

**Minutes of Meeting No.3
(Acceptance of Progress Report)
For
The Study on Enhancement of Info-Communications Access in Rural
Communities
In Malaysia**

June 29, 2002

Kuala Lumpur



Datuk Dr. Halim Shafile
Chairman of Steering Committee
Secretary General,
Ministry of Energy, Communications
and Multimedia



Mr. Masatoshi Akagawa
Team Leader,
JICA Study Team

In accordance with the Scope of Work for the Study signed on October 10, 2001, JICA Study Team (the Team) has submitted twenty copies of the Progress Report for the Study on Enhancement of Info-Communications Access in Rural Communities in Malaysia (the Study) to the Malaysian side on June 26, 2002 in due compliance of the schedule.

Presentation of the Progress Report was made by the Team during the Steering Committee (SC) meeting held on June 28, 2002 in Kuala Lumpur, chaired by Ms. Suriah Abd Rahman, Deputy Secretary General of the Ministry of Energy, Communications and Multimedia (MECM) and the Vice Chairman of the Steering Committee (SC) with the attendance of Mr. Shigeo Okamoto, Communications Attaché, Embassy of Japan in Malaysia and Mr. Kiichi Tomiya, Assistant Resident Representative, JICA Malaysia Office. Attendants are as listed in Appendix A. After the presentation and discussion, the Progress Report was accepted by the Malaysian side.

In the SC meeting, questions and comments were given by the members of SC and answered by MECM and the Team as per attached as Appendix B. The issues confirmed and agreed upon between the Malaysian and Japanese sides (both sides) are given hereunder.

1. Acceptance of the Progress Report

Contents of the Progress Report was agreed by the Malaysian side. Some comments were given by SC which will be considered in the subsequent works of the Study.

2. Agreement on the Basic Plan for Model Projects

1) Selection of the locations

Selection of the Model Projects were made in due agreement with the decision of MECM. Three model projects were selected, one each in the States of Selangor, Sarawak and Sabah. According to the decision, one in the State of Selangor should be an existing one, i.e., Sg. Air Tawar RIC (Rural Internet Center) and the other two should newly be established. The site locations of the two new RIC for model projects were studied by the Team, paying particular attention to the following.

- (a) Adequate transport access from the rural communities
- (b) Availability of telecommunication infrastructure for internet
- (c) Availability of public building for setting up RIC and availability of a supervising person for RIC
- (d) Acceptance by the community/District Office and State Government

In consequence, it was recommended by the Team and agreed with Malaysian side that the model RIC should be set up at the Civic Center in Bau for the State of Sarawak while a model RIC should be set up in Kota Marudu for the State of Sabah with 3 stations; Post Office (Main station), State Library (Sub-station) and District Office (Sub-station).

2) Roles and facility of the 3 Model Projects

The three model projects will have particular characteristics and roles to be a model for the future RIC as well as for the improvement and revitalization of the existing ones as shown below.

(a) Sg. Air Tawar Project: Revitalization Model

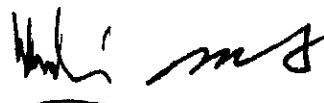
- Model for the revitalization of the existing 14 RIC
- Physical framework will remain about the same, i.e., RIC in the post office and fixed telephone lines except that the number of PC and telephone lines will be increased to 3 each from the current 2 each.
- Revitalization and improvement will be tried by means of reinforcing the RIC Committee, community involvement, local- community oriented homepages, intensive and continuous IT training and others.

(b) Bau Project: New Model

- New attempt to locate RIC at a building other than post office. Namely, RIC will be established in the Civic Center which belongs to the Sarawak State Government.
- RIC may be opened on weekends and after working hours.
- Management system with the collaborated works of the 3 concerned parties of State Government/Civic Center, RIC Committee and MECM will be tested with regard to its workableness.
- CDMA fixed wireless system for data communication will be applied for the first time for RIC in addition to the fixed telephone lines.
- The RIC will be equipped with 5 PC.

(c) Kota Marudu Project: Collaboration Model

- New attempt to have plural number of stations for a RIC will be made. Namely, Kota Marudu RIC will comprise 3 stations which are equipped with PC, one at post office as the main station and one each in the State Government library and District Office as sub-stations.
- In total, 5 PC will be placed in RIC as a whole, of which 2 PC will be placed in the post office which will connected with 2 telephone lines while the remaining 3 PC, 1



PC each at 3 stations, will be connected each other and to 1 telephone line by means of wireless routers and a relay station.

- New management system comprising 3 concerned parties of State Government including State Library and District Office, RIC Committee and MECM will be tested with regard to its workableness.
- Leased line of high capacity may be installed to compare the internet access speed with the ordinary telephone lines.

3) Service to be provided

Three kinds of homepage will be developed together with two templates: one homepage for publicizing RIC and JICA Study, another for providing local information which is common for 3 model RIC and the other one for individual model RIC. Applications of E-reservation and E-public comments on RIC will also be developed as first-step trial for applying and adapting to the e-Government system in the future. IT training and self-tutorial device will also be provided.

4) Implementation schedule

Considering the time needed for preparing specification, tendering and installation of equipment and development of homepages/applications, the model projects will start operation as follows. Expected timing of Workshop-2 is also given below.

Model Projects	Start/Workshop-1	Workshop-2
Sg. Air Tawar	Late August	Early to middle of November
Bau	Late August	Early to middle of November
Kota Marudu	Mid September	Early to middle of November

3. Confirmation of the Responsibilities of Malaysian and Japanese Sides for the Implementation of the Model Projects

It has been confirmed that Malaysian side should be responsible for the implementation of the model projects as well as for the security for facility, equipment, building and personnel during the implementation period. Japanese side (the Team) will provide support by extending the technical assistance in various aspects.

Supporting activities of the Team for the model projects during the model project period of August through mid-November, 2002 will comprise:

- (a) Setting up wireless router communication system and carry out tele-communication experiment for Kota Marudu project
- (b) Developing 3 kinds of homepages



- (c) Developing the applications of, i) E-reservation, and ii) E-public comments on RIC
- (d) Providing IT training to community people and RIC Committee members through Malaysian instructors and developing an elementary-level manual for the use of PC and internet in Malaysian language
- (e) Holding workshops for publicizing the establishment and operation as well as the achievements of 3 model RIC projects

4. Undertakings of Malaysian Side for Model Projects before their Commencement

It has been confirmed that Malaysian side will install and make necessary arrangements for the facility, equipment and others needed for the implementation of the model projects, including the followings preferably by the beginning of August and by mid-August at the latest.

1) Facility

Items	Model Projects		
	Sg. Air Tawar	Bau	Kota Marudu
Hosting service	ISP	ISP	ISP
PC, printer, scanner, connection, etc.	Procurement, installation	Procurement, installation	Procurement, installation
Communication infrastructure	1 additional telephone line	CDMA antenna, cable, etc. 4 telephone lines	1 leased line, 2 telephone lines
Permissions for wireless router & relay experiments	—	—	Post office, library, District Office, Community hall

2) Implementing body /counterparts

Implementing body should be set up by the beginning of July, 2002 within MECM for model project implementation which should also work as counterpart unit for the Team.

Field/Specialty	July	Aug. ~Mid-Nov.	Team
Chief/Policy	Ms. Azizah	Ms. Azizah	Mr. Akagawa
Vice Chief	Ms. Rokiah	Ms. Rokiah	● Mr. Akagawa ● Coordinator
Infrastructure	● Officer in charge of model project preparation ● Mr. Ismail	● Mr. Ismail ● Engineer: To be named	● Mr. Yanagisawa ● Mr. Daikoku
Web contents	Expert: Ms. Siti Istianah	Expert: Ms. Siti Istianah	● Mr. Nakabayashi ● Mr. Kohge

Resident Representative of MECM including social development and training (for 3 projects)	To be named	To be named	<ul style="list-style-type: none"> ● Mr. Ibayashi ● Mr. Tanaka ● Mr. Kohge
Financial analysis	Mr. Samsuldin/ Ms. Solehah	Mr.Samsuldin/ Ms. Solehah	Mr. Ali

During the month of July 2002, an officer/engineer of MECM should be assigned who should be responsible for model project preparation and cooperation with the Team while the Team will be working in Japan, in addition to the already-assigned counterparts.

3) Sub-Counterparts

Chairman of the RIC Committees should be appointed as Sub-Counterpart for each model project by MECM by the middle of August, 2002.

4) Renovation of 2 post offices

It has been pointed out by the Team that the building conditions of the 2 post offices in Sg. Air Tawar and Kota Marudu are not appropriate to locate RIC where PC and other equipment will be placed. Namely the structure of the walls of the post offices are not completely closed with some openings, permitting rain to enter into the RIC space. It is advised by the Team that renovation should be made to improve the above conditions. To maintain PC in good conditions, it is also advised that air conditioner should be installed.

MECM will consider to take necessary actions.

5) Team's site offices

One office should be set up by Malaysian side for each of the 3 model project sites by the initiative of MECM.

Appendix A : List of Attendants on the Steering Committee Meeting

Malaysian Side

< Steering Committee >

Y. Bhg. Cik Suriah Hj Abdul Rahman Vice Chairman of Steering Committee	Deputy Secretary General I, Ministry of Energy, Communications and Multimedia
Dr. Baharom Jani	Senior Assistant Director, Industry and Commerce Section, Economic Planning Unit
Mr. Hashim Bin Bujang	Senior Project Coordinator INTAN Jalan Ilmu
Ms. Khalijah Mohd.	Deputy Director, Data Unit Ministry of Education
Mrs. Hafizah – Representative (Mr. Hamidi Zakaria)	MIS Unit Head, Ministry of Rural Development
Mrs. Sabariah Hassan– Representative Ms. Hjh. Normah bt. Mohd. Aris	Statistician, Department of Statistics
Mr Melvin Lipi – Representative (Mr. William Patrick Nyigor)	State Secretariat of Sarawak Office
Mr. Ken Kartina Khamis	State IT Advancement Unit, State Secretary of Sabah Office
Mr. Haji Abu Sujat b. Ikhsan	General Manager, Information System Division, Pos Malaysia
Mr. Mohd. Diah Yassin	Sector Head International and Strategic Telekom Malaysia
Tuan Hj. Md Zaini bin Kudus	Chairman of PID Committee Sungai Air Tawar, Selangor

< Counterpart Agency : Ministry of Energy, Communications and Multimedia >

Ms. Azizah Hamzah Chief Counterpart	Senior Principal Assistant Secretary, Communication & Multimedia Division
Ms. Rokiah Md. Idris Vice Chief Counterpart	Principal Assistant Secretary, Communication & Multimedia Division
Mr. Samsuldin Yusoff Vice Counterpart	Special Officer Communication & Multimedia Division
Ms. Solehah Abd. Hamid Vice Chief Counterpart	Special Officer, Communication & Multimedia Division
Ms. Ani Fazliana BT. Dahri Counterpart	Assistant Secretary, Communication & Multimedia Division

Japanese Side

< Embassy of Japan in Malaysia >


Mr. Okamoto Shigeo	Second Secretary
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< JICA >

Mr. Tomiya Kiichi	Assistant Resident Representative, JICA Malaysia Office
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< JICA Study Team >

Mr. Akagawa Masatoshi	Team Leader/Regional Information Expert
Mr. Ibayashi Masahiro	Social Development/Community Participation Expert
Mr. Yanagisawa Mitsuyasu	Information System Expert
Mr. Kohge Yasunori	Coordinator/Web/Communication Technology Expert



Appendix B: Record of Discussion on the Steering Committee Meeting

Steering Committee (SC) members asked some questions/clarifications on the Progress Report and JICA Study Team (the Team) and Ministry of Energy, Communications and Multimedia (MECM) replied as follows. SC Chairperson also made some remarks with regard to the JICA Study including model projects.

(1) Best model

Economic Planning Unit (EPU) asked which of the three models are considered to be the best. It also asked whether or not there are any other models for future RIC.

Team Leader replied that suitability of the three projects as model for the future RIC will be evaluated through the implementation of the model projects. Every model project may be considered as the best for certain kind of the future RIC, depending on their local conditions. A model other than the above three, which may have the combination of the characteristics of the three models, may be considered as the best. The best model(s) will be recommended in the Action Plan which will be included in the Draft Final Report to be submitted in late December.

(2) Cost estimation of the future RIC

EPU asked if the cost of the future RIC will be estimated in the Study.

Team Leader replied that detailed facility plan nor cost estimation would be made in the Study.

Chairperson replied that cost estimation would be made by MECM.

(3) Cost bearing of the post office renovation cost

Pos Malaysia asked who should bear the renovation cost.

Chairperson replied that the issue was under the discussion between the top management of MECM and Pos Malaysia.

Team Leader made remarks that it would be very much desirable if the renovation should be completed before the commencement of the model projects in Sg. Air Tawar



and Kota Marudu.

(4) Expansion of the post office buildings and extending service hours for RIC operation
EPU and MECM pointed out that it would be desirable if the space of the post offices were expanded to provide adequate space for the RIC and service hours were extended after 5 pm, for example until 9 pm so that working people could use RIC after their working hours.

(5) Necessity of the cooperation of schools and Ministry of Education

Ministry of Education (MOE) asked if the cooperation of schools and MOE would be needed for providing IT training for the model projects.

Team Leader replied that IT training for the model projects would mainly be carried out in the model RIC facility. In addition, however, IT training may be needed to carry out in the schools located in the vicinity of model RIC. If that is the case, cooperation will be asked to schools and MOE by MECM.

(6) Guideline for the cooperation between the post office and RIC Committee

RIC Committee of Sg. Air Tawar made remarks that more detailed guideline for the cooperation between the post office and RIC Committee should be worked out.

Team Leader replied that the demarcation of the responsibility is given in the Progress Report.

(7) Operation of the Kota Marudu RIC

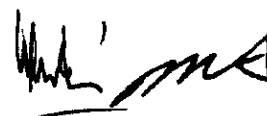
Sabah State Secretary Office asked if people can use Library sub-station on Sundays when the main station in the post office is closed.

Team Leader replied that unless the LAN facility at the post office is shut down, users can get access to the internet from the sub-stations.

(8) Chairperson's remarks

Chairperson made the following remarks.

- MECM has the intention to set up a small working group including the key organizations of POS Malaysia, Telekom Malaysia and MECM for materializing the recommendations made in the Action Plan.



- Key to the success of RIC include:
 - Wide coverage, sustainability as well as the initiative and ownership of the community for RIC
 - Proper maintenance of the RIC facility/equipment by the community
 - Rearing IT instructors/trainers for IT training of community people among themselves
 - Cooperation of the school teachers for IT training, who usually play the leading role in the rural communities
- The post office is considered appropriate entity/place to play the role of E-Government terminal.

A handwritten signature in black ink, appearing to be 'W. M. S.', located in the bottom right corner of the page.

**Minutes of Meeting No.4
(Acceptance of Interim Report)**

For

**The Study on Enhancement of Info-Communications Access in Rural
Communities
In Malaysia**

August 9, 2002

Kuala Lumpur



**Ms. Suriah Abd Rahman
Deputy Chairman of Steering Committee
Deputy Secretary General,
Ministry of Energy, Communications
and Multimedia**



**Mr. Masatoshi Akagawa
Team Leader,
JICA Study Team**

Witnessed by



**Mr. Takashi Miyashita
Chairman of JICA Advisory Committee**

In accordance with the Scope of Work for the Study signed on October 10, 2001, JICA Study Team (the Team) has submitted twenty copies of the Interim Report for the Study on Enhancement of Info-Communications Access in Rural Communities in Malaysia (the Study) to the Malaysian side on August 2, 2002 in due compliance of the schedule.

Presentation of the Interim Report was made by the Team during the Steering Committee (SC) meeting held on August 8, 2002 in Kuala Lumpur, chaired by Ms. Suriah Abd Rahman, Deputy Secretary General of the Ministry of Energy, Communications and Multimedia (MECM) and the Vice Chairman of the Steering Committee (SC) with the attendance of Mr. Takashi Miyashita, Chairman of JICA Advisory Committee, Mr. Shigeo Okamoto, Communications Attaché, Embassy of Japan in Malaysia, Mr. Kotaro Taniguchi, JICA Headquarters and Mr. Masahiro Ueki, Assistant Resident Representative, JICA Malaysia Office. Attendants are as listed in Appendix A. After the presentation and discussion, the Interim Report was accepted by the Malaysian side.

Major comments given during the Steering Committee meeting and by MECM are given in Appendix B as per attached. The issues confirmed and agreed upon between the Malaysian and Japanese sides (both sides) are given hereunder.

1. Acceptance of the Interim Report

Contents of the Interim Report was basically agreed by the Malaysian side. Some comments were given by SC/MECM which will be considered in the subsequent works of the Study as per attached as Appendix B.

2. Finalization Process of Action Plan

The appropriateness and effectiveness of the interim action plan for Rural Internet Program (RIP) as proposed in the Interim Report will be checked through the implementation of the three model projects during August to mid-November, 2002. Action Plan will be finalized with the feedback of the model project implementation and will be presented in the Draft Final Report to be submitted in the latter part of December, 2002.

3. Confirmation of the Model Project Components and Preparation

1) Components of model projects

Components of the three model projects are as given in the Progress Report as agreed between the Malaysian side and the Team.

For Bau, Malaysian side has confirmed that CDMA has been upgraded for data communication with the speed of 50kbps. Both sides have agreed that CDMA data communication should be used in addition to the telephone lines as agreed in the last Minutes of Meeting No.3. For Kota Marudu, both sides have agreed that a leased line of 128kbps should be used in addition to the telephone lines.

2) Preparation for the model project implementation and commencement

The Team mentioned that one week will be needed for the commencement of RIC operation after the installation of facility/equipment and requested that installation should be completed by the middle of August, 2002 at the latest.

MECM promised that it would make best efforts to comply with the Team's request.

Considering the progress of the preparation, schedule for the model project implementation is as given below.

Model Projects	Commencement of RIC operation	Workshop-2
Sg. Air Tawar	Late August/Early	Early to middle of November

	September	
Bau	Late August/Early September	Early to middle of November
Kota Marudu	Mid September	Early to middle of November

3) Implementing body /counterparts

The following implementing body has been set up within MECM for model project implementation which should also work as counterpart unit for the Team, except the resident representatives. It has been agreed by both sides that nomination of all the counterparts should be completed by the middle of August, 2002.

Field/Specialty	MECM	Team
Chief /Policy	Ms. Azizah	Mr. Akagawa Mr. Hori
Vice Chief /Coordinator	Ms. Rokiah	● Mr. Kohge
Infrastructure	● Mr. Ismail ● Engineer to be named	● Mr. Yanagisawa ● Mr. Daikoku
Web contents	Expert: Ms. Siti Istianah	● Mr. Nakabayashi ● Mr. Kohge
Resident Representative of MECM including social development and training (for 3 projects)	1 to 3 persons to be named	● Mr. Ibayashi ● Mr. Tanaka ● Mr. Kohge
Financial analysis	Mr. Samsuldin/ Ms. Solehah	Mr. Ali

4) Sub-Counterparts

Chairpersons of RIC Committees have been appointed by MECM as Sub-Counterparts for the Study.

5) Renovation of 2 post offices

It has been informed by MECM that MECM and Pos Malaysia have reached an agreement that annexes should be built for the post offices of Sg. Air Tawar and Kota Marudu so that RIC should be set up though construction schedule is yet to be determined.

Completion, however, is expected after the model project period.

6) Team's site offices

Team's offices for the three model project sites will be set up including the telephone line and furniture and other necessary equipment by the middle of August, 2002 under the responsibility of MECM.

**Appendix A: List of Attendants of the Steering Committee Meeting
Held on August 8, 2002**

Malaysian Side

< Steering Committee >

Y. Bhg. Cik Suriah Hj Abdul Rahman Vice Chairman of Steering Committee	Deputy Secretary General I, Ministry of Energy, Communications and Multimedia
Dr. Baharom Jani	Senior Assistant Director, Industry and Commerce Section, Economic Planning Unit
Tn Hj. Hashim Bin Bujang	Senior Project Coordinator INTAN Jalan Ilmu
Mrs. Asmah Ahmad – Representative (Dr. Wan Fatimah Bt. Mohd)	Assistant Director, Macro Planning Unit Ministry of Education
Ms. Norhafizah Md Yusoff – Representative (Mr. Hamidi Zakaria)	MIS Unit Head, Ministry of Rural Development
Ms. Hj. Normah bt. Mohd. Aris	Statistician, Department of Statistics
Ms. Fatmah Mahmood - Representative (Y. Bhg. Dato' Ahmad Latffi b. Hashim)	State Secretariat of Selangor Office
Mr Melvin Lipi – Representative (Mr. William Patrick Nyigor)	State Secretariat of Sarawak Office
Ms. Ken Kartina Khamis	State IT Advancement Unit, State Secretary of Sabah Office
Mr. Haji Abu Sujat b. Ikhsan	General Manager, Information System Division, Post Malaysia
Mr. Jonedi b. Mohamed	Sector Head International and Strategy Government Sales Division Telekom Malaysia
YB Mat Yassir b. Hj Ikhsan	Advisor of Sg Air Tawar RIC Coordination Committee
Mrs. Rohani bt Matjuki	Secretary of Sg Air Tawar RIC Coordination Committee

< Counterpart Agency : Ministry of Energy, Communications and Multimedia >

Ms. Rokiah Md. Idris Vice Chief Counterpart	Principal Assistant Secretary, Communication & Multimedia Division
Ms. Rozalina Mohamed Counterpart	Assistant Secretary, Communication & Multimedia Division

Japanese Side

< JICA Advisory Committee >

Mr. Takashi Miyashita	Chairman of JICA Advisory Committee
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< Embassy of Japan in Malaysia >

Mr. Shigeo Okamoto	Second Secretary
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< JICA >

Mr. Kotaro Taniguchi	Second Development Study Division, Social Development Study Department JICA Headquarters
Mr. Masahiro Ueki	Assistant Resident Representative, JICA Malaysia Office

< JICA Study Team >

Mr. Masatoshi Akagawa	Team Leader/Regional Information Expert
Mr. Nobuki Hori	Policy / Institution / Public Service Expert
Mr. Mitsuyasu Yanagisawa	Information System Expert
Mr. Masahiro Ibayashi	Social Development / Community Participation Expert
Mr. Yoshihiro Daikoku	IT Specialist 1
Mr. Kiyotaka Nakabayashi	IT Specialist 2
Mr. Kenichi Tanaka	IT Specialist 3
Mr. Kohge Yasunori	Coordinator/Web/Communication Technology Expert

Appendix B: Comments and Answers on the Interim Report

1. Remarks and Comments/Answers in the Steering Committee Meeting on Aug. 8, 2002

1) Expansion of the Post Offices for the Existing RIC

Pos Malaysia representative informed that it had agreed to expand all of the existing 14 post offices so that RIC can be accommodated in the annexes with wider space.

2) Cooperation of the School Teachers for RIP

MOE representative stated that it has strong interest in the IT training in RIP and wanted to know whether school teachers' cooperation is necessary or not.

The Team answered that besides the training companies and community people with higher literacy, school teachers are expected to play the role of IT instructors for RIP.

3) Selangor State project

Selangor State representative mentioned that the State had a project with 56 sites since around the end of 2000 whose scope was similar to RIP of MECM. Since it seems that the MECM/JICA model project can provide various useful information, the Team is requested to cooperate with this Selangor State project.

The Team answered that it would like to visit Selangor State project site and discuss whether or not any cooperation was possible.

4) 1 PC 1 Home

Selangor State Assemblyman stated that Selangor State Government has the IT development target of 1 PC 1 Home by 2005.

With regard to the site office for the Team, there will not be any problem to provide appropriate office in the vicinity of Sg. Air Tawar RIC.

5) National RIC Model

EPU representative asked how many models would be recommended in the final stage of the JICA Study. He also asked whether the model will be recommended as national model or model for MECM RIC. Once the national model is formulated, many players, i.e., Ministries, State Governments, etc. can establish RIC following this model.

The Team answered that according to the scope of work for the Study, the model should be for MECM RIC.

MECM mentioned that the proposed model can be taken up as national model.

6) Economic Aspect of RIC

EPU representative asked if the free-of-charge system of RIC continues throughout the RIC project period. He mentioned that it would be desirable that after certain period some fee should be charged to recover some of the operation and maintenance cost. He added that promotion of the local economy should be among the objectives of RIP and introduction of E-Commerce should be considered in RIP.

Ms. Suriah added that issue of cost recovery is worth consideration.

Mr. Taniguchi of JICA Headquarters mentioned that advertisement of the local products of the cosponsor companies for RIC may be made in the RIC Web site. The donation of these companies will contribute to meeting the operation and maintenance cost of RIC.

Team answered that the free-of-charge system of RIC continues throughout the RIC project. For local economy promotion, E-Catalogue is recommended in the Interim Report for promoting local products. Considering the primary objective of info-communications access enhancement including IT literacy improvement of rural people, E-Commerce is considered premature for RIC.

7) Evaluation of the Completion of the Role of RIP

Mr. Taniguchi asked how to evaluate if the role of RIP/RIC is finished. After the achievement of IPC 1Home program, RIC may be moved to the further remote areas.

Ms. Suriah answered that MECM would decide how to evaluate after they received and reviewed the Draft Final Report. She added that RIP achievements should not be evaluated by itself but together with the achievements of the other related projects carried out by other Ministries.

2. Comments by MECM

1) Primary Target Group

MECM has agreed that the primary target group of the Rural Internet Program (RIP) should be the age groups above the secondary school age.

2) Possible Role of Public Service Provider

MECM commented that RIC may possibly play certain role in the provision of public service. However, no full-time attendant should be assigned nor any particular application should be developed for that purpose.

3) Time Frame

For the 8th National Plan period up to 2005, budget for RIP has been obtained. After 2005, whether or not to continue the program depends on the achievement of RIP and the IT environment at that time.

4) Selection Criteria

To take into account the willingness and capacity of the communities by receiving applications for RIC establishment will necessitate long and time-consuming process and considered not applicable for RIP.

5) Total Number of RIC

Total number of RIC will be estimated by the unit construction cost of RIC and the budget for the 8th Malaysian Plan, which is RM 10 million. If the total number is to be increased with increased amount of budget, strong justification would be needed.

Japanese side requested and MECM agreed that the number of the locations based on the post offices which meet the RIC selection criteria would be checked and informed to the Team by the end of August, 2002.

6) Phasing of RIC Development

Considering the short time period left during the 8th Malaysian Plan, RIC should be established as early as possible. Therefore, all the RIC should be established within 2003.

7) Continuous Role of Model Projects

MECM agrees that the 3 model projects should continue to play the role of the model for the new RIC in line with the recommendations given in the Interim Report.

8) Expanded RIC Committee Meeting and General Annual Meeting
MECM agrees to the recommendation given in the Interim Report.

9) Institutional Measures

MECM agrees to giving examination and issue certificates of completion at the end of the IT training courses carried out at RIC.

10) Numerical Targets for the Alleviation of Digital Divide

Government of Malaysia has the policy for the alleviation of digital divide between the urban and rural areas, states and ethnic groups. Whether or not there are numerical targets will be checked and informed to the Team by the end of August, 2002.

Minutes of Meeting No.5
(Model Project Implementation and Draft Final Action Plan)
For
The Study on Enhancement of Info-Communications Access in Rural Communities
In Malaysia

Nov. 12, 2002
Kuala Lumpur



Ms. Suriah Abd Rahman
Vice Chairman of Steering Committee
Deputy Secretary General,
Ministry of Energy, Communications
and Multimedia



Mr. Masatoshi Akagawa
Team Leader,
JICA Study Team

Witnessed by



Datuk Dr. Hallan Shafie
Chairman of Steering Committee
Secretary General,
Ministry of
Energy, Communications
and Multimedia

The following issues have been confirmed and agreed between the Malaysian side and Japanese side.

1. Successful Implementation of the Model Projects

It has been confirmed by Malaysian and Japanese sides (the two sides) that the three model rural internet center projects (RIC projects) for the Rural Internet Program (RIP), namely, Sg. Air Tawar, Bau and Kota Marudu, were implemented successfully by the joint efforts of the two sides during late August through early November, 2002 in accordance with the plan formulated in the JICA Study (the Study), in particular Basic Plan for Model Projects presented in the Progress Report of the Study submitted in June 2002. Analysis and evaluation of the achievements of RIC operation and technology transfer were presented by JICA Study Team (the Team) in the post workshops held at the three model project sites. Discussion was made thereon among the concerned parties/people including MECM, RIC Committee members, Task Force members, RIC users and participants of the IT training courses and the Team and common understanding was formed.

Considering the successful achievements of all the model projects for the rural internet centers (RIC), Ministry of Energy, Communications and Multimedia (MECM), has decided to continue their operation as RIC after the completion of the model project period. Upon the completion and holding of the post workshops, these RIC are to be managed and operated at the full responsibility of MECM.

2. Technology Transfer

It has been confirmed that technology transfer to the counterpart personnel of MECM and RIC Committee members were duly carried out as planned by means of workshops and on-the-job training.

It is noted that during the model project period of about 2 months, about 20 RIC Committee members have acquired the IT skill to upgrade the homepage through the intermediate IT training course while about 200 people came to know how to use PC and Internet by participating in the IT training beginner's courses. Total number of RIC users reached more than 1,400 of which about 400 people used RIC for the first time. Transfer of IT skills to the community was, therefore, considered very intensive and successful.

3. Request for the Transfer of Facility and Equipment Provided by JICA

In the model projects, certain facility and equipment were procured and installed by JICA which functioned successfully and formed an integral part of these RIC. MECM has expressed its intention to officially request JICA to transfer these facility to MECM for the continuation of the model RIC projects in December, 2002 when the Draft Final Report will be submitted and the study in Malaysia will be completed. Until December, MECM will be responsible for the operation and maintenance of the JICA facility and equipment.

4. Agreement on the Draft Final Action Plan

During the course of the Study, Interim Action Plan was formulated in July, 2002, based on the following analyses.

- National policy on digital divide alleviation through the enhancement of the info-communications access in the rural communities.
- Demand for info-communications access enhancement in the rural communities.
- Role to be assumed by MECM in achieving the above-mentioned national policy.
- Achievements of the on-going RIP pilot projects by MECM and problems to be overcome.

Interim Action Plan was presented in the Progress Report and agreed upon between the two sides in August, 2002.

During late October through early November, 2002, achievements of the model projects have been evaluated by the Team and the draft Final Action Plan was worked out. The evaluation results and the draft were explained in the meeting held on Nov. 8, 2002 with the chairmanship of Datuk Dr. Halim Shafie and with the attendance of the representatives of MECM including Ms. Suriah Abd Rahman, Deputy Secretary General, Mr. Kiyoshi Sekiguchi, JICA Expert to MECM, Mrs. Azizah Hamzah, Chief Counterpart of the Study, and Mr. Shigeo Okamoto, Secretary of the Embassy of Japan, representatives of Economic Planning Unit, Ministry of Rural Development, Pos Malaysia, Telekom Malaysia and TMnet. The attendant list is as per attached. Through the discussion in the meeting, the two sides reached an agreement on the outline of the Final Action Plan as per attached. Final Action Plan will be prepared in the subsequent study in Japan, based on this outline, giving the details to the outline.

A handwritten signature in black ink, consisting of a stylized 'R' followed by a series of loops and a final flourish.

Attachment I : List of Attendants on the Joint Meeting on 8th November, 2002

Malaysian Side

< Steering Committee Members >

Y. Bhg. Datuk Dr. Halim Shafie Chairman	Secretary General Ministry of Energy, Communications and Multimedia
Y. Bhg. Cik Suriah Hj Abdul Rahman Vice Chairman of Steering Committee	Deputy Secretary General I, Ministry of Energy, Communications and Multimedia
Dr. Baharom Jani	Senior Assistant Director, Industry and Commerce Section, Economic Planning Unit
Ms. Siti Suhara Abdullah	Ministry of Rural Development
Ms Juniaty Muslim	Ministry of Rural Development
Mr. Haji Abu Sujat b. Ikhsan	General Manager, Information System Division, Post Malaysia
Mr. Rohana Brahim	Telekom Malaysia
Mrs. Molina Musa	TM Net
Mrs. Haniza Abdul Aziz	TM Net

< Counterpart Agency : Ministry of Energy, Communications and Multimedia >

Mrs. Azizah Hamzah Chief Counterpart	Division Secretary Communication & Multimedia Division
Ms. Rokiah Md. Idris Vice Chief Counterpart	Principal Assistant Secretary, Communication & Multimedia Division
Tn. Hj Ismail Haron Counterpart	Special Officer MAXIS Ministry of Energy, Communications and Multimedia
Mr. Shahrul Hisham Mansor Counterpart	Information Technology Officer, Communication & Multimedia Division

< Others >

Dr. Khairuddin Idris	University Putra Malaysia
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Japanese Side

< Embassy of Japan in Malaysia >


Mr. Okamoto Shigeo	Second Secretary
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< JICA Expert >

Mr. Sekiguchi Kiyoshi	JICA Expert Ministry of Energy, Communications & Multimedia
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< JICA Study Team >

Mr. Akagawa Masatoshi	Team Leader / Regional Information Expert
Mr. Ibayashi Masahiro	Social Development / Community Participation Expert
Mr. Kenichi Tanaka	IT Specialist 3



**Attachment 2: Outline of the Draft Final Action Plan
for the Study on Enhancement of Info-Communications Access in Rural Communities**

1. Ultimate Goal of Narrowing the Digital Divide

1.1 Ultimate Goal

Ultimate goal of RIP should be to serve for the national policy for Narrowing the Digital Divide in the Country. However, though it is desirous that the digital divide be fully eliminated, it is not realistic because development of IT environment continue in the urban area. Instead it is recommended that the gap should not be widened.

1.2 Introduction of Broadband into the Rural Areas

Though considered as upper level Government policy above that for RIP, it is recommended that broadband development should be strenuously promoted also for the rural area which would reinforce the promotion of RIP.

2. Necessity of RIP Implementation by MECM and Demarcation with Other Related Projects

2.1 MECM as Multimedia Ministry

In order to achieve the Government goal for narrowing the digital divide, various ministries/organizations should play certain roles. MECM being the Multimedia Ministry, digital divide alleviation should be carried out by means of relatively advanced IT infrastructure and equipment, in particular for RIP. For disseminating the IT technology as well as enhancing the info-communication access, Internet access should be provided and own Web contents including the community homepage should be developed.

Distinctive features of RIP, therefore, should be:

- (i) Relatively advanced IT facility and equipment including telecommunication infrastructure and PC.
- (ii) Internet access
- (iii) Own homepages, and

2.2 MECM as Policy-making Ministry

MECM being a policy-making ministry, realization of the info-communication access enhancement at the full-scale development may not be appropriate. Instead, MECM should assume the role of implementing the model projects in order to prove the effectiveness of its policy for info-communication access enhancement.



2.3 Role of MORD

Ministry of Rural Development is responsible for the rural development. Info-communications enhancement of the remote rural areas should, therefore, be taken care of by MORD's projects, including Info Desa projects.

2.4 Role of MOE

Ministry of Education is responsible for the education including that for primary and secondary school students. Info-communications access enhancement for these students should be taken care of by the Ministry of Education through its projects including Smart School and Computer Labo projects.

3. Objectives of RIP

3.1 Objectives

The final target of RIP should be to enhance the info-communications access in the rural communities. To achieve this target, the specific objectives of RIP have been determined, considering the followings.

- (i) National policy for narrowing the digital divide in the country.
- (ii) Demand for the enhancement of info-communications access in the rural communities
- (iii) Division of roles to be assumed by the projects sharing the target of narrowing the digital divide.

Accordingly, the objectives of RIP should be to:

- (i) Provide the info-communication access which is affordable to the rural communities,
- (ii) Provide IT training and improve the IT literacy of the community,
- (iii) Provide the RIC homepage containing the local information and provide training for updating the homepage,
- (iv) Activate the rural communities in terms of the development of the local economy and industry as well as community collaboration.

3.2 Target Area

Considering the above, target area should be semi-urban or semi-rural and not remote rural area, where a part of the community people possess some IT literacy.

District centers and mukim centers are the appropriate areas.

3.3 Target Group

- (i) Primary target group should be the age groups above secondary school age group, who are not taken care of by the IT education in schools.
- (ii) However, younger age group should not be eliminated because the school enrolment ratio still remains low in the rural communities.
- (iii) Women are among the priority target groups.
- (iv) To promote the use by the target group, use of RIC by small children under the age of 10 years should be discouraged.

4. Scope of RIP

4.1 Study of the Experience of the Advanced Countries for Rural Information Centers

Some of the experiences of the advanced countries are considered worth consideration and referred to in working out the scope of RIP, in particular the followings.

- (i) **Organizational framework for the implementation and management of the project**
Organizational framework for the implementation and management of the projects, i.e., Government, local government, volunteers, NPO, university, private enterprises, third sector and various combinations thereof. The cooperation among the Government, local government and volunteers seems effective and applicable to RIP.
- (ii) **IT training**
Training of community people by the graduates of the project seems effective approach and applicable to Malaysia, aiming at self-sustainable operation of RIP. Life-long learning approach is also very relevant to RIP whose target groups include middle and senior people.
- (iii) **Web contents/Home page**
Providing local information and public service information seems commonly interested and useful both for the advanced and Malaysian communities.
- (iv) **Community activation**
Way and process for using Internet as the tool for community activation including initiating and developing the interactive communications among the various local organizations seem useful for applying to RIP.
- (v) **LAN**
In some cases, LAN is used and found as effective tool specially for interactive communication among circles/organizations in the community.

However, it has been perceived that there exists big differences between the IT environments in the advanced countries and these in the rural areas in Malaysia, including:

- (i) Income level
- (ii) IT literacy level
- (iii) Needs for information
- (iv) National character

For example, the national characteristics of USA are much more active and more voluntary. NGO approach is affordable when people have adequate level of income. Also the success of the regional information center projects in the advanced countries are brought about by strong local government support at least in the initial stage.

Therefore, lessons should be drawn, taking the above into account.

4.2 Scope

(1) Services to be provided by RIC

- (i) Scope and services provided by the model RIC should in principle be applied to all RIC including the pilot RIC and new RIC to be set up in the coming years.
- (ii) In principle, the services provided by the model RIC should be provided to all RIC. Namely, local homepage, software application, links with the relevant Web sites, IT training for PC beginners and for Internet beginners, intermediate course for homepage updating

(2) Telecommunication infrastructure

- (i) Fixed telephone lines should be the principal telecommunication infrastructure for RIC.
- (ii) Depending on the area where RIC is located, FMA CDMA can be adopted as supplementary infrastructure besides fixed telephone lines.
- (iii) Provision of leased line may be suitable for limited number of cases where the users have relatively high IT literacy and skills.

(3) Facility and equipment


- (i) Building and facility where RIC should be set up, should have space enough for accommodating 5 PC and ancillary equipment.
- (ii) 5 PC with Internet access is suitable for providing RIC service and IT training.
- (iii) Appropriate buildings to house RIC should be the followings depending on the availability of the buildings and available space for set up RIC.
 - Post office with expanded space or annex
 - District Office

- Community hall (Civic center)
- (iv) In case a single building can not accommodate the required facility/equipment of RIC, networking of a few buildings may be considered by means of wireless router system.
- (4) IT Training
- (i) In the 1st stage:
- For all the courses, training by the instructors from the IT Training company under the contract with MECM.
 - Learn by themselves by means of self-tutorial CD is very effective and recommendable.
- (ii) In the 2nd and 3rd stages:
- For beginners and intermediate courses (homepage development and updating), training by the trained local people, in particular RIC Committee members who have completed the advanced course.

5. Project Period

The followings should be considered.

- (i) Rapid progress of IT environment,
- time horizon may be less than 10 years. However, considering the recent trend of the improvement of IT environment in the rural areas, RIC system/equipment may not become obsolete within 5 years.
- (ii) Effective use of the Government budget
- The RIP/RIC will be established spending sizable amount Government budget for investment and recurrent costs. During the 8th National Plan period, the total budget amounts to RM10 million. RIP/RIC should, therefore, be fully utilized. In this context, period less than 5 years sounds a little bit too short.
- (iii) RIP being basically-Government-financed project, the ending years or mid-term review years of the Five Year Development Plan periods may be appropriate, i.e., 2005, 2008, 2010.
- (iv) Different from the case of water supply project with clear quantitative target, the info-communication enhancement target is rather qualitative. Target year should be considered as the last year of a public undertaking program by MECM. Namely, project period is considered more appropriate than target year.



Accordingly, it is recommended that 2008, mid-term review year for 9th National Plan should be the ending year for the RIP project period.

6. Two Phase Approach

6.1 Two Phases

Project period should comprise 2 phases, i.e., Phase 1 2003 through 2005 and Phase 2 2006 through 2008, 6 years in total. Because the intensity of the community involvement for RIP will grow in phases and the period of the Nation 5 Year Plan and the timing of mid-term review, two phase approach is recommendable. Namely, Phase I: 2003 □ 2005 and Phase II: 2006 to 2008.

6.2 Review of the Period and Scope

- (1) At the end of Phase 1 period, i.e., in 2005 which corresponds to the ending year of the 8th Malaysia Plan, review should be made in order to amend the scope of the project or to decide if the project should be continued or finished, taking into account the followings.
 - (i) Achievement accomplished and whether or not the set targets and objectives of the project are satisfied.
 - (ii) Change of the environment of info-communications access enhancement in rural communities, including the that of IT technology and penetration of IT infrastructure into the rural communities, affordability of IT equipment of the rural households, etc.
- (2) Formulation of a program for Phase 1 and perspective plan for Phase 2
 - (i) For Phase 1, definite plan should be worked out.
 - (ii) Considering the rapid and substantial change expected in the coming years with regard to the environment of info-communications access, perspective plan should be drawn for Phase 2.

7. Three Stage Development of RIC Activities

- (i) Three stage development can be conceivable for the RIP activities.
 - 1st Stage: IT literacy improvement for beginners
 - 2nd Stage: Community involvement for RIC operation: Including the development and updating of homepage
 - 3rd Stage: Utilization of RIP/RIC for community activation
- (ii) Though 1st stage should and can be reached within short time, reaching 2nd may take some time in most of the cases. Reaching 3rd may take longer time in most of the cases.
- (iii) 1st and 2nd are the targets to be achieved by more or less by top-down approach by strong support by MECM and should be reached in the 1st phase, i.e., by 2005.

- (iv) Reaching the 3rd level depends on the characteristics and eagerness of the community. Reaching this step depends on the initiative of the community rather than that of MECM and therefore not an essential goal of RIP.

8. Scale of RIP/Number of RIC

(1) Procedure for Determining the Scale of RIP

Firstly desirous scale of RIP should be studied, considering the objectives of RIP. Secondly, the role of MECM and constraints for implementation including the financial one should be taken into account. Appropriate and realistic scale of RIP should be determined accordingly.

(2) Approach for RIP to be implemented by MECM

There can be 2 options/approach for determining the appropriate scale of RIP development.

(i) Driving force approach

Desirous number of RIC will be established in order to contribute to the actual enhancement of info-communications access in the rural communities. Sizable number of RIC should be established like the case for Computer Labo/Smart School by MOE where the final target is to cover all of the 9,000 schools.

(ii) Model Approach

- Another approach is the model approach which can provide useful information for the other projects having the same goal of enhancement of info-communications access.
- Grounds and justification for this approach may be:

i) MECM as policy-making ministry

RIP is the project carried out under the responsibility of MECM which is basically a policy making ministry. Projects to be implemented by MECM should basically be a catalyst to induce the materialization of its policies.

ii) Constraint of management capacity of MECM

For the management of the above-mentioned sizable number of RIC, big number of staff will be needed in MECM including engineers and IT specialists or alternately budget will be required for subcontracting the management.

iii) Financial constraint

As a project implemented by a Ministry in charge of multimedia development, relatively high quality telecommunication infrastructure as well as software service should be provided which will require relatively high cash outlay. Renovation or expansion cost of the buildings will also be needed.

(3) Scale assuming Model Project Approach and Various Constraints

If this approach is to be adopted, the scale and schedule for implementation during the phase 1

period of 2003 – 2006, would be as given hereunder.

1) Continuation of the 3 JICA Model Projects

Operation of the 3 model projects which have been successfully implemented and operated with the full cooperation of JICA should be continued.

2) Revitalization of the 13 pilot RIC

(i) The 13 pilot RIC except the one included in the 3 model projects, should be revitalized in terms of facility/equipment, homepage development, IT training and management including RIC Committee activities.

(ii) Expanded post office type with an annex to house 5 PC should be adopted.

3) Establishment of new RIC

If the allocated budget for the on-going 8th National Plan and equal distribution of the number of RIC for each state as well as the new establishment for the 3 Federal Territories of Kuala Lumpur, Petra Jaya and Labuan should be taken into account, 29 RIC should newly be established. Namely:

i) 10 states excluding Kedah, Sabah, Sarawak

In the 10 states where 1 RIC is currently operating, 2 new RIC each or 20 RIC in total should be established.

ii) Kedah, Sabah, Sarawak

In the 3 states where 2 RIC each are currently operating, 1 RIC each should be established.

iii) In the 3 Federal Territories, 1 RIC each should be established.

4) Total number of RIC

Including the 13 pilot, 3 model and 26 new RIC, 42 RIC in total should be operated within RIP.

9. Selection Criteria for RIC Sites:

Selection criteria should comprises:

(i) Selection Criteria 1: MECM's current criteria, i.e., population size and density (57 persons per km²) and income level (average monthly income of RM1,500?? or less). .

(ii) Selection Criteria 2: Transport access, etc.

(iii) Selection Criteria 3: Willingness and capability of the Local Authority/community

(iv) Selection Criteria 4:: Being not- closely located to the relevant projects, i.e., Smart School, etc. in order to give the benefit of enhanced info-communication access to as many as rural communities. Since the relevant projects share many common functions/services, it is considered that they should be established rather away each other which is also the basic policy of EPU.

(v) Location of RIC will be selected so that duplication of the projects which share common ultimate goal of info-communication access enhancement, do not occur.

10. Selection of the Appropriate Types of the Station for RIC

10.1 Most Appropriate Type

The most appropriate type for establishing RIC is the expanded post offices because:

- (i) Post offices have been chosen at the locations which have good transport access by the community.
- (ii) People frequently visit the post offices, on an average once a month. If RIC is located within the post office, people find RIC. No intensive publicity activities are needed.
- (iii) Grown-up people feel free to enter the post office without hesitation.
- (iv) If annex is constructed for RIC, it can provide adequate space for housing the adequate number of PC/Internet and for IT training.
- (v) If annex is constructed for RIC, RIC may be opened after the business hours of the post office and on Saturdays and Sundays by means of the agreement among MECM, Pos Malaysia, RIC Committee and District Office.

10.2 Other Possible Types depending on the site conditions

In case that post office expansion is not possible due to the inadequate land space for example, the followings can be the options depending on the site condition.

- (i) Original post office type
 - Same type as pilot RIC.
 - Community people frequently visit and have the opportunity to know the activities of RIC and its services.
- (ii) District Office type
 - Community people frequently visit and have the opportunity to know the activities of RIC and its services.
- (iii) Civic Center/Community Hall type
 - Relative to the post office and District Office, visit is not frequent and not so familiar to the community people. Intensive publicity activities are required.
- (iv) LAN/Multi-stations type
 - Plural number of stations will be set up and connected each other by means of wireless or wired telecommunication system.

Library may be not appropriate facility/building where RIC should be established because i) Except students not familiar place for the grown-up people, ii) users must keep silent and do not feel easy to talk with friends and ask instruction from the supervisor.

Schools also may not be appropriate facility/building for RIC because i) For grown-up people schools are not easy place to enter, ii) users must keep silent and do not feel easy to talk with friends and ask instruction from the supervisor., iii) MOE has a plan to establish Computer Labo in all? the schools and Smart School in some schools.

11. Institutional and Organizational Framework for RIP/RIC

11.1 Management of RIP

(1) Responsibility of MECM

MECM should be responsible for:

- (i) Overall planning of RIP
- (ii) Budget preparation and fund provision for RIP
- (iii) Employing IT consultants/companies by contract for supporting RIC operation. :
- (iv) Periodic monitoring of the performance of RIP/RIP

(2) Establishment of RIC Unit/Division and Duties

A Unit/Division responsible for RIP should be established with the following responsibilities and staffing. The Unit/Division may be expanded in the future to cover the other projects under the responsibility of MECM.

- (i) At the initial stage, the Unit/Division should comprises one chief and 3 full-time staff.
 - One Chief of the Unit/Division
 - One telecommunication expert
 - One Web contents expert
 - One accounting clerk
- (ii) To assign one supervisor for each RIC.
- (iii) To employ IT consultants/companies by contract for:
 - i) IT training mainly for middle level courses and for IT beginners during the initial period of the RIC.
 - ii) Maintenance and repair

- iii) Operation and maintenance of MECM server for RIP and homepage development
 - iv) Giving guidance to the RIC Committee about the RIC activities and procedures as well as the tasks to be done by the committee during the initial period of RIC.
- (iv) To supervise the maintenance of the 2 hosting servers to be installed in MECM for the operation of RIC.

11.2 Management of RIC

(1) Management by MECM

A full-time supervisor assigned by MECM will be responsible for:

- (i) Daily operation of the RIC
- (ii) Supervision and monitoring of the use of RIC and equipment
- (iii) Teaching the users how to use PC/Internet

(2) Management and responsibility of RIC Committee/Task Force

RIC Committee/Task Force should be responsible for:

- (i) Making publicity of RIP activities
- (ii) Organizing IT training courses
- (iii) Organizing various events for promoting RIC use and community participation including workshops, Web browsing contests, photo contests, etc.
- (iv) Updating of HP including material/information gathering.
- (v) Taking on board the needs of the community and formulation of the draft annual plan for RIC services. operation and management to be submitted to MECM.

11.3 Holding of Expanded RIC Committee Meetings

Same recommendation as given in the Interim Report will be given in the Final Action Plan as follows.

- (i) Expanded RIC Committee meeting should be held annually
for each RIC at the sites.
- (ii) Attendants should include the representatives of RIC Unit of MECM,
RIC Committee, State Government, telecommunication company and the organizations
who own and manage the buildings where RIC is placed.
- (iii) Problems to be solved and counter-measures will be discussed.

- (iv) Annual operation and maintenance plan for the following year will also be discussed.

11.4 Establishment of Supporting Committee

Same recommendation as given in the Interim Report will be given in the Final Action Plan as follows.

- (i) Supporting Committee is proposed to be formed comprising all the Ministries and organizations concerned with the RIP.
- (ii) Chairperson should be Secretary General of MECM with Deputy Secretary General as Deputy Chairman.
- (iii) Members should include the representatives of EPU, MORD, MOE, INTAN, State Governments and Telekom Malaysia and Pos Malaysia.
- (iv) Concerned aid organizations may be invited as observers.
- (v) Meeting will be held annually around the end of the year and when needs arise.

11.5 Getting Limited Amount of Revenue to Cover a Part of Operation Cost

(i) Phase 1 until 2005

- Revenue collection would accompany various procedures including working out collection system, setting up bank account, audit, etc. Even if collected, revenue will go to MOF and not to RIP.
- Until 2005, any revenue should not be expected, either in the form of user charge nor charge for advertisement on RIC's homepages except that paper expense should be borne by RIC Committee/community. .

(ii) Phase 2 after 2005

After 2005, getting revenue may be considered. Upload the commercial advertisement and charge some fees to the enterprises. For RIC located at relatively urbanized areas, small charge ranging from RM0.5 to 1.0 per hour will be considered to be collected from the RIC users to cover a part of the operation and maintenance cost.

11.6 Institutional Measures for Supporting RIC Activities

The following institutional measures are recommended to be taken for supporting RIC activities.

- (i) Examination system to assess the capacity to use RIC will be established by an appropriate institution with the arrangement of MECM.
- (iii) Certification system for RIC Instructor will be established by an appropriate institution with the arrangement of MECM.

12. Implementation Schedule of RIP in Case Model Approach Should be Adopted

In case model approach should be adopted, implementation schedule of RIP should be as follows.

	2003	2004	2005	2006□
13Pilot RIC	<ul style="list-style-type: none"> ● New equipment ● Expansion of the RIC space ● Strengthening of management and IT training ● Development/updating of local homepages 	<ul style="list-style-type: none"> ● Provision of services ● Management and maintenance 	<ul style="list-style-type: none"> ● Provision of services ● Management and maintenance 	Revision of the Web contents to adapt to broadband system
3 Model RIC	<ul style="list-style-type: none"> ● Strengthening of management 	<ul style="list-style-type: none"> ● Provision of services ● Management and maintenance 	<ul style="list-style-type: none"> ● Provision of services ● Management and maintenance 	● Revision of the Web contents to adapt to broadband system
26 new RIC		<ul style="list-style-type: none"> ● Laying of fixed telephone lines ● Expansion of the post office ● Establishment of management system including RIC Committee 	<ul style="list-style-type: none"> ● Provision of services ● Management and maintenance 	● Revision of the Web contents to adapt to broadband system

		<ul style="list-style-type: none"> ● Development/updati ng of local homepages ● Carrying out IT training 		
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14. Priority Project

Among the recommended projects, the revitalization of the 13 pilot RIC are the most urgent, activities of which are currently not active as a whole. Revitalization would increase the use of RIC and enhance the info-communication access in the areas where they are established. Further the achievements of the revitalization would provide useful feedback to the effective operation of the planned new RIC.

Minutes of Meeting No.6
(Acceptance of Draft Final Report)
For
The Study on Enhancement of Info-Communications Access in Rural Communities
In Malaysia

Dec. 27, 2002

Kuala Lumpur



Ms. Suriah Abd Rahman
Vice Chairperson of Steering Committee
Deputy Secretary General,
Ministry of Energy, Communications
and Multimedia



Mr. Masatoshi Akagawa
Team Leader,
JICA Study Team

Witnessed by,



Datuk Dr. Halim Shafie
Chairperson of Steering Committee
Secretary General,
Ministry of Energy, Communications
and Multimedia

In accordance with the Scope of Work for the Study signed on October 10, 2001, JICA Study Team (the Team) has submitted twenty copies of the Draft Final Report (DF/R) for the Study on Enhancement of Info-Communications Access in Rural Communities in Malaysia (the Study) to the Malaysian side on December 16, 2002 in due compliance of the set schedule.

Presentation of the DF/R was made by the Team during the Steering Committee meeting held on December 24, 2002 in Kuala Lumpur, chaired by Ms. Suriah Abd Rahman, Deputy Secretary General of the Ministry of Energy, Communications and Multimedia (MECM) and the Vice Chairperson of the Steering Committee (SC). Attendant list for SC meeting is given in Appendix A. After the presentation and discussion, DF/R was accepted by the Malaysian side.

On Dec.26, 2002, a workshop was held inviting the representatives of all the RIC Committees of the existing 16 RIC. Views were exchanged among the attendants with regard to the current problems to be solved, merits to be further enhanced and referred to for the new RIC and improvement to be made.

A technology transfer seminar was held on Dec.27, 2002. Achievements of the Study including the model project implementation, Action Plan for the revitalization of the pilot RIC and expansion of RIP as well as the technology transfer carried out during the course of the whole Study, were presented by the Team and Malaysian side. It is noted that the representatives of the RIC Committees of the 3 model RIC made their presentation to inform their activities for the model project implementation and knowledge and experience they obtained through the involvement in the implementation. Attendants in the seminar included the representatives of the various circles including Steering Committee, Working Group, MECM, counterparts, other Ministries/organizations concerned, RIC Committees/Task Force, aid organizations and others who were concerned with the alleviation of the digital divide between the urban and rural areas.

The issues either confirmed or agreed upon between the Malaysian and Japanese sides (the two sides) are given hereunder.

1. Acceptance of the Draft Final Report

Contents of DF/R have been explained by the Team during the SC meeting and agreed by SC.

2. Comments on the Draft Final Report for the Preparation of the Final Report

2.1 Comments during the Steering Committee Meeting

During the SC meeting, the following comments and clarification were made.

- **Bearing of the Expansion Cost of the Post Office**
Ms. Suriah, MECM, mentioned that the recommendation on the cost bearing by MECM for the post office expansion is not practicable since Government rule does not allow any Government body to finance the undertaking of a private company.

MECM considers, therefore, that the expansion cost should be borne by Pos Malaysia.

The Team requested that MECM should seek the possible arrangement for indirect finance by MECM for the expansion cost instead of direct finance by MECM, since the expansion will be made for the purpose of establishing RIC. One possible way is that Pos Malaysia bears the cost and lease the expanded part to MECM.

Consequently, the two sides have agreed that MECM should seek the possible way.

- **Criteria for RIC Site Selection**

Ms. Suriah, MECM, mentioned that the recommended criteria about the transport access condition should be changed to “be able to be accessed by public transport including bus and taxi service” from “be able to be accessed by road by ordinary cars”.

The Team agreed with the comment.

The two sides have agreed that the comment will be reflected in F/R.

2.2 Written Comments

It has been agreed by the two sides that the comments of the Steering Committee on the DF/R should be sent to the Japanese side by January 8, 2003 through the JICA Malaysia office.

The two sides have agreed that the comments should be considered by the Japanese side during the Third Work in Japan and reflected in the Final Report if deemed appropriate.

3. Scale of RIP/Number of RIC

3.1 Adoption of the Criteria and Methodology Recommended by DF/R

Discussion has been made and it has been agreed by the two sides that the criteria and methodology recommended by DF/R should be adopted to determine the scale of RIP, i.e., number of RIC, as given below.

- **Target for bridging the digital divide**
Target should be to provide the opportunity for having Internet access and the opportunity for acquiring the skill for Internet access to all the rural population who want to have these opportunities.

- **Contributors for bridging**

The above target should be achieved by various contributors, i.e., increase of the number of Internet subscribers and the projects to enhance the info-communications access in the rural communities including RIP.

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3.2 Required Contribution by RIP and the Number of RIC for Bridging the Digital Divide

Both sides have agreed that required number of RIC should be estimated as follows.

Total Rural Population in 2008

For the purpose of the Study, it has been assumed that rural population in 2008 should reach about 10 million with the average annual growth rate of 2.2 % based on the growth rate during 2000-2001 period.

Number of Internet Subscribers in the Rural Area in 2008

For the purpose of the Study, it has been assumed that the target ratio for the Internet subscription in the rural area in 2008, mid-term year of the next Five Year Plan, should be 15 % which is the same level as that of the Selangor State in 2001 which was the highest among all the states. In other words, it has been assumed that the rural area should reach the level of the most advanced state as of 2001 after 6 years. Accordingly, number of internet subscribers in the rural area in 2008 will reach about 1.5 million.

Contribution by Relevant Projects other than RIP

Both sides have agreed that the following assumptions should be made to estimate the contribution of other projects.

- Enrollment ratio for the primary and secondary education should reach 100 % by 2008.
- Computer Laboratory project by Ministry of Education (MOE) should cover all the primary and secondary schools by 2008.
- Consequently, the age group of 7 to 17 years will afford the Internet access opportunity by 2008. Since the age group below 10 years old are excluded from the target group of RIP, age group below 18, accounting about 40 % of the total population, are not needed to be served by RIP.
- In total, 417 thousand rural population can afford the Internet access opportunity by Info-Desa project by Ministry of Rural Development (MORD) and Universal Service Provision project by MECM by 2008.

Rural Population to be served by RIP

Deducting the population who can afford the Internet access opportunities through either Internet subscription or by other projects from the total rural population, remaining rural population is estimated at 4 million.

Of the remaining rural population, about 40.9 % are the people who have no experience of using Internet but are willing to use Internet based on the questionnaire survey results carried out in the Study covering 16 rural communities. Namely, about 1.7 million population remain to be served by RIP.

Number of the rural population who will be provided with the opportunity to use Internet and to acquire the skill was estimated based on the number of PC, operation days and the user data obtained by the model project implementation as well as the number of RIC and

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implementation schedule. With regard to the implementation schedule, the following assumptions were made.

- Equal number of RIC should be established during the implementation period.
- For all RIC, 2 years of operation period should be secured at the minimum, namely establishment should be started at 2003 and completed in 2006.

Accordingly, 240 RIC should be established in total including the existing 16 RIC, assuming that 56 new RIC should be established in each year during 2003-2006 period.

Details of the calculation for the required number of RIC as well as the estimated number of users of RIP and IT trainees are shown in Appendix B.

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Appendix A : List of Attendants on the Steering Committee Meeting on 24th December, 2002

Malaysian Side

< Steering Committee Members >

Y. Bhg. Cik Suriah Hj Abdul Rahman Vice Chairperson of Steering Committee	Deputy Secretary General I, Ministry of Energy, Communications and Multimedia
Ms. Siti Suhara Abdullah	Ministry of Rural Development
Ms Juniaty Muslim	Ministry of Rural Development
Mr. Mohd Derus Harun	Post Malaysia
Dr. Mohd Ali	Ministry of Education
Mrs. Sahara Ahmad	Ministry of Education
Mrs. Hajah Normah bt Aris	Statistic Department
Mr. Solihin Tasman	Selangor State Secretariat Office
Ms Ken Kartina Khamis	Sabah State Secretariat Office
Tn Hj Zaini Abdul Kudus	Chairman of Sg Air Tawar RIC Committee
Mrs. Rohani Marjuki	Secretary of Sg Air Tawar RIC Committee

< Counterpart Agency : Ministry of Energy, Communications and Multimedia >

Mrs. Azizah Hamzah Chief Counterpart	Division Secretary, Communication & Multimedia Division
Ms. Rokiah Md. Idris Vice Chief Counterpart	Principal Assistant Secretary, Communication & Multimedia Division
Mrs. Solehah Abdul Hamid Counterpart	Principal Assistant Secretary, Communication & Multimedia Division
Tn. Hj Ismail Haron Counterpart	Special Officer MAXIS, Ministry of Energy, Communications and Multimedia
Mrs. Ani Fazliana Dahri Counterpart	Assistant Secretary, Communication & Multimedia Division

< JICA Expert >

Kiyoshi Sekiguchi	ICT Expert, Communication & Multimedia Division
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Japanese Side

< Embassy of Japan in Malaysia >

Mr. Shigeo Okamoto	Second Secretary
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< JICA Advisory Committee >

Mr. Takashi Miyashita	Chairperson of JICA Advisory Committee
Mr. Hiroshi Kitazaki	Member of JICA Advisory Committee
Mr. Kotaro Taniguchi	Second Development Study Division, Social Development Study Department, JICA Headquarters

< JICA Malaysia >

Mr. Masahiro Ueki	Assistant Resident Representative
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< JICA Study Team >

Mr. Masatoshi Akagawa	Team Leader / Regional Information Expert
Mr. Masahiro Ibayashi	Social Development / Community Participation Expert
Mr. Mitsuyasu Yanagisawa	Information System Expert
Mr. Nobuki Hori	Policy / Institution Public Service Expert

Appendix B: Estimation of the Required Number of RIC

1. Estimated Rural Population in 2008

Assumed Average Annual Growth Rate for the Rural Population	2.2%
Rural Population in 2000	8,480,000
Rural Population in 2008	10,092,599

2. Estimated Internet Subscribers in 2008

- Assuming 15% of Internet subscription ratio in the rural area in 2008.

Internet Subscribers in Rural Area in 2008	1,513,890
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3. Rural Population below 18 Years Old

Ratio of 0-17 age group to the total rural population	39.57%
Rural Population of 0-17 age group in 2008	3,993,641

4. Contribution of the Info-Desa Project by MORD

- 20 participants for 2-week course
- 40 participants per month/Info-Desa
- 70 new Centers will be established by 2005.
- 147 Centers are planned to be established by 2010.

	2002	2003	2004	2005	2006	2007	2008	2009	2010
No. of Center	7	30	45	70	84	98	112	126	140
480/center/year	3,360	14,400	21,600	33,600	40,320	47,040	53,760	60,480	67,200
Accumulate	3,360	17,760	39,360	72,960	113,280	160,320	214,080	274,560	341,760

5. Contribution of the Universal Service Provision by MECM

- 2 PC will be installed for 60 libraries in 2003.
- Assuming the same ratio (1.1) of first-time user of RIC
- $1.1 \times 2 \times 5/7 \times 365 \times 60 = 574$

	2003	2004	2005	2006	2007	2008	2009	2010
Users/year/center	574							
60 centers/year	34,414	34,414	34,414	34,414	34,414	34,414	34,414	34,414
Accumulate	34,414	68,829	103,243	137,657	172,071	203,357	237,772	272,186

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6. Number of People to be served by RIP

Rural Population above 17 year-old in 2008	6,098,958
Internet Subscribers in Rural Area in 2008 (Assuming 15% of Internet Penetration Rate)	1,513,890
Beneficiaries of Info-Desa by 2008	214,080
Beneficiaries of USP by 2008	203,357
Rural population who have not yet experienced in using Internet (Based on the results of the Needs Survey in the Study)	66.7 %
Of the above, population who want to use Internet (Based on the results of the Needs Survey in the Study)	61.3 %
Number of people to be served by RIP	1,704,023

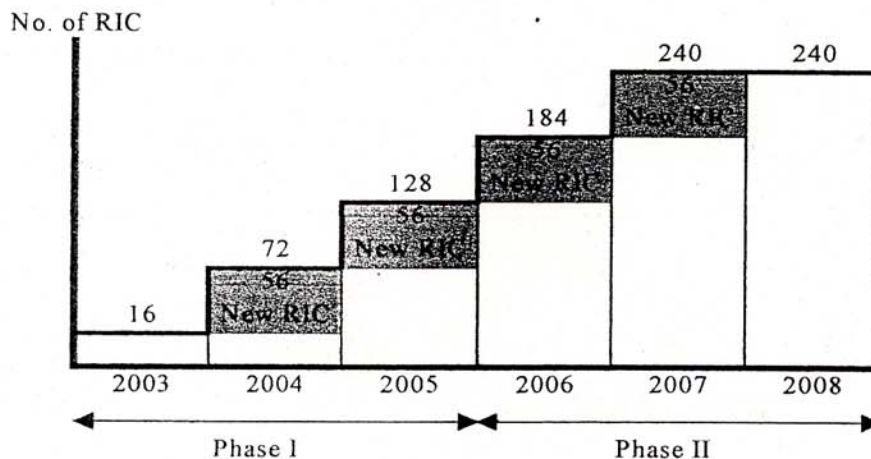
7. Required Number of RIC and Number of Beneficiaries

Sg. Air Tawar: New User	1.04 person/day/PC
Kota Marudu (Post Office station): New User	2.88 person/day/PC
Average of New User of RIC	1.96 person/day/PC
Ratio of the Student Users in the New Users	43.8 %
Unit number of New User in the Target Group per PC per Day	1.1 person/day/PC

Number of First-Time Users above 17 year-old	1,261,857
Number of the Participants of IT Beginner Training Courses	457,600
Total Number of Beneficiaries of RIP	1,719,457

Total Number of RIC	240
Number of RIC established per year	56

8. Implementation Schedule of RIP/RIC



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9. Contribution of RIP to Bridging Digital Divide

Total Number of Users

	2,003	2,004	2,005	2,006	2,007	2,008	Sub-Total
3 RIC	23,425	23,425	23,425	23,425	23,425	23,425	140,551
13 RIC	101,509	101,509	101,509	101,509	101,509	101,509	609,055
56 RIC		437,270	437,270	437,270	437,270	437,270	2,186,350
56 RIC			437,270	437,270	437,270	437,270	1,749,080
56 RIC				437,270	437,270	437,270	1,311,810
56 RIC					437,270	437,270	874,540
Sub-Total	124,934	562,204	999,474	1,436,744	1,874,014	1,874,014	6,871,386

Number of Users above 17 Years Old

	2,003	2,004	2,005	2,006	2,007	2,008	Sub-Total
3 RIC	13,296	13,296	13,296	13,296	13,296	13,296	79,779
13 RIC	57,618	57,618	57,618	57,618	57,618	57,618	345,707
56 RIC		248,200	248,200	248,200	248,200	248,200	1,241,000
56 RIC			248,200	248,200	248,200	248,200	992,800
56 RIC				248,200	248,200	248,200	744,600
56 RIC					248,200	248,200	496,400
Sub-Total	70,914	319,114	567,314	815,514	1,063,714	1,063,714	3,900,286

Number of First-Time Users

	2,003	2,004	2,005	2,006	2,007	2,008	Sub-Total
3 RIC	7,665	7,665	7,665	7,665	7,665	7,665	45,990
13 RIC	33,215	33,215	33,215	33,215	33,215	33,215	199,290
56 RIC		143,080	143,080	143,080	143,080	143,080	715,400
56 RIC			143,080	143,080	143,080	143,080	572,320
56 RIC				143,080	143,080	143,080	429,240
56 RIC					143,080	143,080	286,160
Sub-Total	40,880	183,960	327,040	470,120	613,200	613,200	2,248,400

Number of First-Time Users above 17 Years Old

	2,003	2,004	2,005	2,006	2,007	2,008	Sub-Total
3 RIC	4,302	4,302	4,302	4,302	4,302	4,302	25,811
13 RIC	18,641	18,641	18,641	18,641	18,641	18,641	111,846
56 RIC		80,300	80,300	80,300	80,300	80,300	401,500
56 RIC			80,300	80,300	80,300	80,300	321,200
56 RIC				80,300	80,300	80,300	240,900
56 RIC					80,300	80,300	160,600
Sub-Total	22,943	103,243	183,543	263,843	344,143	344,143	1,261,857

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Number of the Participants of IT Beginners Training Courses

	2,003	2,004	2,005	2,006	2,007	2,008	Sub-Total
3 RIC	1,560	1,560	1,560	1,560	1,560	1,560	9,360
13 RIC	6,760	6,760	6,760	6,760	6,760	6,760	40,560
56 RIC		29,120	29,120	29,120	29,120	29,120	145,600
56 RIC			29,120	29,120	29,120	29,120	116,480
56 RIC				29,120	29,120	29,120	87,360
56 RIC					29,120	29,120	58,240
Sub-Total	8,320	37,440	66,560	95,680	124,800	124,800	457,600

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