Development Offices, will filter and verify the information to avoid duplication and ensure consistency.

Furthermore, to ensure information is updated frequently, an email alert system will be put in place to remind relevant agencies and NGOs to update their information at least semi-annually.



Initiative: Granular and targeted 1AZAM programme

1AZAM provides cash-in-kind assistance comprising training and development and provision of equipment to help participants generate income. The GTP 2.0 will continue to provide 1AZAM support to poor and extreme poor e-Kasih participants.

Over the next 3 years, the LIH NKRA aims to add 100,000 1AZAM participants and also further improve income levels of existing 1AZAM participants from the GTP 1.0.

In the GTP 2.0, the 1AZAM programme targets will be more granular and state-

specific to target under-served districts and place greater emphasis on urban areas.

The selection of 1AZAM participants will also be more stringent under the GTP 2.0, and selection priority will be given to participants who fall into one

- or more of the following categories:
- Extreme poor and poor households registered with e-Kasih that have not received any assistance
 - Extreme poor and poor households that have not received any income-generating assistance.
 - Participants from districts where

there is a high number of poor and extreme poor households but without a corresponding number of 1AZAM participants.

The Government's goal is to ensure that all poor and extreme poor households registered in e-Kasih will

have an opportunity to participate in the 1AZAM programme by 2015. The LIH NKRA will also look at ensuring that the outcomes of existing 1AZAM participants are improved.

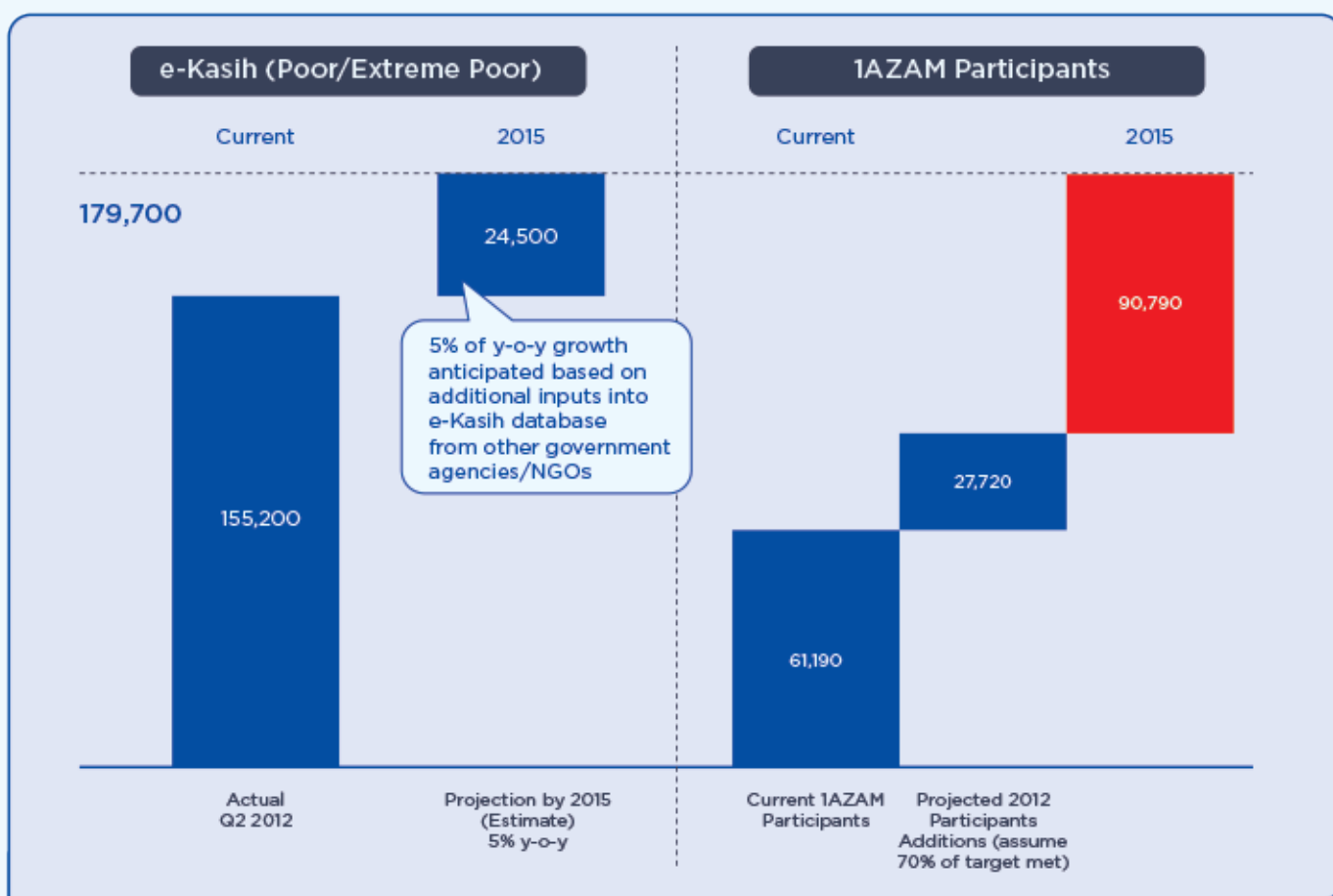


Figure 4: Projections of e-Kasih and 1AZAM programme participants by 2015

A more stringent approach will be taken in data collection and analysis to ensure that deserving individuals from the poor and extreme poor or vulnerable

categories are selected for participation. Furthermore, the GTP 2.0 will look to select individuals from under-served districts, namely those that have

reported high incidences of poverty, based on e-Kasih, but with low 1AZAM participation rates (see figure below).

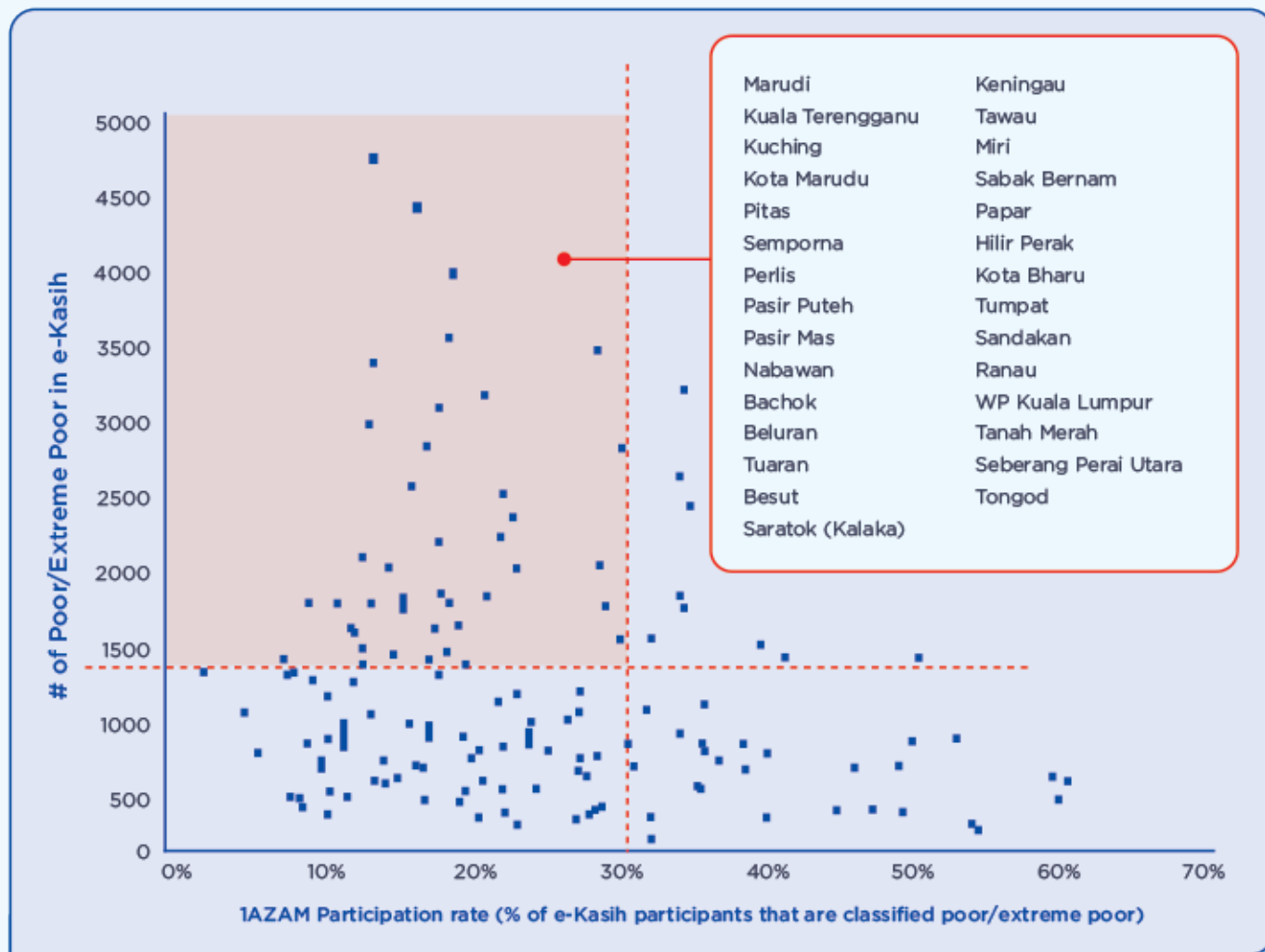


Figure 5: e-Kasih participants vs. 1AZAM participation rate

1AZAM Programme	Champlon	2013	2014	2015	Total
AZAM Tani	Ministry of Agriculture	3,500	3,500	3,500	10,500
AZAM Kerja	Ministry of Human Resources	5,000	5,000	5,000	15,000
AZAM Khidmat/Niaga	Ministry of Women, Family and Community Development	5,000	5,000	5,000	15,000
AZAM Khidmat/Niaga	Amanah Ikhtiar Malaysia	5,000	5,000	5,000	15,000
AZAM Bandar	Ministry of Federal Territories and Urban Wellbeing	1,600	1,600	1,600	4,800
1AZAM Sabah	Sabah State Government	7,500	10,000	12,500	30,000
1AZAM Sarawak	Sarawak State Government	7,500	10,000	12,500	30,000
Total		35,100	40,100	45,100	120,300

Table 2: Number of 1AZAM participants by year

1AZAM in Sabah and Sarawak

An explicit goal of the GTP 2.0 is to improve the quality of life of the poor and extreme poor households in Sabah and Sarawak. Based on the Economic Planning Unit's (EPU) Malaysia Quality of Life Index, the areas that require improvement are education, health, infrastructure and transport, and income-generating activities.

Sabah and Sarawak will see the continuation of the four main 1AZAM

programmes carried over from the GTP 1.0. These programmes are AZAM Tani, AZAM Niaga, AZAM Khidmat and AZAM Kerja.

The main difference in LIH NKRA's efforts in Sabah and Sarawak in the GTP 2.0 compared to the GTP 1.0 is in the scope of the work. The GTP 2.0 will take on a more holistic approach compared to the first transformation phase, and will address the needs of the

poor and extreme poor households as a community.

Thus, the effort in Sabah and Sarawak will also be directed at addressing community requirements, while providing economic assistance via 1AZAM programmes.

<p>Selection Criteria: Prioritising 1AZAM Participants</p> 	<ul style="list-style-type: none"> • Extreme poor and poor households that have not received any assistance • Extreme poor and poor households that have not received any Income generating assistance • Mapping of distribution of poor households and number of 1AZAM participants by districts
<p>Addressing needs of participants: Customised assistance</p> 	<p>AZAM TANI funding based on locality:</p> <ul style="list-style-type: none"> • Urban : RM10,000 • Rural : RM12,000 • Remote : RM15,000 
<p>Pre-requisite for 1AZAM participation: Capacity Building</p> 	<p>Preparatory sessions for 1AZAM participants:</p> <ul style="list-style-type: none"> • Financial Literacy Education • Skills training and development directly related to 1AZAM projects.

Figure 6: Key differentiators between the GTP 1.0 and the GTP 2.0

A further enhancement to the GTP 2.0 are efforts made to seek active engagement and collaboration from NGOs, who will work hand-in-hand with the implementation agencies to mentor and support 1AZAM participants. They will also play a crucial role in delivering community programmes.

Apart from government initiatives, in the GTP 2.0, Sabah and Sarawak will also engage non-governmental agencies and organisations in addressing community requirements. To kick-off the programme, representatives of both

states have conducted profiling and analyses of their localities.

Moving forward, a set of tools is being developed for the use of respective implementing agencies to ensure coordinated management of the engagement of NGOs, a database is also being established to capture all relevant information to assist agencies in implementing initiatives, especially at the district levels.

The database will capture the following information:

- Successful programmes/initiatives by districts, e.g. successful government/commercial agriculture projects
- Community requirements and services that are high in demand by specific locality – profiled locality and requirements
- List of successful 1AZAM initiatives and participants by districts
- Existing projects at each locality by NGOs/commercial projects
- Appointed local leaders/champions to lead 1AZAM projects
- List of NGOs and full contacts

Organisations	Locality	Focus Area
Majlis Belia Sabah (MBS)	All Focus - Urban	<ul style="list-style-type: none"> • Youth programmes • Education/Skills programmes • Tuition classes • Monitoring of projects - AZAM Niaga, AZAM Khidmat
Kelab Sukan Rekreasi dan Kebajikan (KERMAH)	Sandakan	<ul style="list-style-type: none"> • Youth programmes • Legal services • Education programmes • Monitoring of projects -AZAM Niaga, AZAM Khidmat
Intan Junior Chamber	Kota Kinabalu	<ul style="list-style-type: none"> • Education programmes • Leadership skills • Entrepreneurship skills
Rotaract Club of Kota Kinabalu	Kota Kinabalu	<ul style="list-style-type: none"> • Youth programmes • Leadership skills
Sabah Women Entrepreneurs and Professionals Association (SWEPA)	All	<ul style="list-style-type: none"> • Education programmes • Leadership skills • Entrepreneurship skills • Women - Focused

Table 3: An example of the database development in East Malaysia

Sabah and Sarawak

The training and reskilling initiative in Sabah and Sarawak will leverage collaboration with existing training providers such as:

- Institut Kemahiran MARA
- Pusat Giat MARA
- Sabah Economic Development Corporation (SEDCO)
- Local universities and colleges:
 - Universiti Malaysia Sabah
 - Universiti Teknologi Mara (UiTM)
 - Universiti Tun Razak (UNITAR)
 - Kolej Yayasan Sabah, Masterskills
 - ASEANA College
 - University Malaysia Sarawak
- Local agencies:
 - Kementerian Belia dan Sukan
 - Jabatan Pembangunan Sumber Malaysia
 - Jabatan Hal Ehwal Wanita

Specific training and reskilling programmes packaged with 1AZAM initiatives will be delivered in collaboration with the above trainers for 1AZAM participants. Moreover, each participant will be required to complete the mandatory training before receiving 1AZAM assistance.

This initiative, carried out via AZAM Kerja, will map out the career path and job profile for key jobs for 1AZAM participants who need help developing their career paths to ensure they are equipped with the right skills and development to move up the career ladder and out of poverty.

Through these job profiles and career paths, participants will acquire a better understanding of the expected salary, job tasks and the required skills and experience to pursue a specific career. The profiles will help 1AZAM participants understand the specific skills they need to advance in their chosen careers.

An estimated 21,000 AZAM Kerja participants over the next three years will have their career paths reviewed.

Initiative: Innovative and sustainable opportunities

This initiative dovetails with the previous career profiling initiative as it will provide 1AZAM participants with unexplored career options, while the previous initiative will teach them how to go about succeeding in their chosen field.

The opportunities under this initiative involve the following schemes and programmes:

- Work voucher scheme
- Branchless banking scheme
- Micro Sourcing

- Agriculture support for Orang Asli communities
- Department of Women’s Home Manager’s programme

Work voucher scheme

This scheme is a groundbreaking initiative under AZAM Kerja that will help participants break away from government-funded social assistance. This scheme will be introduced as a pilot project in suburban areas and will involve local councils, district offices, fast food restaurants, and supermarkets. This scheme is open

to all, especially those receiving JKM assistance (productive list) and to the poor and hardcore poor registered with e-Kasih, JKM or JKOA’s eDamak. Jobs on offer include cleaning, gardening and administrative, and a payment of RM35 is made on a daily basis. Work done is recorded, and claims can be made once the task is completed.

Job opportunities will be advertised through various media and at district offices on a monthly basis for up to a year. In the long term, the cost to JKM will reduce significantly as welfare recipients become active workers earning an income.

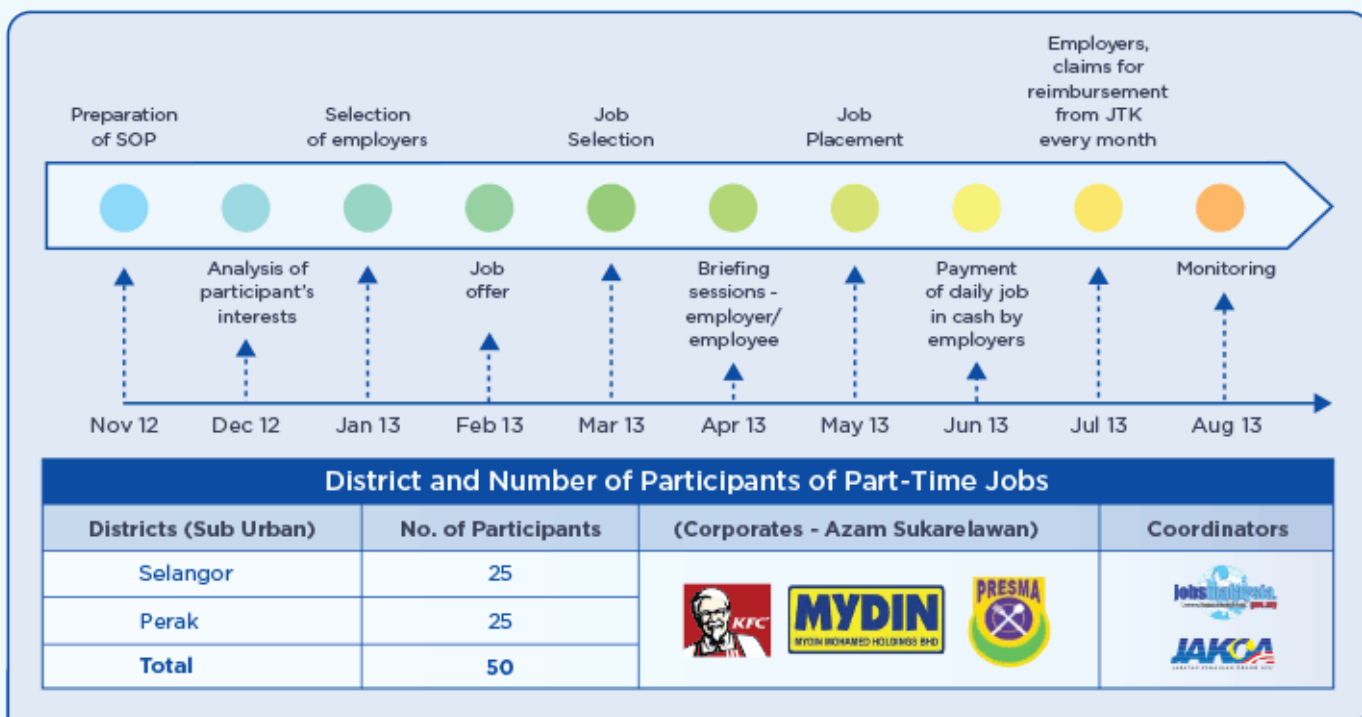


Figure 7: Implementation Plan For Azam Kerja Programme by using the Part Time Job Programme (Work Voucher)

Department of Women's Home Manager's programme

Developed under the 1AZAM programme, the Department of Women's Home Manager's programme will address single parents in urban communities. Participants will learn

practical skills such as household management that will enable them to pursue careers as an au pair, governess or nanny. The 1AZAM programme will provide the financial assistance

for training and development, while training companies will assist with job placements.

Branchless Banking

This scheme will provide access to financial services and banking conveniences to under-served communities especially the poor/extreme poor in areas without banking facilities. Developed by Bank Simpanan Nasional (BSN), banking agents are appointed in the local community to provide banking services such as deposits, withdrawals, bill payments, cashless payments via a wireless GPRS

connection using a Point-of-Sale (POS) terminal.

This initiative will be beneficial to the poor because it will establish banking services in areas where it is not viable to open a bank. This will in turn help cultivate a savings mentality among the poor, and will help support smaller businesses conduct their operations. Furthermore, 1AZAM participants can

supplement their income by working as banking agents. BSN will be responsible for training them, and will also provide the day-to-day support. The goal is to ensure that all mukims and districts in Malaysia are serviced by branchless banking agents by 2015. A further target is to ensure that at least 20% of 1AZAM participants possess a bank account by the same deadline.



Micro Sourcing (Subject to Pilot Project conducted by MDeC)

This initiative comes under the AZAM Kerja programme and targets the urban poor. The initiative leverages the MDeC platform and its sourcing companies under the Business Services and Communications, Content & Infrastructure NKEA. Micro sourcing, also called crowd sourcing, is the distribution of well-defined discrete tasks through the internet. Micro

sourcing makes use of a distributed workforce to complete tasks under flexible circumstances requiring only a basic internet connection. While anyone can participate as a task worker, it is designed to offer opportunities to people outside the traditional workforce looking to increase their income including homemakers, retirees and

senior citizens, unemployed graduates, recently laid-off and part-time workers, the disabled, prison and institution inmates and the under-employed.

The target is to recruit 1,000 participants in 2013, 1,500 participants in 2014 and 2,000 participants in 2015.

Agriculture support for Orang Asli communities

This initiative, under AZAM Tani, helps wean Orang Asli communities from relying on the Government for assistance. The pilot project for this

initiative will take place in Grik, Hulu Perak, where the villagers will be encouraged to grow crops with a short maturity cycle. They will also be

encouraged to develop a barter trading system (see Figure 8 below).

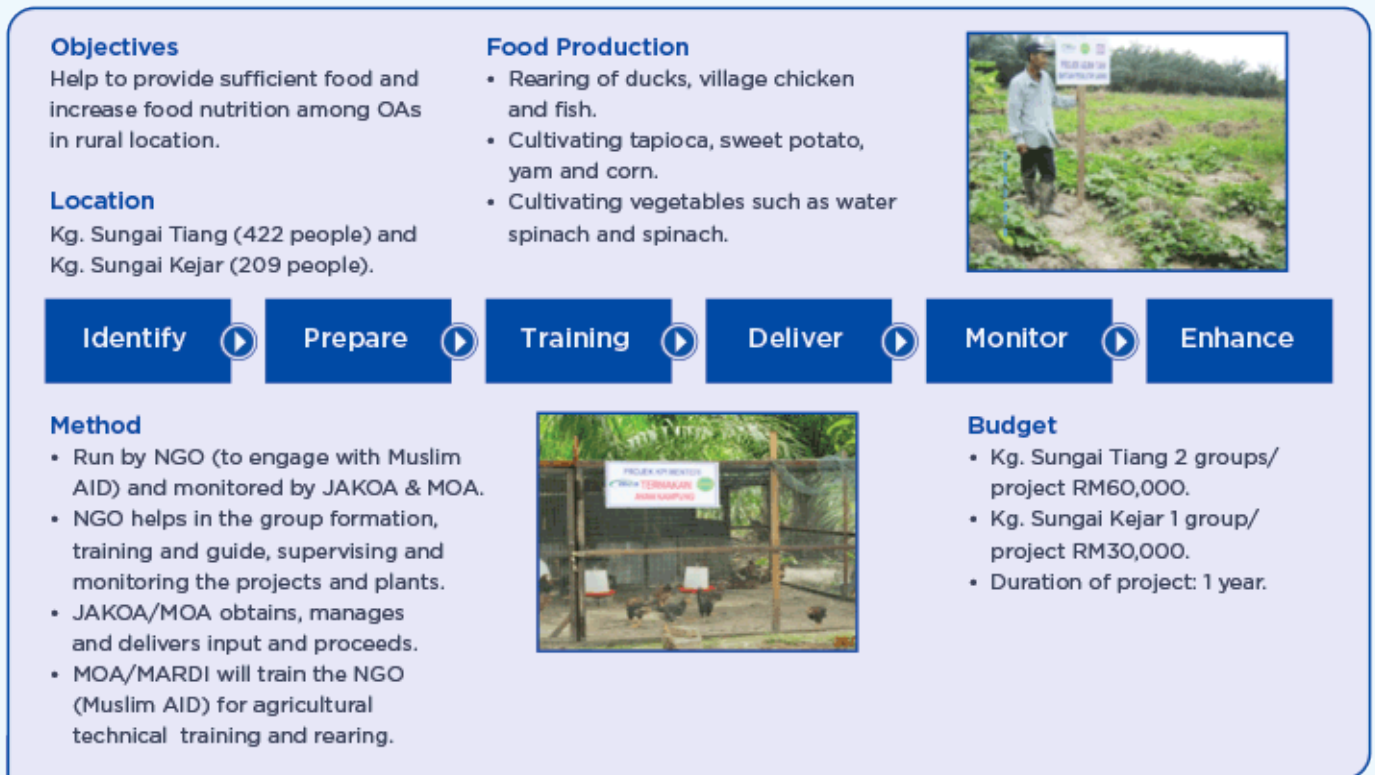


Figure 8: Implementation framework of agriculture support for OA communities

Initiative: Economic empowerment of vulnerable groups

In addition to poor and extreme poor households, the 1AZAM programme in the GTP 2.0 will target specific vulnerable groups and communities, namely ex-drug addicts, ex-prison convicts and communities such as the Orang Asli groups in Peninsular Malaysia and the Penan communities in Sarawak.

The 1AZAM programme will continue to emphasise the development of women as they are typically the backbone of the family unit, especially in single parent homes or when their partners are not in a position to provide financial support. In the GTP 2.0, there is committed support for these vulnerable groups through the various 1AZAM

programmes. For instance, over the next 3 years, 2,400 ex-drug addicts and 2,250 ex-prison convicts would receive 1AZAM support. However, it is important to proactively reach out to the families of these disadvantaged groups by offering the necessary social and productive welfare support.

As such, stronger coordinated efforts between NGOs and the Prisons Department and AADK (Agensi Anti Dadah Kebangsaan) will be formalised to ensure that support is provided to both the individual and his or her family.

Vocational skills training and economic independence has to be balanced by a

strong support mechanism to ensure that these individuals do not relapse. During the rehabilitation stage, cottage industries will be established within the facilities to encourage small-scale industrial and farming activities in collaboration with the private sector.

The focus will be on ex-drug addicts first. The AADK facility will see small industrial activities being carried out for the private sector within the drug rehabilitation centre. The plan is to begin the development of the first facility adjacent to the CCVC (Cure and Care Vocational Centre) at Sepang by 2014.



Poverty Eradication in Urban Communities

Poverty eradication in urban communities falls within the jurisdiction of the Ministry of Federal Territories and Urban Well being (KWPKB). Based on input from NKRA lab members, the training and re-skilling programmes can be strengthened by evaluating existing programmes.

Key changes are as follows:-

- Programme Sejahtera Bandar or AZAM Bandar will include Programme AKRAB (Mentor - Mentee) and Programme RELA (NGOs). This programme is in line with the rest of 1AZAM programmes in terms of monitoring and ensuring sustainability of the programmes.
- Replace NGOs that are not capable of delivery, monitoring and execution for AZAM Bandar and eliminate programmes that are not successful in urban poverty eradication.
- KWPKB will incorporate a financial literacy module in all their training and skilling programmes beside providing basic skills and business opportunities to their target groups.
- The target for each year is 1,600 participants from 2013 to 2015.

Business kiosk

Existing initiatives can be expanded with additional income-generating activities such as providing FAMA's *Gerai Buah Buah Segar* (GBBS) alongside other kiosks in selected local council areas. KWPKB, together with local councils, will help choose the site and ensure they are located in areas with high visibility and curb appeal. These kiosks will be manned by poor or extreme poor households registered with e-Kasih. This initiative will be implemented by the Ministry of Federal Territories and Urban Well being, and targets 200 kiosks annually from 2013 to 2015.

Employability Programme

To increase the employability of Orang Asli candidates participating in the labour market, three-day two-night Career Clinic Programme will be implemented to help them develop several key skills including:

- Job Search Skills
- Resume Writing
- Interviewing
- Self-Grooming
- Self-Motivation
- Labour Rights Awareness

Figure 9: Training And Reskilling To Uplift Economic Participation

Initiative: Broader and Deeper Monitoring

Monitoring is an essential function for ensuring the success of the 1AZAM programme. With limited resources available, it is important to leverage alternative agencies to provide support in monitoring 1AZAM.

One of the goals of the LIH NKRA in the GTP 2.0 is to engage and enroll civil society to help monitor the 1AZAM

programme with greater regularity. A key tool is the AKRAB Programme, which is a mentor-mentee programme that employs successful 1AZAM participants to be mentors monitoring the projects of 1AZAM participants.

Successful 1AZAM participants are those with consistent income levels and the right attitude and behaviour

to inspire new 1AZAM participants. Each respective 1AZAM Lead Ministries will provide the necessary guidance and training to ensure the mentors are sufficiently equipped to guide new participants.

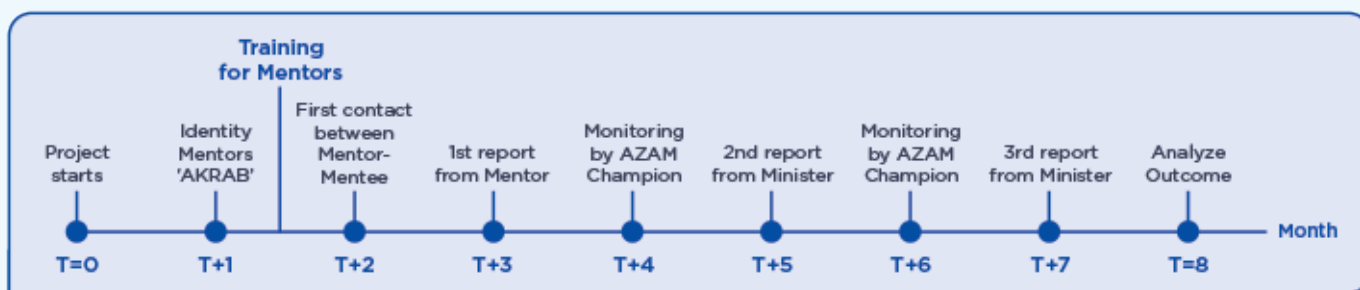


Figure 10: Monitoring Tool (Mentor-mentee Programme)

Top performing mentors will be rewarded with cash-in-kind assistance to further expand and grow their businesses. Pilot programmes will be undertaken by the AZAM Tani and AZAM Kerja programmes in 2012 focusing on under-served districts. The target is to have 1,500 mentors mentoring 4,500 1AZAM participants over the next three years.

The second monitoring tool is the AZAM Sukarelawan volunteer programme, which encourages civil societies to help monitor 1AZAM participants within their individual segments. Civil society covers a broad spectrum, from student groups to NGOs to concerned individuals. With the increased participation of civil society in helping monitor progress, there is a greater awareness of the need to focus on economic empowerment

towards providing productive welfare for the poor.

Each 1AZAM Lead Ministry will manage their respective volunteer programmes engaging with organisations ranging from student-based societies to NGOs e.g. SIFE and NISA. The target is to recruit 4,000 volunteers by 2015 covering 40 of the most under-served districts.

Initiative: Second Chances

At present there is no formal second chance policy that covers 1AZAM participants that are close to dropping out of the programme due to circumstances that are beyond their control. This policy will identify

participants who are clearly deserving of a second chance.

In the GTP 2.0, clear criteria will be developed with recommended assistance to ensure consistency across

the different 1AZAM programmes. A committee in the appropriate ministries and agencies overseeing the 1AZAM programmes will be established to approve the requests.

Non-Governmental Organisations, Community Services Organizations And Corporate-Led Initiatives

Initiative: Expediting tax exemptions for NGOs

NGOs in Malaysia play a crucial role in helping individuals rise up from poverty, but many of these organisations face challenges in expanding their projects to reach a larger audience. One of the main

challenges is financial limitation, thus many NGOs rely on financial support from the corporate sector for their operations. This initiative proposes to expedite the tax exemption process for

NGOs focused on fighting poverty and those that provide support in healthcare, shelter, education and others.

Initiative: Awareness and Corporate/Individual – NGO resource matching

In addition to financial constraints, many NGOs also face manpower constraints, i.e. they are unable to find sufficient volunteers or staff to run their projects and operations. Business and

individuals present a good opportunity to help in the form of financing and human resource, but there is insufficient awareness of these NGOs and their projects. This initiative aims to help

NGOs publicise themselves better with the end-goal of finding appropriate corporate/individual donors.

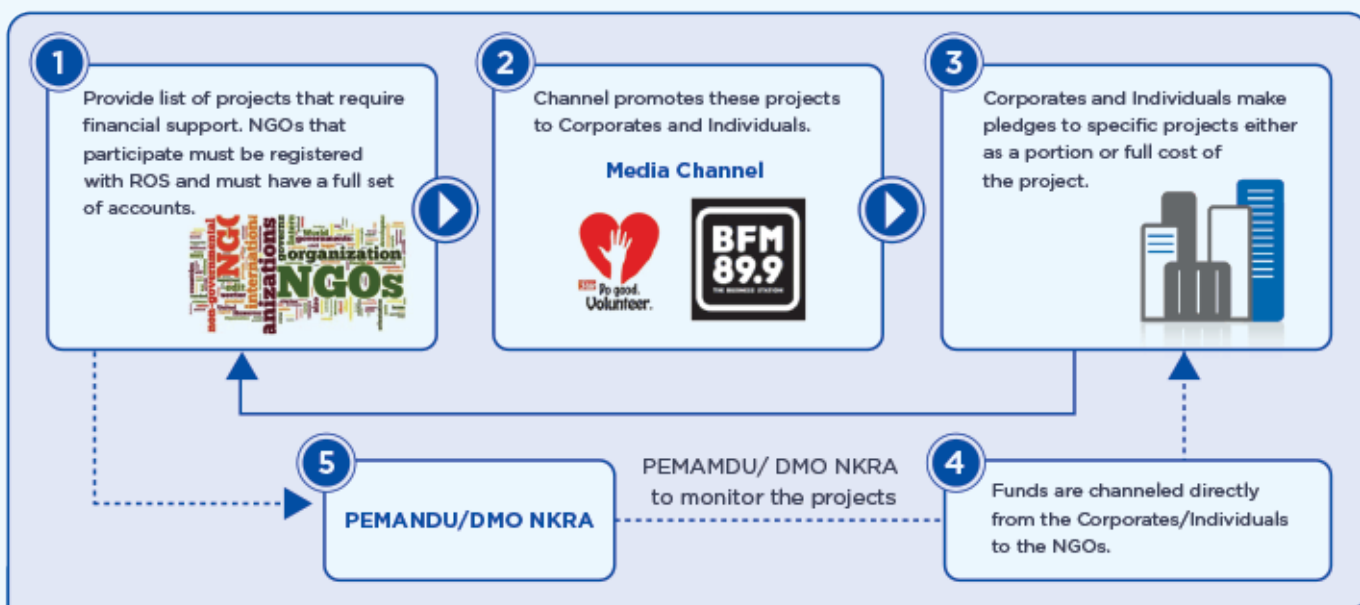


Figure 11: Process flowchart for raising NGO awareness

In the immediate term, ad-hoc campaigns will be run in collaboration with major media channels such as The Star daily newspaper and BFM radio station. For example, projects by NGOs that require financial and human resource support will be highlighted by the appropriate ministry through The Star’s “Do Good, Volunteer” Campaign.

In the longer term, a permanent micro-site will be established to promote these projects and channel funds directly from businesses and individuals to the respective NGOs. The NKRA teams, with the support of PEMAMDU and appropriate agencies and Ministries, will set up the necessary governance and reporting structures to ensure

transparency of accounts and consistent progress reports from NGOs.

The goal is to raise RM15 million in funding in 2013, and to RM50 million by 2015.

Economic Enablers

Healthcare and Nutrition

Initiative: Food baskets and feeding programme

Urban communities

This initiative addresses the high portion of household income that the urban poor spend on food. The food basket programme will leverage the MyKasih Foundation by adopting its cashless food aid programme to distribute

the aid where needed. Recipients identified by ICU under e-Kasih system will receive a monthly contribution of RM80 stored in his or her MyKad to be used to purchase essential food items. The distribution network will see the

involvement of several hypermarkets that have wide coverage in urban areas such as Giant stores, Eonsave and retail shops potentially under TUKAR programme established under the Economic Transformation Programme.

- High financial constraints for urban poor with 40% of household income goes to food & beverage expenditure
- Urban extreme poor families receiving income generating 1AZAM initiatives also receive a monthly supplementary food basket for one year

1

- A substantial amount of income (40%) is spent on food & beverage among other necessities
- Residual income insufficient to cover savings and health
- Highly susceptible to economic and financial uncertainties

2

Food Basket Initiative



1. Collaborate with MyKasih Foundation and adopt their cashless food aid programme to distribute the food basket.
2. Recipients identified by ICU will receive a monthly contribution of RM80 (This is standard amount pledge by corporate donors in the MyKasih Foundation programme)

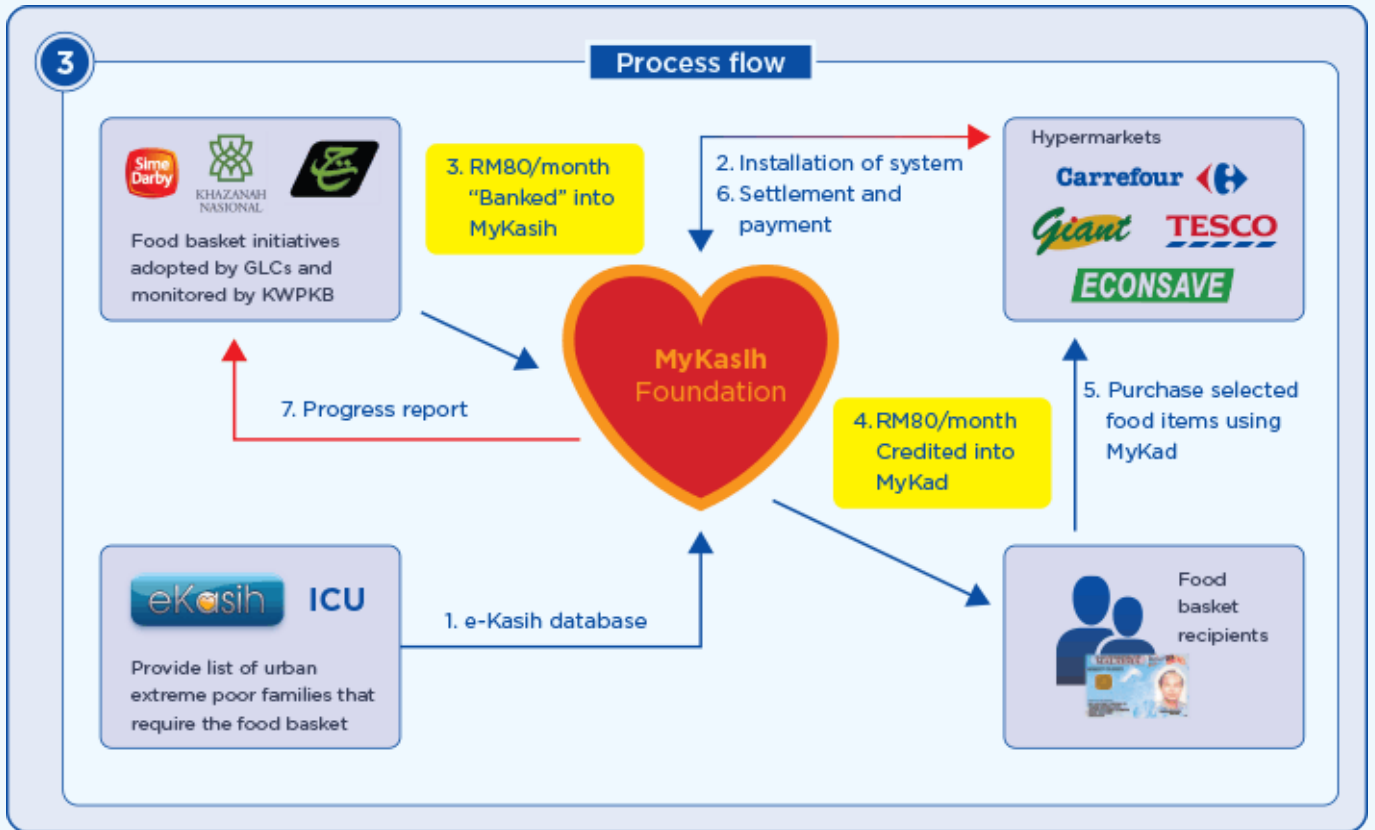


3. The distribution network will involve various hypermarkets which have a wide coverage in urban areas - Giant/Eonsave etc.
4. Essential food products that can be obtained - rice, sugar, flour, cooking oil, bread, eggs, biscuits, beverages: Milo & condensed milk, canned sardines.



5. Food basket initiative to be adopted by GLCs.
6. KWPKB to lead the initiative and monitor progress by MyKasih Foundation, GLCs and ICU.

Figure 12: Process plan for the Food Basket Initiative



Orang Asli Communities

The Ministry of Health presently helps Orang Asli Communities by distributing a RM150 food basket per month for malnourished children between six months to six years of age. In the past, Jabatan Kemajuan Orang Asli

(JAKOA) also provided a RM200 food basket per month for the hardcore poor and poor families on an ad-hoc basis. However, this has been discontinued due to budget constraints and changes in policy. Two enhanced initiatives have

been identified to reduce malnutrition among interior Orang Asli children by 25% in 2015 through a rehabilitation programme.

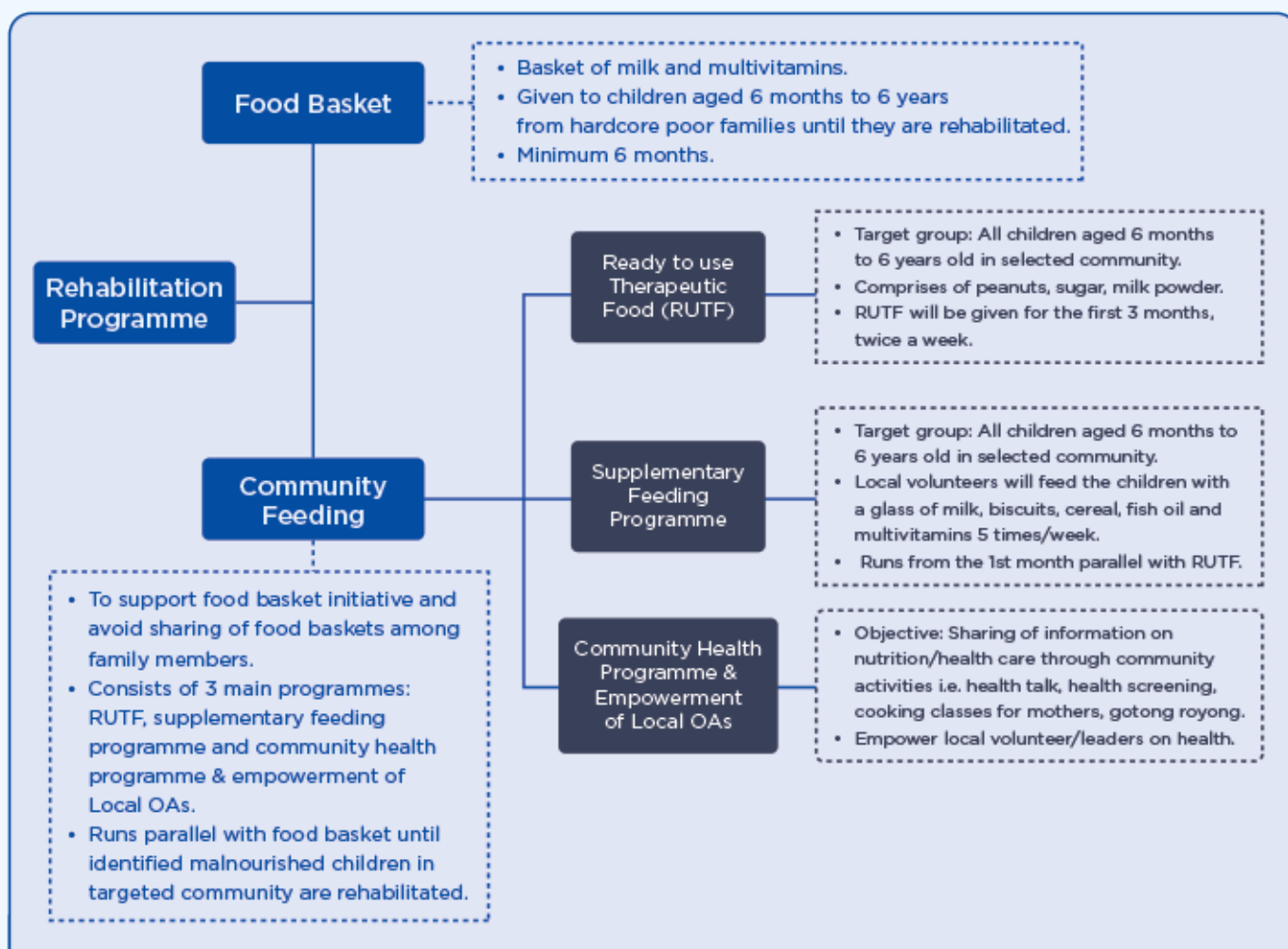


Figure 13: Focused initiatives through rehabilitation programmes

Penan Community

The GTP 2.0 will also see the LIH NKRA implement initiatives to address the issue of malnourished children in Penan communities. The initiative will not only supply provision of nutritious food, but also contains an education component to develop parental knowledge on nutrition and basic healthcare. The food provision for the malnourished children programme known as the “Food Basket Programme” is an existing initiative led by the Ministry of Health.

The objectives of the initiatives are as follows:

1. Increase the level of knowledge and practice of parents/guardians of Penan children in healthcare and the provision of nutritious food for children
2. Improve the health status of the Penan children through multi-disciplinary approach and community involvement
3. Provision of nutritional food basket consisting of selected food

items to encourage growth of the malnourished children

However, due to the accessibility challenge to the remote areas in Sarawak, some of the cases identified by the Mobile Health Team and Flying Doctors Service are not provided the monthly supply of the food basket.

To address this challenge, in the GTP 2.0, the Ministry of Health will work alongside identified NGOs to deliver



the food baskets to the identified malnourished cases in the remote areas of Sarawak, especially within the Penan communities.

Each NGO participating in the health screening and monitoring of nutritional

status of the food basket recipients are required to submit periodic reports to the Ministry of Health. A reporting mechanism and established process flow will be in place to assist in the coordination of the engagement with NGOs.

Components of the food basket are:

1. Rice vermicelli (3kg)
2. Full cream powdered milk (2kg)
3. Sweet biscuits (3kg)
4. Fish sardine (7 small tins, 155g/tin)
5. Cooking oil (1kg)
6. Multivitamins (30 capsules)
7. Special Milk (800g, 400g/tin)

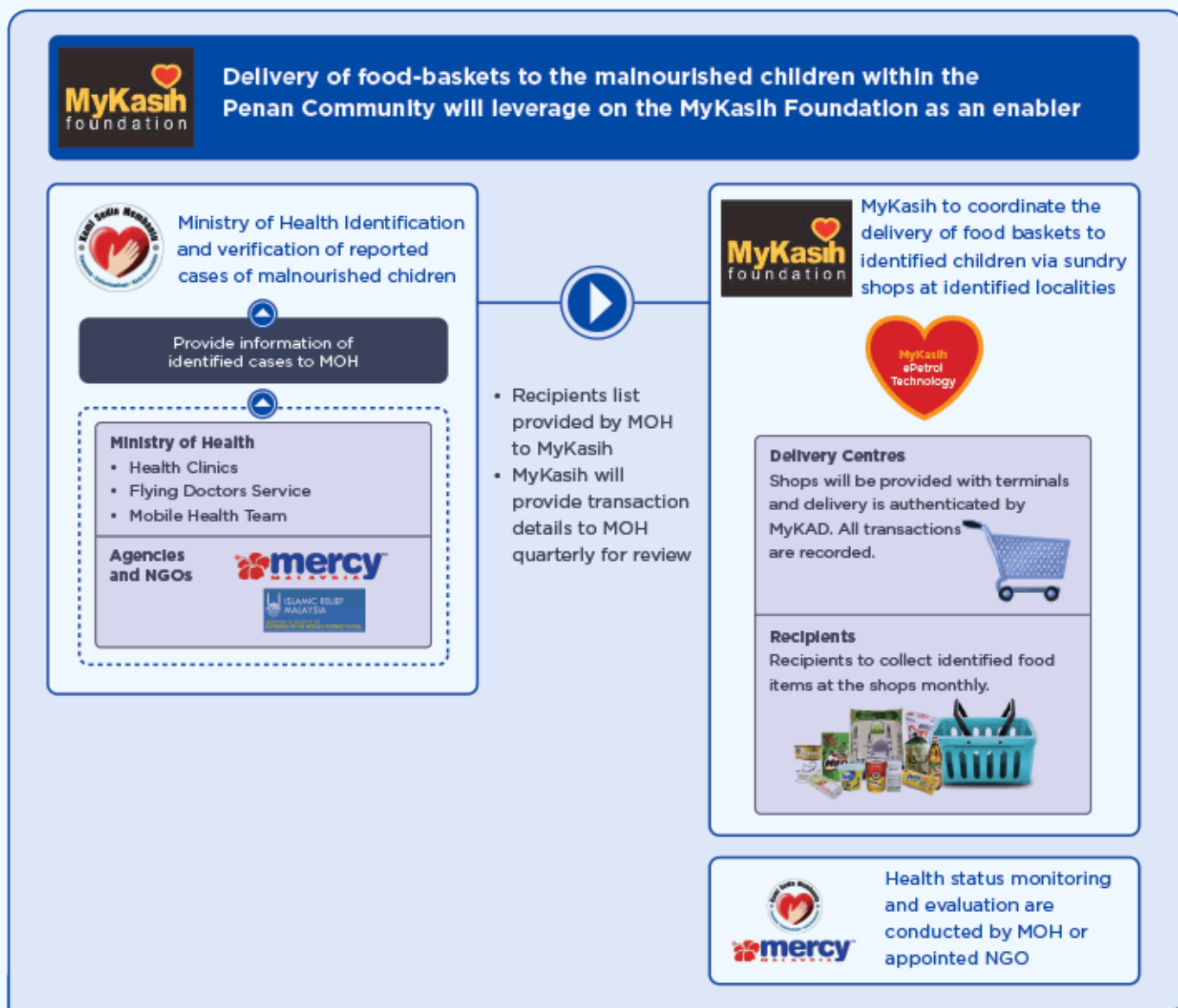
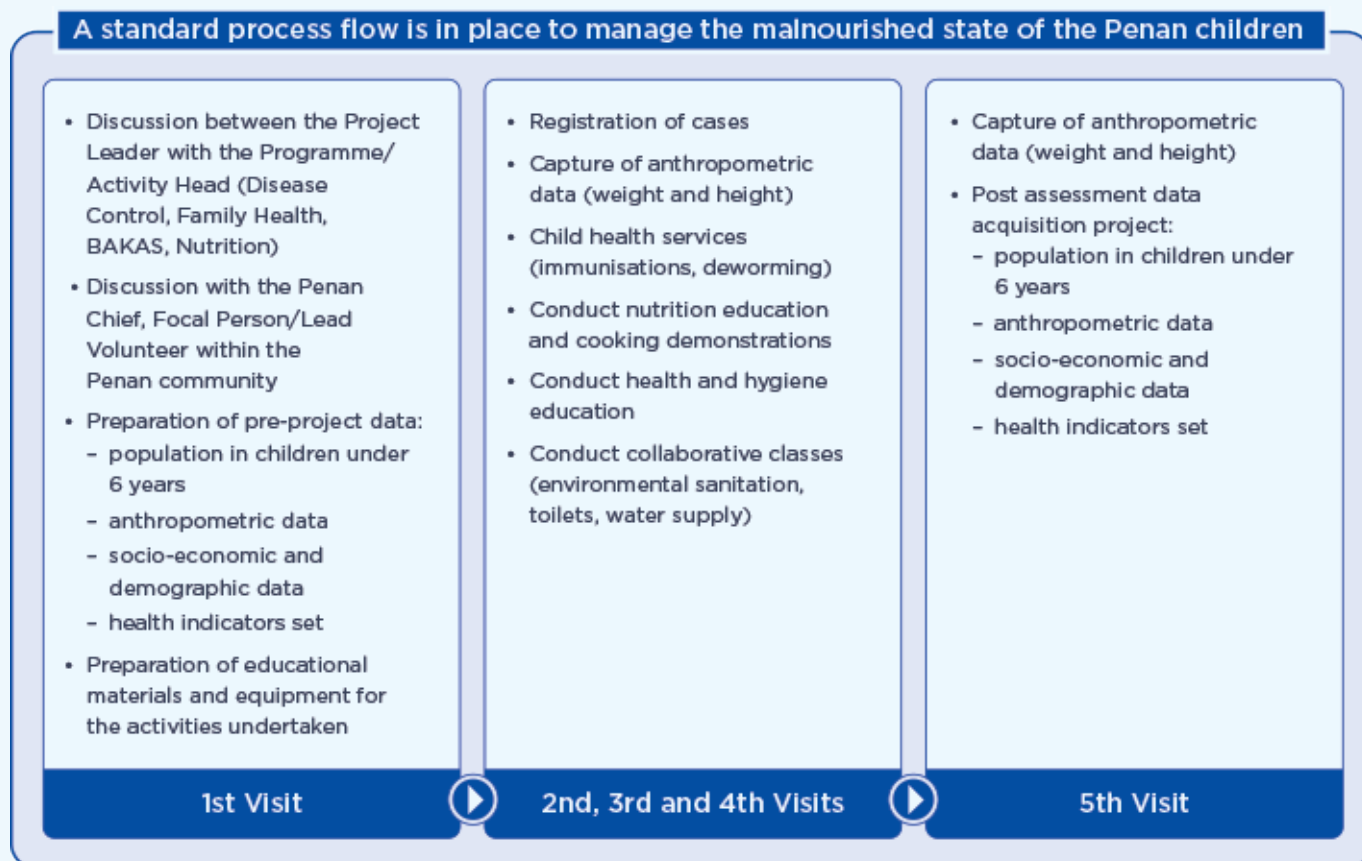


Figure 14: Process flowchart for Penan Food Basket Initiative



Initiative: Health services and facilities in the interiors

Orang Asli Communities

Orang Asli communities have poor access to health services, and as a result suffer from a number of health issues including higher morbidity and mortality for communicable diseases such as tuberculosis, malaria and filariasis. The infant mortality rate is also much higher than the national average.

In order to provide better healthcare services for Orang Asli in the interior, both short- and long-term measures are required. At present, mobile clinics visit the interior communities once a month, but the GTP 2.0 aims to increase the coverage to a wider area. In the long-term, the LIH NKRA calls for the construction of five static clinics: three in Gua Musang, Kelantan, and two in Kuala Lipis, Pahang. These static clinics will be built in 2014 and 2015.

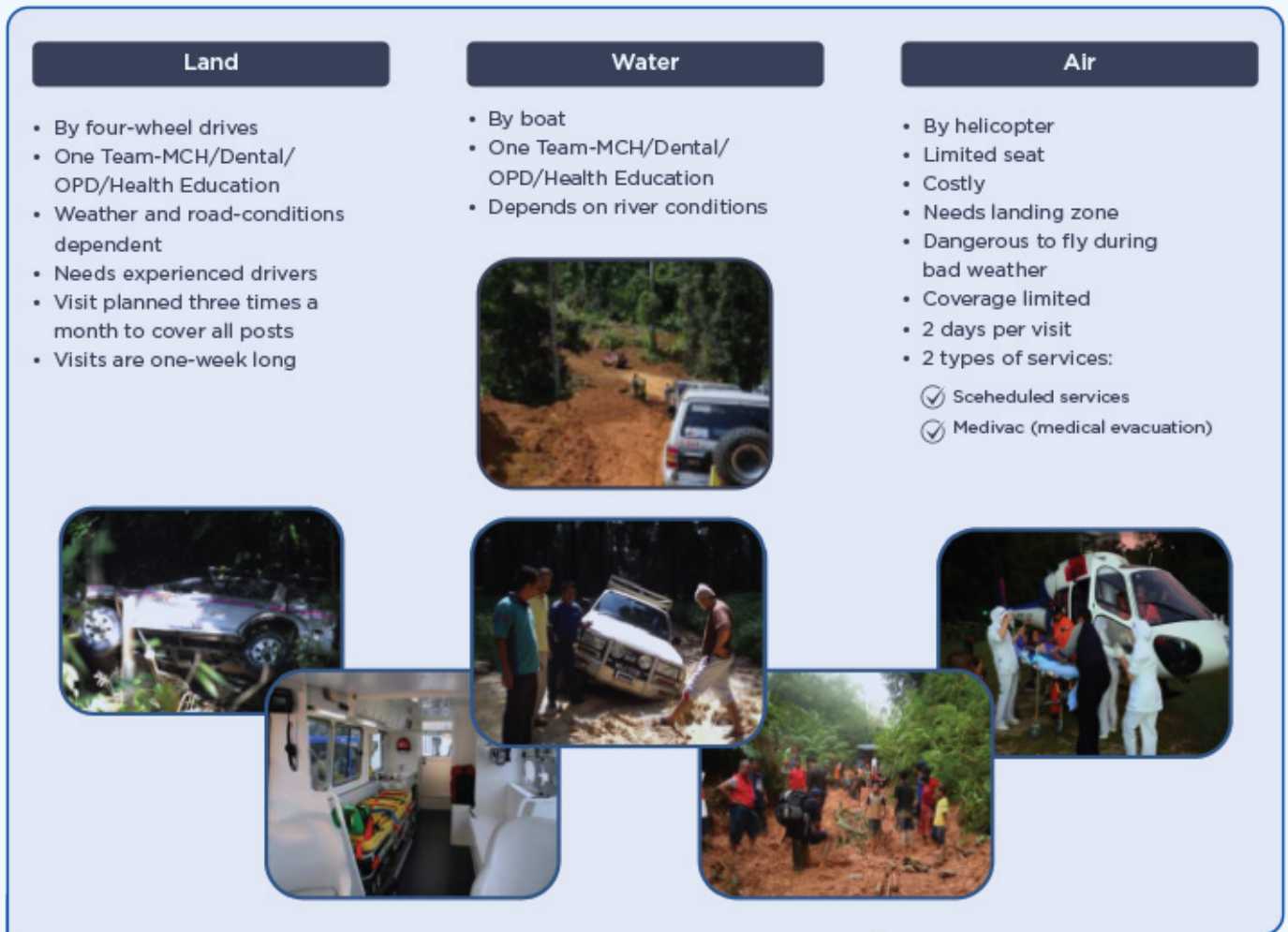


Figure 16: Mobile Clinics Through Land, Water and Air and their respective challenges

The improvement of healthcare delivery to Orang Asli in the interior will require a multi-party approach involving the Ministry of Health, Department of Orang Asli Development (JAKOA), Malaysian Armed Forces (ATM), Fire and Rescue Department, (BOMBA) and the Royal Malaysian Police (PDRM). NGOs will also be invited to collaborate to help with medicine, transport, training and to provide support for the Orang Asli Health Volunteer Team, known as *Sukarelawan Kesihatan* Orang Asli.

Housing Facilities

Initiative: Improving housing facilities

Orang Asli communities

At present, only 12% of the Orang Asli population has been given help under the Hardcore Poor People Housing Project (PPRT) housing while the remaining 82% live in traditional or self-built houses that are in poor condition. In the GTP 2.0 the housing development programme for Orang Asli will be jointly undertaken by Program Bantuan Rumah (PBR) and Syarikat Perumahan Negara Bhd (SPNB) to provide more and better homes for their community.

SPNB

RMR1Malaysia (Rumah Mesra Rakyat 1Malaysia) is a programme to ensure

those in the low-income group (household below RM3,000 per month) are able to afford their own comfortable homes with the IBS method; at RM65,000 per house

- SPNB believes that in order to make sustainable impact there needs to be collaboration between the Government and civil society.
- SPNB will focus on providing houses to hard core poor Orang Asli who are in the low-income group (household below RM3,000) and located in the Interior, Sub-urban and Urban areas.
- Through RMR1Malaysia SPNB, JAKOA / PBR's implementation capacity for

building new homes will be increased by 15%.

Collaboration with NGOs

- Currently PBR is limited by budget and therefore its capacity to deliver
- NGOs are able to provide significant support as they are able to tap into resources from the private sector and civil society.
- Moreover, it has a new building method that speeds up the building of a house by 10 times.

NGOs modular housing allows for rapid building of sustainable houses in three days to suit the specific size of a family.



Figure 17: Modular housing construction process

Modular Housing

- Ease and speed of construction
- Ability to suit differing needs
- Transportability especially for interior regions
- Adaptable to accommodate myriad of materials and site conditions

This initiative calls on the Housing Aid Programme (PBR) to re-design internal governmental processes to better communicate and collaborate with NGOs, government bodies and agencies, and to engage the former in housing development projects.

Social Support Enabling Economic Development

Initiative: Insurance scheme for 1AZAM participants

This initiative will ensure that all 1AZAM participants are covered under an income protection plan that serves as a safety net in the event of accidents. The insurance plan is designed to provide financial coverage when 1AZAM participants are unable to provide for their family due to accident and injuries.

To foster the spirit of accountability, 1AZAM participants who have succeeded in increasing their incomes over the year will be asked to contribute a portion of the premiums. Furthermore,

Corporate-NGO joint pilot projects will provide further income protection at selected PPRs in Kuala Lumpur. For example, PRU Kasih will be encouraged to scale up further to widen coverage.

PRU Kasih's model of working closely with the local community leaders and where the payout is in the form of cash-in-kind assistance via meals and rental payments is a model that the Government is willing to support in replicating across local communities nationwide.

AgroKasih-i, Agro Bank's Customer Accident Protection Scheme, will provide the initial coverage for all participants by 2013, with a more holistic programme engaging a wider group of insurance providers designed for the following years. The adoption of the insurance plan is part and parcel of the overall rollout of the financial literacy education programme as well as fulfilling the Economic Supporting/Enablers mandate.

Initiative: Shelter homes for the homeless via Anjung Singgah

A carry-forward from the GTP 1.0, this initiative will continue through the GTP 2.0 and be further expanded to provide shelters in major cities such as Penang, Johor Bharu and Kuching. In Kuala Lumpur, Anjung Singgah has served more than 1,000 homeless people since its inception. Anjung Singgah, besides

providing food and shelter, medical services, counseling and other social assistance, also helps its clients find jobs and provides them with the support to do so. Under this initiative, the homeless are provided with business opportunities to increase their incomes. The target for 2013 is to set up and

render operational the homeless centres in the cities of Johor Bharu, Kuching and Penang. The owner of this initiative is Yayasan Kebajikan Negara (YKN), Kementerian Pembangunan Wanita Keluarga dan Masyarakat (KPWKM).



Figure 18: Initiatives under the Anjung Singgah programme

Initiative: Home help services for vulnerable people

This initiative, which was a pilot project under the GTP 1.0, will be further expanded in the GTP 2.0. Its main objective is to provide support to individuals who are unable to adequately care for themselves at home. This program funds helpers/

NGOs to assist these vulnerable individuals with daily activities, so they can remain independent in their own homes rather than be forced into a nursing home.

to provide home help services for 2,500 people/elderly. This initiative is implemented by NGOs and coordinated and monitored by Jabatan Kebajikan Masyarakat (JKM).

The target under this initiative is

Key Outcome	2013	2014	2015
	1,500 elderly to receive help daily	2,000 elderly to receive help daily	2,500 elderly to receive help daily
NGOs	300 volunteers	400 volunteers	500 volunteers

Initiative: Orang Asli infrastructure accessibility ferry in Temenggor

The ferry service will provide Orang Asli living deep upstream with access to education, health and economic opportunities; thus improving their quality of life. This initiative will involve:

- The selection of an appropriate candidate by the JAKOA to drive

and maintain the ferry. The candidate must undergo training, such as MARA’s programme for boatmen.

- Size of boat : 20ftx6ft with 200HP and able to transport cargo, such as agriculture products
- Ferry to be made available during

- school hours and for return trips to the nearest town, Banding
- Ferry to be made available to Orang Asli at a nominal fee

Initiative: Expanding Education Initiatives to Improve Orang Asli Well being

The goal of this initiative is to strengthen the current training and skills programmes, including the syllabus of the KEDAP (Kelas Dewasa Asli dan PELAN) Programme which is overseen by the Ministry of Education (MOE). KEDAP will be revised to raise awareness among Orang Asli parents to help reduce the school dropout rate.

Another component of the programme is to improve the infrastructure for Orang Asli education. The Government has recently announced 7 initiatives to transform Orang Asli education. The Government has agreed to add 4 K9 special model comprehensive schools.

K9 model schools are a combination of primary and lower secondary education up to Form 3 that come with boarding facilities.

Ferry services to connect 3 Orang Asli communities to the nearest town, Pekan Banding for access to education, health services and economics

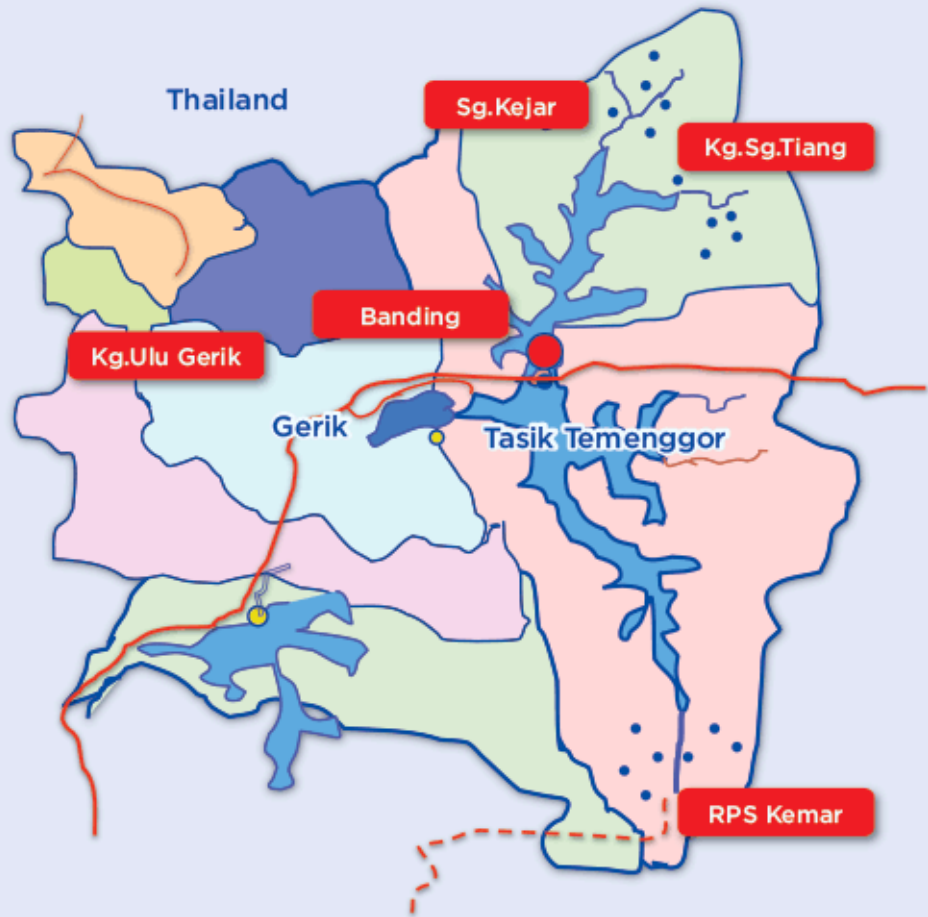


Figure 19: Feri 1Malayisa



Summary of Initiatives

Government-led initiatives



- Granular and targeted 1AZAM programme to ensure aid is directed at households and rakyat that need it the most
 - Focus on e-Kasih registrants that have yet to receive aid
 - Focus on poor/extreme poor households that have not received income assistance
 - Focus on districts with high number of poor/extreme poor households without corresponding participation in 1AZAM
 - More stringent data collection to identify 1AZAM participants
 - Community focus on Sabah and Sarawak localities
 - Greater engagement with NGOs to keep databases up to date to better profile poor and extreme poor in Malaysia
- Financial literacy education programme to help 1AZAM participants and their children develop smart money management skills
- Career path development and job profiling to help 1AZAM participants to be more employable
- Innovative and sustainable opportunities for 1AZAM participants through programmes such as a work voucher scheme, home worker's programme, branchless banking and micro sourcing
- Economic empowerment of vulnerable groups including former drug addicts, ex-prison inmates, Orang Asli groups and the Penan community
- Broader and deeper monitoring of 1AZAM programmes with the help of NGOs via a mentor-mentee programme
 - Second chances: develop a more comprehensive evaluative mechanism to assess 1AZAM participants that are deserving of second chances

Private sector-led initiatives



- Expediting tax exemptions for NGOs to help them make better use of limited funds
- Awareness campaign and matching corporates/individuals with NGOs
 - Initiative to help channel funds directly from private sector to NGOs via various mechanisms including a dedicated website in future
 - Help NGOs with their human resource needs by matching them with interested private sector parties

Healthcare and nutrition



- These programmes are tailored to help poor/extreme poor groups and vulnerable groups with their healthcare and nutrition needs
 - Food basket initiative to help offset the high cost of food prices for urban poor participating in IAZAM programmes, as well as the Orang Asli and Penan communities where malnourishment is a constant threat
- Improved delivery of healthcare services to interior areas where access is difficult with a longer-term aim of building two permanent clinics
- Improving delivery of housing facilities for Orang Asli communities where a large majority continue to live in traditional or self-built houses that are in poor condition

Social support enabling economic development



- Expand on an insurance scheme for 1AZAM participants that will create a safety net should they or their families meet with accidents
- Increase the number of Anjung Singgah shelter homes for the homeless in major city centres including Johor Bahru, Kuching and Penang
- Deliver home help services for vulnerable groups such as the elderly and disabled enabling them to live independently in their own homes
- Develop a ferry service for Orang Asli community living in Temenggor to help them connect with the nearest township of Banding