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**THRUST**

**MID-TERM REVIEW OF THE NINTH MALAYSIA PLAN, 2006-2010**

# **STRENGTHENING THE INSTITUTIONAL AND IMPLEMENTATION CAPACITY**





## STRENGTHENING THE INSTITUTIONAL AND IMPLEMENTATION CAPACITY

### I. INTRODUCTION

The nation's commitment to enhance its competitiveness demands that significant improvements be made to the service delivery system in all sectors of the economy. Efforts were therefore instituted to put in place e-government, improve administrative processes, reduce bureaucratic procedures and measure performance. Initiatives were also undertaken to enhance service delivery in the public and private sectors through development of competencies, inculcation of positive values and work ethics, introduction of relevant legislation and computerisation programmes as well as use of appropriate technology. These initiatives have brought about improved services and increased responsiveness to the needs of clients.

During the remaining Plan period, service delivery will be further enhanced. It will be customer-focused and integrated to provide seamlessness across agencies, leading to shorter response time, better governance and overall efficiency. Consumer confidence in electronic-based transactions will be increased through further strengthening the legislative framework as well as increasing awareness on information security and privacy. An outcome-based approach for planning, monitoring and evaluation of policies, programmes and projects will be adopted to maximise gains to the target population.

### II. KEY RESULTS, 2006–2007

During the Ninth Plan period, the Government is committed to improving public service delivery with special focus on enhancing services at the district and local government levels, streamlining regulatory procedures, managing public complaints, deploying information and communications technology (ICT) applications and infrastructure as support systems and expediting the implementation of high impact projects (HIPs).

A Special Task Force to Facilitate Business (PEMUDAH), comprising high-level officials from both public and private sectors was established to facilitate all aspects of doing business by improving work processes and procedures as well as policies and regulations. The National Implementation Task Force (NITF) was formed to expedite the implementation of HIPs and the second phase of Bumiputra Commercial and Industrial Community initiatives. The Government implemented several HIPs selected based on their significant direct impact on growth and distribution, strong multiplier effect to the economy, high visibility and quick impact with strong socio-economic emphasis. These initiatives undertaken during the Review period led to a number of significant achievements, as shown in Box 5-1.

*Success through collaboration...*

**Box 5-1**

**Key Results, 2006-2007**

Commitment	Output
<ul style="list-style-type: none"> <li>▪ Enhancing public service delivery with focus on district and local government level</li> </ul>	<ul style="list-style-type: none"> <li>▪ Time taken to process concurrent submission of development proposal from 357 days to a maximum of 120 days with the setting up of One-stop Centres (OSCs) and OSC Committee</li> <li>▪ Cost of doing business reduced with the replacement of Certificate of Fitness for Occupation (CFO) by Certificate of Completion and Compliance (CCC), facilitates investors and developers and increases the credibility of the industry</li> </ul>
<ul style="list-style-type: none"> <li>▪ Simplifying systems and work procedures</li> </ul>	<ul style="list-style-type: none"> <li>▪ Time taken for automatic tax refund reduced from 1 year to between 14 and 30 days for submissions through <i>e-Filing</i></li> <li>▪ 47 provisions under the National Land Code amended to improve land management</li> <li>▪ Processing of passports within 1 to 24 hours</li> <li>▪ Processing of expatriate employment pass applications within 7 days</li> <li>▪ Registration of new business reduced from 3 days to 1 hour</li> <li>▪ Renewal of business registration reduced from 1 day to 15 minutes</li> <li>▪ Duration for approval of preliminary Environmental Impact Assessment Report reduced from 3 months to 5 weeks</li> <li>▪ A one nation one number through the 999 Emergency Call Service initiative introduced providing the public easier access to all emergency services for assistance in the Klang Valley</li> </ul>
<ul style="list-style-type: none"> <li>▪ Streamlining regulatory procedures</li> </ul>	<ul style="list-style-type: none"> <li>▪ Electronic transactions given legal recognition with enactment of Electronic Government Activities Act, 2007, Electronic Commerce Act, 2006 and amended Consumer Protection Act, 1999</li> <li>▪ National Cyber Security Policy introduced to promote a culture of security among the public and compliance to minimum security standards among critical service providers</li> </ul>
<ul style="list-style-type: none"> <li>▪ Managing public complaints for better service delivery</li> </ul>	<ul style="list-style-type: none"> <li>▪ Speedier resolution of complaints with the establishment of <i>iAduan</i></li> <li>▪ Mobile Complaint Counters and Integrated Mobile Complaint Counters introduced extending outreach to the population</li> </ul>
<ul style="list-style-type: none"> <li>▪ Deploying ICT applications and infrastructure to improve service delivery</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government Public Service Portal (<i>myGovernment</i>) set up as a single gateway to a wide range of services and information offered by agencies. Until 2007:                         <ul style="list-style-type: none"> <li>• 3,749 downloadable forms, 1,174 online services and 80 services via SMS</li> <li>• RM2 billion transaction value through <i>e-Procurement</i></li> <li>• 300,834 job seekers, 1,544,881 vacancies and 823,430 job matches provided through Electronic Labour Exchange (ELX)</li> </ul> </li> </ul>

Commitment	Output
	<ul style="list-style-type: none"> <li>▪ Data sharing on geospatial information among provider and user agencies made available by the Malaysian Geospatial Data Infrastructure (MyGDI)</li> <li>▪ Business licensing processes made easier with Business Licensing Electronic Support System (BLESS), which also enables applicants to track their applications online</li> <li>▪ Electronic submission of income tax returns through <i>e-Filing</i></li> <li>▪ Growth in e-payment channels:               <ul style="list-style-type: none"> <li>• Real-time Electronic Transfer of Funds and Securities (RENTAS) system handled an average of RM124.5 billion daily in 2007, an increase of 23.6% compared with 2006</li> <li>• Interbank GIRO (IBG) grew from RM26.3 billion in 2005 to RM67.0 billion in 2007</li> <li>• Internet banking subscribers surged from 2.5 million in 2005 to 4.5 million in 2007</li> <li>• mobile banking subscribers increased from 127.6 thousands in 2005 to 345.7 thousands in 2007</li> </ul> </li> <li>▪ Establishment of 495 new government telecentres provided more channels of access to electronic services to the underserved communities</li> </ul>
<ul style="list-style-type: none"> <li>▪ Expediting HIPs through NITF</li> </ul>	<ul style="list-style-type: none"> <li>▪ HIPs include:               <ul style="list-style-type: none"> <li>• Agro-based Industry Entrepreneur</li> <li>• Agropolitan Development</li> <li>• Rebranding of Community Colleges</li> <li>• Quantum Leap in Rural Education</li> <li>• Corridor development initiatives</li> </ul> </li> </ul>

### III. MOVING FORWARD, 2008-2010

In order to meet current user demands and to sustain competitiveness, public service delivery must transform to be more client-focused by integrating services, increasing confidence in electronic-based services and adopting an outcome-based approach to planning, monitoring and evaluation of programmes and projects.

#### Integrating Services

Integrating services by consolidating processes and procedures across agencies will be done by re-engineering service delivery, creating virtual one-stop centres, promoting information and infrastructure sharing, reviewing legal and regulatory frameworks, moving towards self-regulation, improving governance and developing competencies.

*Customer-focused service delivery...*

### Re-engineering Service Delivery

For services that involve multiple agencies, work processes will be reviewed, re-engineered and streamlined to ensure efficient delivery. The processes will be designed around client needs where the adoption of a shared services culture, involving information and infrastructure will be promoted. Appropriate technology will be deployed to support the workflow of these re-engineered processes.

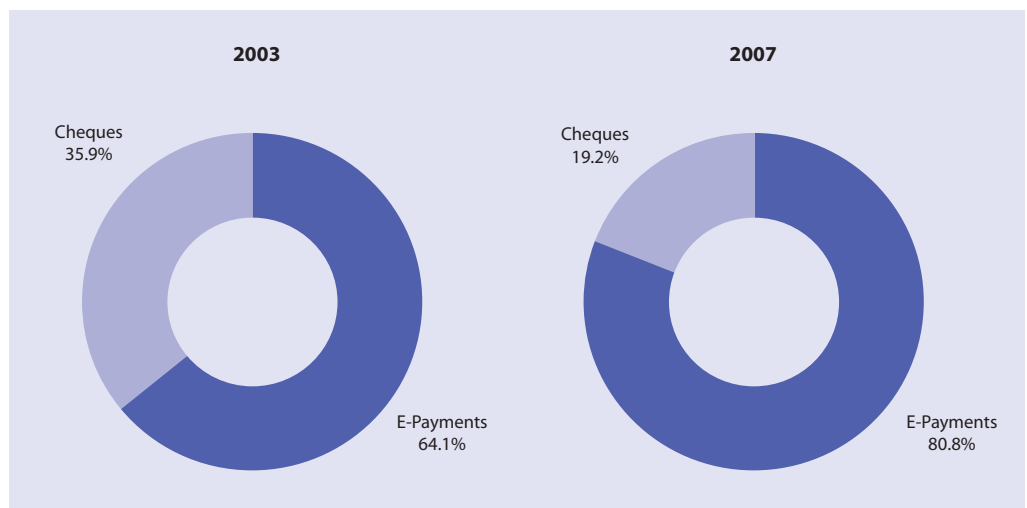
Integrated services by consolidating processes and procedures across agencies will be offered through the *e-KL* initiative in the Klang Valley. This initiative includes job applications, provision of a single point of access for loans and grants, enrolment of international students, speedy approval for billboard advertisements, single-window access for ICT companies to

start operations as well as a standardised complaints management system. These efforts will provide better access to a wide range of integrated, online services including electronic submissions, payments, communications and complaints. In addition, the introduction of *eForms* will reduce processing time and cost as well as improve customer convenience.

To accelerate migration to e-payments, the Government will continue to implement strategies outlined in the roadmap, including removing barriers to allow for greater efficiency and innovation in the market. Further improvements will be made in the retail payment systems to reduce the use of cash and cheques as well as to leverage on the Internet and mobile phones as pervasive and low-cost delivery channels for banking and payment services.

Chart 5-1

#### Share of Non-Cash Retail Payments by Volume



Source: Bank Negara Malaysia

The *iAduan* system will be upgraded into a public complaints monitoring system, *iSPAAA*, which is an integrated and centralised online complaints management system for the public sector. This system will be extended to cover all ministries, agencies and local authorities with the “One Number Call Centre, No Wrong Door” concept.

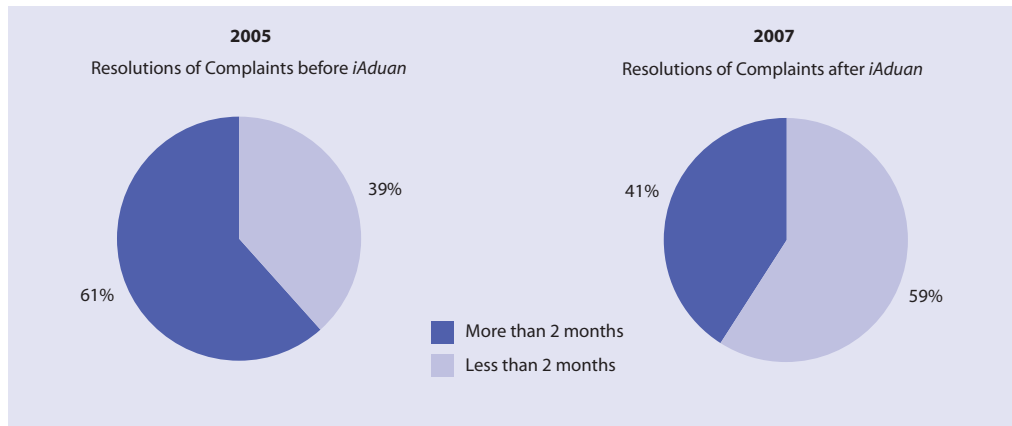
**Creating Virtual One-Stop Centres**

The *myGovernment* single gateway will be further enhanced to provide a wide range of services and information. Accessibility to this portal will be improved by providing additional kiosks in public places and enabling access through mobile phones. In addition, improvements will continue

*All in one place...*

**Chart 5-2**

**Resolutions of Complaints with *iAduan***



Source: Public Complaints Bureau

Within the realm of land administration and management, the development of the *e-Tanah* system piloted in Pulau Pinang will integrate and improve upon all existing land administration processes to ensure interoperability towards more efficient use and dissemination of information for decision-making. It will also include the development of an *e-Tanah* portal for online enquiries on status of land application and quit rent payment, land title search as well as to obtain feedback from users. In addition, the implementation of the *e-Kadaster* project will reduce the time taken for processing of land title survey from the current two years to two months.

to be made to *MyGeoportal*, which is the single-window access to national geospatial content and related services for development planning.

**Promoting Information and Infrastructure Sharing**

The 999 Emergency Call Services will continue into the next phase, which involves the development and upgrading of application systems and the 999 Call Centre as well as Agency Despatch Centres to provide better response. Training and awareness programmes will be conducted continuously to ensure quality of service delivery is sustained.

*Single provision,  
multiple usage...*

A National Registry System (NRS) will be set up to allow for sharing of data among agencies where gathering of key data is done only once and kept centrally to be used by relevant agencies. The single, centralised repository for input, update and reference will help reduce errors and the duplication of data in various agencies, thereby providing convenience to citizens and improving service delivery efficiency.

The Government Integrated Telecommunications Network (GITN) developed to provide a single network infrastructure linking all government departments will be expanded to cover all locations. Putrajaya Campus Network (PCN), which links all government agencies located in the Federal Government Administrative Centre in Putrajaya will be upgraded, including the setting up of a new gateway for Internet access to improve performance, reliability and security. This shared and managed network to be completed by 2010 will reduce costs, enhance information sharing and improve service delivery. In addition, information, services and applications on e-government, e-commerce, e-banking, e-education and e-health will be disseminated through telecentres to the underserved communities. The *KomunitiKita* portal will also be set up to facilitate outreach of other customised services and applications to these communities which include the disabled, poor, elderly, women and indigenous.

#### **Reviewing Legal and Regulatory Framework**

Legal and regulatory requirements pertaining to service delivery will

continue to be reviewed to improve ease to customers. The Strata Titles Act 1985, Licensed Land Surveyors Act 1958, Licensed Land Surveyors Ordinance 1958, Licensed Land Surveyors Regulations 1959, Cadastral Survey Regulations 2002 and the State Land Rules will be reviewed to enable improvements in land administration and management. The Government will continue consultations with the private sector regarding legal and regulatory procedures that affect service delivery.

#### **Moving Towards Greater Self Regulation**

The Government will continue to encourage self-regulation and disclosure-based approaches for compliance in relevant areas towards enhancing the efficiency and effectiveness of service delivery. The Malaysian Technical Standards Forum, Content Forum, Consumer Forum and Access Forum set up under the Communications and Multimedia Act, 1998, will be further promoted. These Industry Forums collaboratively formulate voluntary industry codes as a guide for the industry.

#### **Improving Governance**

There will be a stronger emphasis on good governance in the public and private sectors to enhance transparency and efficiency towards making Malaysia a more competitive and attractive location for investment. This will include awarding projects through competitive bidding, further improving response time of service delivery, enhancing accountability and closer monitoring

of project implementation. A culture of high performance with integrity will be promoted through assessment of public and private service delivery standards linked to performance indicators and benchmarked against service delivery best practices.

### ***Developing Competency***

Towards raising competency in the public service, training programmes will be conducted to strengthen leadership capabilities as well as strategic, risk and project management skills to ensure continuous efficient delivery of public services. This will include conducting training programmes in collaboration with top business schools. In addition, the planning and development of human capital will be continually upgraded through a central competency board for human resource management. Training programmes will also be conducted by agencies in order to keep abreast with current trends and developments in line with their core businesses. Training programmes on customer relations will be further emphasised by agencies dealing directly with customers.

### **Increasing Confidence in Electronic-based Services**

Increasing confidence in electronic-based services is imperative to encourage greater uptake of electronic transactions and increase participation of the public and businesses in the digital economy. Measures will be intensified to improve security and privacy to protect the confidentiality of information, assure

that information is not altered without authorisation and be available when needed. This requires that service providers and users of such services understand risks to security and privacy as well as good security practices that must be put in place to enable safe and secure use of electronic services.

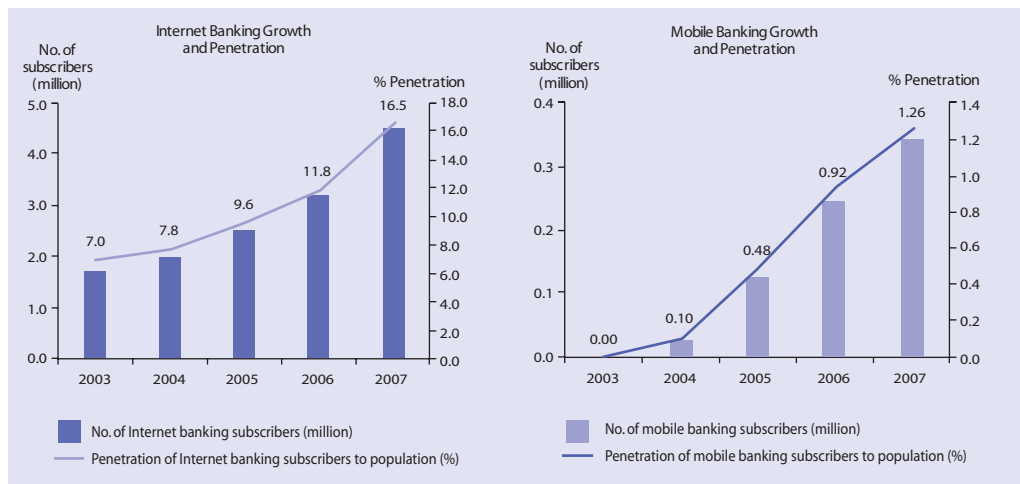
Awareness programmes will be targeted at the public to enable them to understand the requirements of good security practices in the cyber environment. Service providers will be encouraged to comply with the Information Security Management System (ISMS) MS ISO/IEC 27001:2006 to adhere to basic security guidelines to ensure secure and reliable service delivery. Regular checks and audits will be carried out to help agencies assess their level of compliance and strengthen security implementation towards self-compliance or attaining certification of compliance to increase user confidence.

Existing laws related to information security will be reviewed to determine their adequacy and relevance. As personal data has become a valuable commodity that can be traded, used and reused, the Personal Data Protection (PDP) Bill will be formulated to regulate the collection, usage and disclosure of personal data. The Electronic Government Activities Act, 2007 will be further applied to include more tasks and transactions across government agencies. An E-Commerce Activities Roadmap will provide for information dissemination and confidence building among citizens and businesses. A guideline on electronic banking will be introduced to manage risks, threats and vulnerabilities that may emerge from the use of Internet banking.

*Promoting customer confidence...*

Chart 5-3

Internet and Mobile Banking Growth



Source: Bank Negara Malaysia

Outcome-based Planning, Monitoring and Evaluation

Maximise benefits, optimise costs...

An outcome-based planning, monitoring and evaluation approach will be adopted to ensure that projects implemented achieve the desired objectives. This will involve strengthening the competency and capability of implementing agencies, improving systems and work processes as well as adapting organisational structures in ministries and agencies.

These initiatives will introduce good project management practices, improve coordination within and between agencies as well as between policy and project implementation. Successful project management methodologies implemented in pilot ministries and agencies will be

replicated to improve project planning and implementation. Training will continue to be offered and updated to develop better understanding of the processes, approaches and techniques in project management based on guidelines and international standards. In addition to the monitoring of physical and financial progress, the existing project monitoring system, SPP II will be expanded to incorporate an outcome-based approach.

IV. OUTCOMES, 2010

The key outcomes expected by 2010 with improvements in institutional and implementation capacity are, as shown in Box 5-2.

**Box 5-2**

**Expected Outcomes, 2010**

Commitment	Outcome
<ul style="list-style-type: none"> <li>▪ Integrating services across agencies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Customer-focused services across agencies</li> <li>▪ Easy access through virtual one-stop centres</li> <li>▪ Convenience to the public by one-time data provision enabled through data sharing among agencies</li> <li>▪ Simplified submissions and transactions through <i>eForms</i> and e-payment</li> <li>▪ Better outreach of services for the underserved communities through telecentres</li> <li>▪ Effective management of complaints through a single, centralised platform for public complaints</li> </ul>
<ul style="list-style-type: none"> <li>▪ Increasing confidence in electronic-based services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Favourable environment for setting up businesses</li> <li>▪ Easy access and convenience to customers through increased usage of electronic services</li> <li>▪ Personal data protected with implementation of PDP Act</li> </ul>
<ul style="list-style-type: none"> <li>▪ Implementing outcome-based planning, monitoring and evaluation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Benefits of programmes to target population maximised through efficient planning and management of programmes and projects</li> </ul>

**V. CONCLUSION**

Significant improvements were made in strengthening institutional and implementation capacity during the Review period. Moving forward, further improvements will be made particularly with respect to service delivery by being more customer-focused. This will include measures to integrate systems and services across agencies so as to provide quality service with greater ease to public and businesses as well as to

increase confidence in electronic-based services towards promoting its wider acceptance and usage. In addition, an outcome-based approach to planning, monitoring and evaluation of programmes and projects will be implemented to maximise benefits to the people. Together with the cooperation and collaboration of the private sector, the Government will strive towards achieving service delivery excellence, with greater transparency, integrity and professionalism.

