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1. 要請書 (Terms of Reference)

TERMS OF REFERENCE
(Development Study Programme)

THE STUDY ON ENHANCEMENT OF INFO-COMMUNICATIONS ACCESS
IN RURAL COMMUNITIES IN MALAYSIA

PROJECT TITLE

The Study on the Enhancement of Communications and Multimedia Access in Rural Communities in Malaysia.

FORM OF ASSISTANCE

Development Study, with model project.

STUDY AREA

Throughout Malaysia.

EXECUTING AGENCY

Ministry of Energy, Communications and Multimedia (MECM).

BACKGROUND / JUSTIFICATION

5.1 IT Development as National Priority

As is emphasized in Malaysia's Seventh National Development Plan, Information Technology (IT) and Multimedia is recognized as the future "enabling tool" to increase the efficiency, productivity and competitiveness of the economy. With the objective of accelerating the transition of Malaysia towards knowledge-based economy (K-economy), the Government of Malaysia has implemented Multimedia Super Corridor (MSC), E-Government and other various initiatives.

5.2 Issues in Info-Communications Access

In the global movement towards a digital and knowledge-based economy, a new form of disparity has emerged, arising from the recent technological advances, particularly in Information and Communications Technology. The concern now is not solely on unequal distribution of economic wealth but unequal access to information and knowledge. The technology gap or the digital divide is the result of uneven distribution of information and communications infrastructure facilities and services, thus segregating the under-served areas and groups from the served. Uneven distribution of infrastructure could be seen from the following indicators:-

- a. Malaysia recorded 4.5 million fixed telephone lines (Sept. 1999) or 22 lines for every 100 population. However rural telephone penetration rate is only at 11 percent and total communication infrastructure expenditure in the rural areas is only RM4,584 million for the period of 1990-1999.
- b. The rate of PC acceptance in Malaysia is 11.3 percent based on approximately 2,500,000 PC installation for about 22 million population. However, a substantial proportion of the PCs installed and actively used, is concentrated in the urban areas.
- c. In spite of the fact that Malaysia has one of the lowest Internet subscription fees such as line and service charges in the world, Internet penetration still lags behind many other countries. Malaysia recorded a total number of Internet users only at 1.45 million (Sept. 1999) with a total of 700,000 subscribers. These statistics showed that the rate of Internet penetration at 6 percent for every 100 population and 11.90 percent based on household.
- d. In order to promote the usage of IT applications, it is critical to have suitable and sufficient content applications that will encourage and facilitate rural communities in embracing Information Technology (IT). Thus, there is a need to embark on the development and rollout of relevant content applications that could meet the requirements of the

rural communities. Applications that are of particular interest include the areas of e-government, e-business, e-education as well as in providing medical and welfare services.

- e. To increase IT literacy amongst the students, the Malaysian Government has initiated the Smart School Project to provide students with the opportunity to use IT as a learning tool. For the pilot project, around 80 primary and secondary schools have been selected and equipped with the necessary IT facilities for e-learning. However, there is a need to have an effective program to reach out to all schools especially those in the rural areas. For this purpose, the Ministry of Education has planned to put a comprehensive program for all schools that have electricity supply to be equipped with the IT learning facilities. However, this is likely to take some time before it can be fully implemented. In addition, enhancing info-communications access to residents in rural communities other than students is also a matter of urgency. The Malaysian Government sees the need to quickly address and narrow the divide which could undermine the process of transformation to a K-society.

5.3 Policy Position of the Government

The Communications and Multimedia Act 1998 (CMA) is one of the first sets of Cyber laws to address the issue of convergence in telecommunications, broadcasting and computing. Equitable access to information network and services is one of the major goals underpinning the 10 National Policy Objectives for the communications and multimedia sector.

In terms of prioritising people, infostructure and applications, the Universal Service Provision (USP), which is the sixth objective of the National Policy on Communications and Multimedia, encapsulates the three basic principles of availability, accessibility and affordability. Availability implies ubiquitous network services (telephone, Internet, etc.) coverage

nationwide. Accessibility means there should be no discrimination in terms of price, service and quality, regardless whether the geographical location is deemed uneconomical or unprofitable. Affordability is interpreted as network services, which are affordable to customers.

The purpose of the USP is to provide universal communications service to the under-served areas and groups, thereby bridging the technology, information or digital divide between the information rich and the information poor, and consequently, achieve a more balanced development between areas and groups of people in the country.

Considering the relatively low national penetration rate of computer usage and Internet access as well as the uneven distribution of actively installed units and subscribers between the urban and the rural, several government ministries/agencies have introduced programmes and projects to overcome the problem.

The aims of establishing the Rural Internet Centres (RIC) project are to benefit the rural community and assist in achieving balanced development by bridging the digital divide between the urban and the rural areas and creating digital opportunity for the rural peoples. MECM has started the RIC project initially at four sites, namely at Sg Ayer Tawar in Selangor, Kanowit in Sarawak, Kubang Pasu in Kedah and Kepala Batas in Pulau Pinang. Ten (10) more centres, covering the rest of the states in Malaysia, are scheduled to be launched during the second half of 2000. The Centres are expected to offer practical ICT exposure to the rural community targeting especially those who cannot afford to own a computer. This is to be achieved by making available useful web-based content applications which are both nation-wide and community-specific. The purposes of the project include training / awareness programmes on the usage of computer and the Internet.

In this regard, MECM would like to conduct an implementation study on the RIC aiming at the enhancement of info-communications access in rural areas in Malaysia. During the course of the Study, a variety of associated examples and experience on implications to the RICs initiative in other countries, such as similar initiatives/projects at post offices or municipalities in Japan, should be broadly introduced and carefully examined. It is hoped that the study would provide insights, plans and recommendations that would serve as inputs and guidelines to ensure efficient and effective implementation and management of the RIC project rollout in Malaysia.

The term "info-communications access" consists of the following three elements:

- i. *info-structure indicators* which measure levels of penetration of communications and multimedia infrastructure,
- ii. *social application indicators* which measure application or variety of practical usage of info-communications, and
- iii. *IT-literacy rate* which measures proficiency of people in IT such as the number and rate of IT literate citizens and workforce. These are considered important information as they are the pre-requisites in enabling the rural residents to become proficient in info-communications skills and environment.

6. OBJECTIVES

The overall objective of the Study is to formulate an action plan of which the core part is to present suitable model which should include measures and implementation framework for Rural Internet Centres (RIC) Project to ensure efficient and effective implementation and management of the project rollout in

Malaysia. It is hoped that the study will facilitate and contribute to our objective of spreading information technologies to the rural communities and developing IT skills necessary to facilitate the transformation from a production-based to a knowledge-based economy/society.

7. SCOPE OF THE STUDY

7.1 To study the current status of info-communications access throughout Malaysia, mainly in proposed 14 Rural Internet Centre sites, with special emphasis on the infrastructure and service conditions in rural communities, including the status of telecommunications lines penetration, electrification, computer ownership, Internet connectivity and penetration, and their relationship with socio-economic factors and quality of life.

7.2 To conduct an interview survey at the three candidate sites for the model project with regards to accessibility of Internet, use of communications facilities, interests in and desire for the various services using ICT, IT literacy level, and other aspects related to information technology.

7.3 To identify and summarize problems in the existing info-communications access and environment in rural areas in the following three aspects, with special emphasis on the situation in surveyed sites,

a. *Penetration and diffusion of Info-structure*

Since info-structure, particularly access of households to computers and Internet connectivity is the basic enabling tool for e-usage, the development of info-structure must be consistent with national goals, i.e., Vision 2020's national target to ensure universal access to telecommunications by year 2020. The major problems in info-structure development would be analyzed in this part.

b. *Development of social applications of info-communications*

Info-communications access cannot be fully explored without proper and practical contents applications and services. Existing

and potential applications that utilize effectively info-communications in rural communities must be studied and their difficulty and challenges must be identified.

c. *IT literacy*

Both structural and non-structural problems in promoting IT-literacy programmes should be identified in areas such as the living environment and learning resources, and according to the distribution of IT literate personnel by region, age, gender, education, profession or other classifications.

7.4 Based on the above study results, and in line with other national policy and plans, to prepare an action plan for the enhancement of info-communications access in rural areas in general, including suitable measures and recommendations. The core part of the action plan shall consist of a set of measures on planning, operation, and evaluation of "Rural Internet Centres (RIC)" Project which will be implemented by MECM and related agencies/organisations. Issues in the plan shall include;

- a. Setting-up and management of Rural Internet Centre
(Suitable organization, participants, required inputs/resources, operational model, maintenance programme etc. will be studied.)
- b. Awareness/IT-literacy education programme
(Effective PR methods shall be studied. Also model computer/internet training courses to be provided in the Rural Internet Centres will be proposed.)
- c. Application development
(Based on the survey results on potential demand for ICT application, practical contents applications will be proposed.)
- d. Evaluation methodologies on project impacts

(Models to collect relevant data and assess the impacts of the project on people's quality of life will be studied and proposed.)

In this study process, a wide range of examples of similar and related projects/programs in Japan and other countries should be referred to and studied in detail as case studies. The examples may include;

- Various internet information programmes in municipalities in Japan
- HOSYS community Internet Health and Welfare program in Fukuoka
- Internet Education project in Risshou Highschools
- Internet City Conference projects in Fujisawa city
- Regional informatization projects under Teletopia scheme
- Multimedia PC terminal programme in Japan's post offices
- Other cases in Japan and other countries

7.5 To undertake a model project at three (3) selected sites in order to demonstrate the usefulness and necessity of telecommunications in the rural community development as well as to facilitate technology transfer to Malaysian counterparts. Issues to be addressed in the model project shall include;

- a. Setting-up and management of Rural Internet Centre
(Plans for suitable organization, participants, required inputs/resources, operational model, maintenance programme etc. shall be tested and evaluated.)
- b. Awareness/IT-literacy education programme
(Effective PR methods shall be tested. Also model computer/internet training courses will be provided in the Centres.)
- c. Application development
(Several practical contents applications to be developed, as well as lessons for basic development skills for web application should be provided.)
- d. Evaluation methodologies on project impacts

(Models to collect relevant data and assess the impacts of the project on people's quality of life to be developed, through the feedback from model project and field survey.)

The candidate model project sites are;

- i. Project Site A : Sg Air Tawar, Selangor
- ii. Project Site B : Sarawak – new site to be identified later
- iii. Project Site C : Sabah – new site to be identified later

8. COOPERATION WITH OTHER AGENCIES/ORGANISATIONS

This Study shall be implemented in cooperation with Ministry of Rural Development and other associated agencies/organisations. The results of the study shall be also open to relevant parties and shared among them.












9. MANPOWER REQUIREMENTS

The study shall be undertaken by the experts listed below. All experts must be either expatriate or local personnel with the sufficient knowledge and experience in their respective fields.

- Team leader
- Rural development
- Telecommunications
- IT application and system
- Computer/IT literacy education specialist
- Organization and management
- Financial & economic analysis

10. STUDY SCHEDULE

The study shall be completed within a period of 12 months. The overall work schedule and the schedule for report submission is as shown below:

	1	2	3	4	5	6	7	8	9	10	11	12
Mobilization												
Survey & analysis												
Action plan												
Model Project												
Seminar & workshop												
Reports												
	Inception		Progress				Interim				Draft Final	Final

11. SEMINAR AND WORKSHOP

A seminar to be held at the eight month of the study, in which findings of the survey should be presented and the draft action plan to be discussed. Government officials from the relevant agencies and representatives from IT industry will be present at the seminar.

A workshop to be held at the model project sites at the start of the model project. The objectives of the project will have to be explained and training course for the operation and management of the model project needs to be conducted. Staff of MECM, local government and other organization who will be in charge of the model project will be invited.

12. REPORTS

The consultant shall prepare and submit the reports shown below at the time shown therein.

a. **Inception Report**

The inception report shall outline the approach to the study and shall include the methodology to be adopted. The report shall be submitted one month from the commencement of the study.

b. **Progress Report**

The progress report shall be submitted in the first half of the third month of the study containing summary of study progress including initial findings of the survey, review of relevant studies and reports, and major elements of the study.

c. **Interim Report**

The interim report shall be submitted in the seventh month of the study containing the results of the survey, problems and issues in promoting info-communication access in rural areas, and draft action plan.

d. **Draft Final Report**

The draft final report shall be submitted in the eleventh month of the study containing the survey results, action plan and the initial assessment of the model project for review and comments.

e. **Final Report**

The comments and feedback will be presented within one month after receiving the draft final report. The final report shall be submitted in the fifteenth month of the study with necessary revisions and modifications to be made in accordance with the comments provided by Malaysian counterpart.



Scope of Work

For

The Study

On

**Enhancement of Info-Communications
Access in Rural Communities
in
Malaysia**

Agreed upon between

The Ministry of Energy, Communications and Multimedia

On Behalf of

The Government of Malaysia

and

The Japan International Cooperation Agency

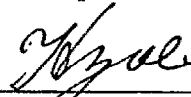
Kuala Lumpur, 10 October 2001

Scope of Work
For
The Study
On
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In
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Agreed upon between
The Ministry of Energy, Communications and Multimedia
On Behalf of
The Government of Malaysia
And
The Japan International Cooperation Agency

Kuala Lumpur, October 10, 2001



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Ministry of Energy, Communications and Multimedia
on Behalf of The Government of Malaysia



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Witnessed by



Dato' Dr. Halim Shafie
Secretary General,
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on Behalf of The Government of Malaysia

I. INTRODUCTION

In response to the official request of the Government of Malaysia, the Government of Japan decided to conduct a Study on Enhancement of Info-Communications Access in Rural Communities in Malaysia (hereinafter referred to as "the Study") in accordance with the relevant laws and regulations in force in Japan.

Accordingly, the Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of the technical cooperation programmes of the Government of Japan, will undertake the Study in close cooperation with the authorities concerned of the Government of Malaysia.

The present document sets forth the scope of work with regard to the Study.

II. OBJECTIVES OF THE STUDY

The objectives of the Study are:

- (1) to formulate an action plan for enhancement of info-communications access in rural communities particularly for the enhancement of Rural Internet Centres (hereinafter referred to as "RIC") in the Study area, and
- (2) to transfer skills and technology of enhancement of info-communications access in rural communities to counterpart personnel in the course of the Study pertaining to paragraph (1) above.

III. STUDY AREA

The Study area covers the whole of Malaysia.

IV. SCOPE OF THE STUDY

In order to achieve the objectives mentioned above, the Scope of work for the Study shall cover the following items:

Phase I: Basic Study

- (1) Collection, review and analysis of related data and information
 - a. Economic and social situation
 - b. Related info-communications planning, laws and policy
 - c. Present status and future plans of info-communication infrastructure and services
 - d. Present status of internet providers
- (2) Field reconnaissance of the access condition and needs of info-communications in rural area for the enhancement of the RIC
 - a. Service area and number of subscribers of info-communication services (fixed telephone, mobile telephone, internet, CATV)
 - b. Information literacy (PC-users, internet-users, PC-school, access opportunities to internet)
 - c. Needs for accessing to info-communications systems (interest, expectations, requests)
 - d. Present status of the activities of RIC (facilities, info-communication equipment, management system, human resources, operations, contents, training)
- (3) Case studies of the similar and related projects/programmes in Japan and other advanced countries



Phase II: Formulation of Interim Action Plan

- (1) Planning and setting up strategies and objectives
- (2) Fixation of target year
- (3) Info-communication infrastructure improvement project
- (4) Contents and service plan and programme
- (5) Organization and management plan
- (6) Training programme and promotion plan for inhabitants
- (7) Planning of institutional system

Phase III: Planning and Support for Implementation of Model Projects

- (1) Planning of model projects (site selection, contents, budget allocation, organizational structure, time schedule)
- (2) Support for implementation of model projects

Phase IV: Formulation of Final Action Plan

- (1) Evaluation of RIC project (comparative analysis, identification of major tasks and problems)
- (2) Feedback to and formulation of final action plan
- (3) Evaluation (economic, technical, social, and gender evaluation)

V. SCHEDULE OF THE STUDY

The Study will be carried out in accordance with the tentative schedule as attached in the appendix. The schedule is tentative and subject to be modified when both parties agree upon any necessity that will arise during the course of the Study.

VI. REPORTS

JICA shall prepare and submit the following reports in English to the Government of Malaysia.

1. Inception Report:
Twenty (20) copies will be submitted at the commencement of Phase I. This report will contain the schedule and methodology of the Study as well as outline of the field survey.
2. Progress Report:
Twenty (20) copies will be submitted at the end of Phase I. The report contains the findings of the first work in Malaysia.
3. Interim Report (Interim Action Plan):
Twenty (20) copies will be submitted at the end of Phase II. The report will summarize the formulation of interim action plan.
4. Draft Final Report (Draft Final Action Plan):



Twenty (20) copies will be submitted at the end of the final work stage in Malaysia. The Government of Malaysia shall submit its comments within one (1) month after the receipt of the Draft Final Report.

5. Final Report (Final Action Plan):

Thirty (30) copies will be submitted within one (1) month after the receipt of the comments on the Draft Final Report.

The study team (hereinafter referred to as "the Team") shall ensure that all data, information, maps, materials, and findings connected with the Study be kept confidential and not disposed off or revealed to any third party except with the prior written consent of the Government of Malaysia. Such maps and aerial photographs are to be returned to the Government of Malaysia immediately upon completion of the Study. All reports, when finalized and submitted to the Government of Malaysia, shall remain the property of the Government of Malaysia.

VII. UNDERTAKINGS OF THE GOVERNMENT OF MALAYSIA

To facilitate the smooth conduct of the Study, the Government of Malaysia shall take the following necessary measures:

1. to inform the members of the Team of any existing risk in the study area and to take any measures deemed necessary to secure the safety of the Team,
2. to ensure the necessary entry permits for the Team to conduct field surveys in Malaysia and exempt them from consular fees,
3. to exempt the members of the Team from taxes and duties, as normally accorded under the provision of Malaysian General Circular No.1 of 1979, on equipment, machinery and other materials brought into and out of Malaysia for the conduct of the Study,
4. to exempt the members of the Team from Malaysian income tax on their official emoluments in respect of their period of assignment in Malaysia in connection with the conduct of the Study, but the Government of Malaysia shall retain the right to take such emoluments into account for the purpose of assessing the amount to be applied to income from other sources,
5. to provide necessary facilities to the Team for remittance as well as utilization of the funds introduced into Malaysia from Japan in connection with the implementation of the Study,
6. to secure permission for the Team to enter into private properties or restricted areas for the implementation of the Study,
7. to provide the Team with medical services when needed but the expenses will be chargeable to the members of the Team,
8. to provide the Team with available data, maps and information necessary for the execution of the Study,
9. to make arrangements for the Team to take back to Japan the data, maps and materials connected with the Study, subject to the approval of the Government of Malaysia, in order to prepare the reports,
10. to appoint counterpart personnel to the Team during the study period,



11. to provide the Team with suitable office space with clerical service and necessary office equipment in Kuala Lumpur, Selangor, Sabah, and Sarawak,
12. to provide the Team with adequate means of local transport for official travel only,
13. to indemnify any member of the Team in respect of damages arising from any legal action against him/her in relation to any act performed or omissions made in undertaking the Study except when the two Governments agree that such a member is guilty of gross negligence or willful misconduct, and
14. to nominate MECM to act as the counterpart agency for the Study and also the coordinating body in relation to other relevant governmental and non-governmental organizations.

VIII. UNDERTAKINGS OF JICA

For the implementation of the Study, JICA shall take the following measures:

1. to dispatch, at its own expense, study teams to Malaysia, and
2. to pursue technology transfer to counterpart personnel in the course of the Study.

IX. CONSULTATION

JICA and MECM shall consult with each other in respect of any matter that may arise from or in connection with the Study.



Appendix

Tentative Schedule

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Schedule	Phase I					Phase II			Phase III				Phase IV	
Report	▲ IC/R				▲ P/R			▲ IT/R				▲ DF/R		▲ F/R

Remarks:

IC/R: Inception Report
P/R: Progress Report
IT/R: Interim Report (Interim Action Plan)
DF/R: Draft Final Report (Draft Final Action Plan)
F/R: Final Report (Final Action Plan)

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