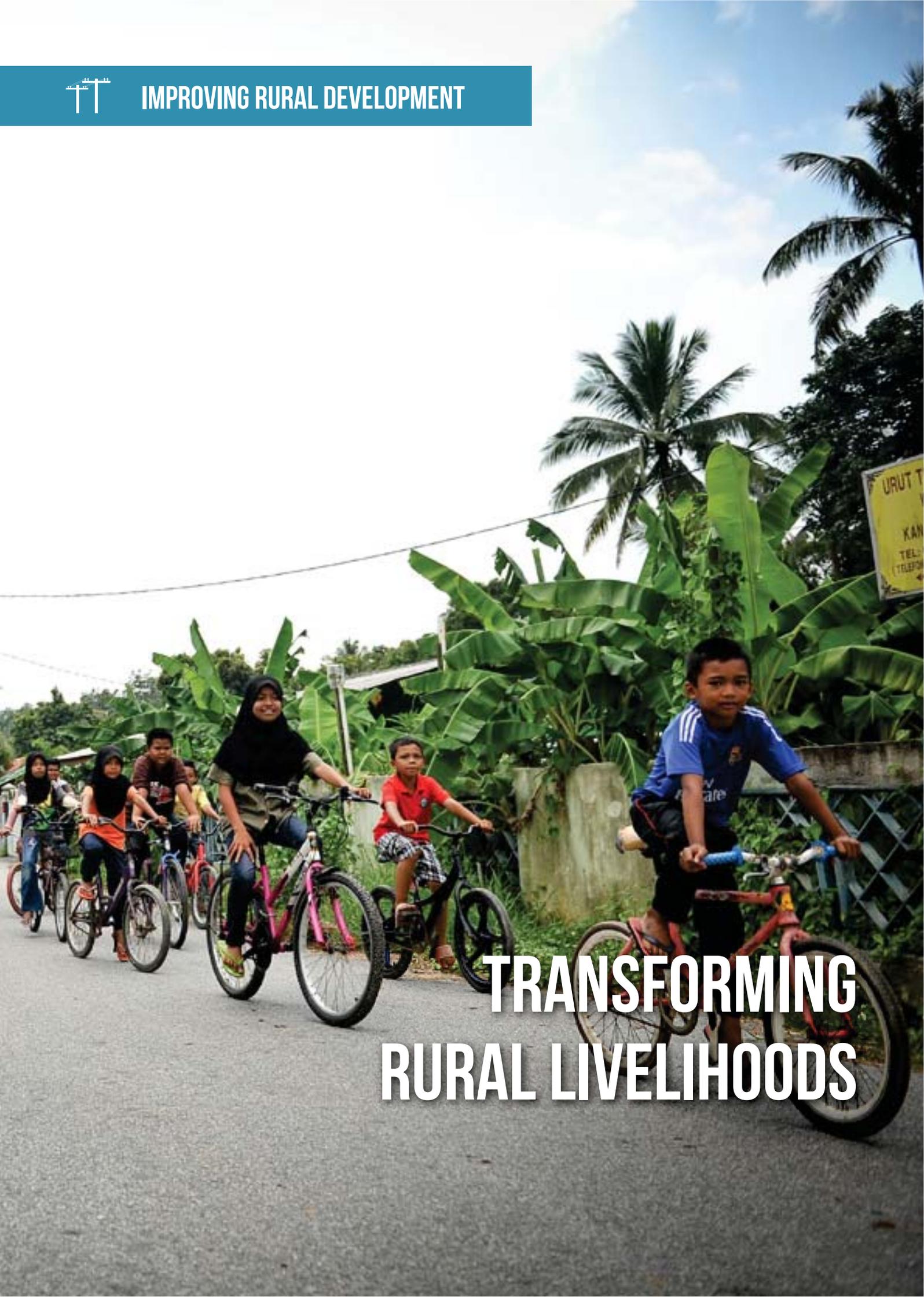




IMPROVING RURAL DEVELOPMENT



**TRANSFORMING  
RURAL LIVELIHOODS**



**YB DATO' SRI ISMAIL SABRI YAAKOB**  
Minister of Rural and Regional Development

When we first embarked on the NTP, we had identified that more was needed to be done to serve the rural population which made up about 35% of Malaysians. At the time, many villages in Sabah and Sarawak remained unconnected by roads, while more than 25% of households did not have access to electricity. Additionally, more than 40% of households in Sabah and Sarawak and 12% of those in Peninsular Malaysia lacked access to clean or treated water.

The Improving Rural Development NKRA sought to improve these outcomes, catalysing inimitable change to the lives and economies in rural areas. The goals of this NKRA are to ensure rural communities are provided with access to infrastructure and achieve sustainable living through economic opportunities with a vision of narrowing the urban-rural divide and achieving inclusive and balanced economic growth.

Since 2010, this has been achieved by building or upgrading roads in rural areas, connecting rural households to clean or treated water and 24-hour electricity supply, and building or restoring houses for the rural poor. Additionally, the Ministry of Rural and Regional Development (Kementerian Kemajuan Luar Bandar dan Wilayah - KKLW) has introduced economic programmes to raise the incomes of the rural population to ensure they enjoy the benefits of modernisation. Approaching the end of 2017, these efforts have benefited 6.8 million people.

It is important to note that while the Rural Development NKRA has since exceeded its

targets as set out in the NTP Roadmap launched in 2010, KKLW remains steadfast in implementing rural development initiatives in accordance with the national agenda. Although land acquisition remains a key challenge faced by rural development projects, close cooperation among stakeholders ensures projects continue to be implemented efficiently and effectively.

Moving forward, KKLW will enhance efforts to implement the Government's policies in line with Transformasi Nasional 2050 (TN50). The Ministry and its agencies will continue to serve as the agent of transformation for rural communities to realise TN50 and warrant the prosperity of our nation.

## PROVIDING UNIVERSAL ACCESS TO INFRASTRUCTURE

The provision of rural infrastructure has focused on managing the polarity in the Government's investments in urban and rural areas to ensure Malaysia's transformation reaches all parts of the country. Since 2010, the NTP has accelerated the development of rural areas through various road building programmes as well as through the provision of electricity and water.

**“Between 2010 and 2017, 6,868 km of roads have been built and upgraded through JALB and JPD, benefiting 3.7 million villagers.”**

KKLW oversees two construction programmes: Program Jalan Luar Bandar (JALB) and Jalan Perhubungan Desa (JPD). JALB aims to upgrade and increase the coverage of rural highway systems, focusing on remote areas to encourage growth of industry in those areas. This initiative eases the movement of commercial and heavy vehicles, widening their reach and spurring economic development in surrounding areas. This complements KKLW's aspirations to widen the coverage of basic infrastructure in villages throughout Malaysia.



**A completed project under Program Jalan Luar Bandar.**

Meanwhile, JPD involves roads which connect one village to another or to the main highways to improve access across villages, enabling travelling options and therefore better quality of life for the rural population. The roads also enable connectivity to health centres and clinics, schools, religious and community centres as well as other public amenities. JPD projects focus on building new roads as well as upgrading existing dirt or laterite roads to premix/tar, semi-grout or concrete roads.

Between 2010 and 2017, 6,868 km of roads have been built and upgraded through JALB and JPD, benefiting 3.7 million villagers. This is almost the distance between Putrajaya and Mumbai, India by road.

Another vital service provided through the Government's rural development initiatives is water supply, which is undertaken through the Program Bekalan Air Luar Bandar (BALB). The programme provides the rural population, including Orang Asli communities, with supply to clean, treated water. The water is supplied through reticulation or alternative water source systems and new water treatment plants, while existing water treatment plants are also upgraded.

BALB acts as an impetus for rural economic development, especially in the agriculture, tourism and industrial sectors. In ensuring clean and treated water reaches rural communities in a comprehensive and timely manner, the Ministry has provided 354,400 households with water supply, touching the lives of 1.8 million individuals from 2010 to 2017. This brings the total coverage of water supply in Malaysia to more than 90%.

Meanwhile, the rural electrification programme, Program Bekalan Elektrik Luar Bandar (BELB), has been vital in providing rural populations with 24-hour electricity by connecting villages to the grid and alternative systems such as solar hybrid and micro-hybrid. The installation of Lampu Jalan Kampung is also carried out to ensure steady and reliable electricity supply, especially in remote areas. Projects involve the construction of transmission, distribution and service lines up to households' meters. Since 2010, this initiative has connected 161,931 households with electricity supply, benefiting 809,655 rural folks living in 85% of the villages throughout Malaysia and bringing the total coverage of electricity supply in the country close to 100%.



**Solar hybrid stations under Program Bekalan Elektrik Luar Bandar.**

Despite the substantial achievements of these initiatives, the Ministry continues to face challenges in land acquisition, which recur on an annual basis. As some of the land involved in rural infrastructure projects are privately owned, the Ministry takes the initiative to go on the ground to negotiate land acquisitions with the land owners.

## PROVIDING RURAL VILLAGERS WITH A HOUSE TO CALL HOME

In line with Malaysia's transformation into a developed nation, the Program Perumahan Rakyat Termiskin (PPRT) is implemented to eradicate poverty in rural areas and achieve inclusive and balanced growth on a national level. The project involves the construction of new houses and restoration of existing houses to provide villagers with safer and more comfortable dwellings.

The project targets the hardcore poor who are enrolled in the e-Kasih database, with priority given to the old, infirm and handicapped, as well as single mothers with many dependents. In 2017, the size of houses built was expanded to 660 sq ft from 600 sq ft previously, while the design of the houses was also improved. Between 2010 and 2017, 103,033 houses were built or restored, providing homes or improving the living conditions of 515,170 people.

In ensuring the housing is provided to those who are truly in need, the Ministry will visit and assess proposed recipients from the e-Kasih recipient list to confirm their eligibility.



**An elevated water tank under Program Bekalan Air Luar Bandar.**

## Perlis Entrepreneur Moves Up After Taking On Rural Business Challenge

When Mohd Syafiq bin Drahman applied for the Rural Business Challenge (RBC) programme in 2015, little did he know how much it would mean for his business.

Syafiq, who runs Ameqin Sepakat Sdn Bhd, an automotive painting and supply business in Arau, Perlis, applied for the RBC after finding out about the competition that aims to develop youth entrepreneurs in rural areas from a friend.

In 2017, 87% of RBC winners from 2015 achieved an increase in income by more than 30%. The 30-year old says the competition, which is run by the Ministry of Rural and Regional Development (KKLW) under the Improving Rural Development NKRA, was a tough experience.

“Sometimes, I felt depressed,” he shares. However, those feelings dissipated after receiving support and encouragement from friends. His perseverance paid off when he was selected as an RBC winner.

As part of his prize winnings, the Ministry paid for new machines and building renovations to expand his workshop. “The RBC grant has helped to grow my business,” says Syafiq. “I can build a new building to house my business expansion as well as add extensions to existing buildings.”

Support from KKLW did not just come in the form of financial assistance but also advising and networking opportunities. “I received advice on how to grow my business,” says Syafiq. “I also met with other entrepreneurs from various other types of businesses. Through these meetings, we could share our experience and exchange opinions.”

Having successfully come through the RBC experience, Syafiq has seen conditions for his business notably improve. His profile has been raised, allowing him to win new customers and even apply for loans more easily. He has also seen an improvement in his bottom line, growing income from under RM300,000 before entering the RBC competition to approximately RM600,000 in 2017.

“This programme has changed my life and my business,” says Syafiq. “Previously my company was not as well known. Nowadays I get more business opportunities as I am better known. Business loans are also easier to apply for.”

The RBC winner also has some good advice for rural youth entrepreneurs looking to win the RBC in the future. “My advice to those who want to join the RBC is to strengthen yourself and your determination,” he says. “Always be confident when facing the jury panels. Make sure your business plans are solid and don’t give up. Success will not come easily without effort, prayer and tawakal to Allah swt.”

The Perlis-based entrepreneur says he now has his sights set on becoming the first choice for customers in the state in the near-term while expanding to other states over the longer-term.



RBC winner, Mohd Syafiq bin Drahman.



## EMPOWERING COMMUNITIES THROUGH ENTREPRENEURSHIP

In line with the goals of the NTP, the development of rural economies is crucial to the transformation of the Malaysian economy as a whole. To this end, the Desa Lestari and Rural Business Challenge initiatives form the main thrust of KKLW's efforts to elevate rural economies.

The Desa Lestari programme aims to transform villages into modern and economically active areas which enable residents to generate higher income. It is implemented through the establishment of cooperatives which act as a platform for development and enable communities to plan and operationalise development projects. The programme also provides employment opportunities to villagers including single mothers and the elderly. Since its implementation in 2013, 88 villages have succeeded in stimulating economic activities to raise the income of its residents, recording 95,832 individual beneficiaries.

Among Desa Lestari projects which have been undertaken since 2013 include a bee farming project and a farm services project in Kampung Paloh 1, Gua Musang, Kelantan. For 2017, an additional 15 villages were selected to participate in Desa Lestari.

Under the Rural Business Challenge (RBC), youth aged 18 to 40 years are invited to compete by proposing profitable and sustainable business plans for the development or expansion of businesses in rural areas. This also aims to encourage rural youth to choose entrepreneurship as a career of choice, create job opportunities and catalyse rural economies while making villages an attractive place to reside in.

**“88 villages have succeeded in stimulating economic activities to raise the income of its residents, recording 95,832 individual beneficiaries.”**

In 2017, 87% of RBC winners from 2015 recorded an increase in income of more than 30%. For RBC 2017, the Ministry promoted the entrepreneurship development programme through Reality Rural Business Challenge, a reality TV show highlighting the achievement of RBC winners to attract rural youth to its entrepreneurship programmes. The TV show as well as exhibitions organised by the Ministry form its dynamic and modern approach to attract youth to entrepreneurship via interactive and engaging platforms. The challenge, however, is selecting projects which are able to generate high returns and finding participants who are capable of operating businesses well.



**The Desa Lestari programme aims to transform villages into modern and economically active areas which enable residents to generate higher income.**

## Setting the Foundations for a Thriving Rural Community

Ahmad Firdaus Baharuddin, Under Secretary of the Infrastructure Division under the Ministry of Rural and Regional Development is a man committed to his work.

“My schedule is hectic and involves a lot of meetings and travel to rural areas around Malaysia,” he shares, “Even though many of these areas are difficult and time-consuming to reach, there is simply no substitution for personal visits. The visits help us understand the real scenario happening ‘on the ground’, which allows us to do our work more effectively.”

Under his direct purview are six types of programmes related to rural area development: the Village Road Programme, Rural Road Programme, Rural Water Supply Programme, Rural Electricity Supply Programme, Village Road Lights Programme and the Social Amenities Programme. These programmes work towards closing the urban-rural divide by creating a solid foundation for rural-community growth, thus allowing every Malaysian to succeed regardless of location.

The direct and positive correlation between infrastructural upgrades and a better quality of life is easy to witness in rural areas. For example, constructing and lighting up kampung roads in rural areas leads to an increase in economic, educational and social activities, lowers crime rates, reduces accidents and improves access to healthcare and educational opportunities, among others. Connecting rural areas to dependable, 24-hour electricity supply opens up a host of opportunities and activities previously impossible, time-consuming and unaffordable.

However, not all projects run smoothly. “Often times, I need to work with multiple parties to get a project completed. Projects might be delayed or halted due to land issues and bureaucracy,” Ahmad Firdaus shares. “I also have to manage the available funding, with the aim of stretching it as much as possible.” He shares that this is when managing both beneficiary and stakeholders’ expectations and costs plays an important role.



**Construction in progress for rural road development.**



Ahmad Firdaus believes that, in the context of inclusive growth for the nation, infrastructural upgrades in rural areas are essential but need to be part of a broader, multi-pronged strategy. “Our one-off projects in villages are definitely not enough. Our villagers may get access to electricity and water, but they are still unable to join the digital economy due to lack of financial, logistical and internet infrastructure. They still need access to banks and post offices, which might be far away. If we want to ensure inclusive growth, these developments must go hand-in-hand.”

Despite work-related challenges, Ahmad Firdaus is proud of his team’s work. The results speak for themselves; four out of the six programmes within the Infrastructure Division have exceeded targets. The top-achieving programme, the Rural Water Supply Programme (RM632.40 million allocated) have successfully supplied 5,326 rural households with clean water. The programme boasts a commendable 177.53% completion rate from its original target of 3,000 households.

Another high achiever is the Social Amenities Programme (RM60 million allocated), which completed 1,222 projects, equivalent to a 152.75% completion rate from a target of 800 projects. Some of the projects in the Social Amenities Programme include new jetty constructions, surau and hall upgrades, drain installations and other planned and as-requested infrastructural upgrades.

The Rural Road Programme (RM887.82 million allocated) and the Village Road Programme (RM284 million allocated) achieved 111.74% and 102.91% of its targets, covering 245.82 km and 582.45 km of new roads, respectively. Among the remaining programmes close to the finish line is the Rural Electricity Supply Programme (RM447 million allocated). At 98.05%, the programme has lit up 8110 households in rural areas.

Asked about long-term rural area development, Ahmad Firdaus reaffirms his commitment to improving the standard of living for residents in rural areas. “Ultimately, we want the standard of living in rural areas to be as good as urban areas, so people don’t have to move to enjoy good amenities. And we will continue to work with partners and agencies to make it happen.”



**Ahmad Firdaus on the ground to ensure smooth roll out of rural development projects.**

## Lighting up the Bario Community

For residents living in urban areas, it is easy to take access to electricity for granted. However, for residents living in rural areas, particularly in Sabah and Sarawak, electricity is a luxury. It is only available to residents who are rich enough to purchase generators for their homes or residents who are lucky enough to live in areas connected to electricity grids.

For residents belonging to neither categories, this is where the Rural Electrification Scheme comes in.

Dayang Nalin, 54, of Kampung Arur Dalan in Bario district, Sarawak has been a full-time farmer since 2007. Her family earns a living by planting rice, pineapples and coffee. “Kampung Arur Dalan was the first in Bario to enjoy solar hybrid electricity,” the mother-of-two says. “It was not 100% good in the beginning, but as of December 2017 we started enjoying 24-hour electricity (thanks to the Rural Electrification Scheme).”

Now, Dayang’s home, along with hundreds of households in Bario, are connected to the Bario Central Solar Hybrid Power Station. It is a solar hybrid power system and the biggest solar project under the Government’s alternative rural electrification initiative in Sarawak. The two energy sources are solar photovoltaic (70%) and diesel generator (30%). Constructed in 2010 and launched in October 2016, the Central Solar Hybrid Power Station now

provides affordable and renewable electricity to Bario residents. Bario is located at 3,200 feet above sea level and surrounded with mountainous terrain, which made electricity connection to the state’s traditional electricity grid all but impossible.

“Almost all kitchen and daily tasks were hard before having electricity,” shares Aminah. “There was no activity after dinner. One needs to light the firewood for cooking and we use ‘damar’ or kerosene lamps as lights (at night).”

The reliable access to electricity has eased daily tasks for residents like Dayang and collectively created a positive impact on villagers. The improved standard of living has led to an increase of economic activities as well. “Since electricity is available ‘at the fingertips’, activities such as baking and pineapple jam-making (using electrical appliances) is possible,” she says.

Dayang looks forward to further development in her village, including tourism and agricultural activities. “(I would like it if) the 55-year-old longhouse can be fitted with new roofing and tiles. Aside from that, the Arur Dalan clear water stream can also be turned into a tourist attraction, bringing economic activities right to our doorsteps,” she suggests. “Additionally, I hope idle land in the kampung can be planted with durian and Arabica coffee, among others (for additional income).”



Solar farm for rural electrification programme in Bario.



## MOVING FORWARD ▶▶

As KKLW continues to carry out rural infrastructure programmes to ensure socio-economic inclusiveness, attention will be given especially to rural areas in Sabah and Sarawak, where development has lagged behind peninsular Malaysia due to the remoteness of some villages and geographical conditions affecting development plans, including cost. Overall, the Ministry will enhance its strategy and efforts to implement the Government's rural development plans.

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