

EXECUTIVE SUMMARY

TITLE	:	Fostering Good Regulatory Practice (GRP) through Reducing Unnecessary Regulatory Burdens (RURB) Programs in Services Sector - Construction Industry
DATE	:	October – December 2020
BUDGET	:	DEVELOPMENT BUDGET – RM100,300 (SPN)
OBJECTIVES	:	<ul style="list-style-type: none"> • To speed up the doing business process in Malaysia by enhancing efficiency on process of getting construction permits. • To review and address issues related the regulation that led to high compliance cost, hinders efficiency and productivity for dealing with construction permits in Malaysia • To adopt the World Bank methodology for the process improvement on DCP at local authorities and agencies. • To ensure the effectiveness of the quality regulation applies for businesses/ industries by understanding and adopting Regulatory Delivery practices. • To study and benchmark best practice programs/ systems/ mechanism/ approach for DCP improvements.
EXPECTED OUTCOME	:	<ul style="list-style-type: none"> • Successful adoption and implementation of DCP Improvement Initiatives by local authorities/ agencies (reduce no. of procedure & time) • Developing DCP Manual • Report on implementation and on best practices • Improved efficiency of construction permitting in Local authorities and agencies with the implementation of Regulatory Delivery in Construction Industry • To sustain / improve current Malaysia's ranking in Ease of Doing Business (EODB) Dealing with Construction Permits indicator.
DEPARTMENT	:	RMK-11
RECOMMENDED BY	:	PCD and NCS
COMMENT/ SIGNATURE BY PCT MGR	:	

PERBADANAN PRODUKTIVITI MALAYSIA (MPC)

PROPOSAL FOR BOARD OF MANAGEMENT

1.0 Purpose

The purpose of this proposal paper is to inform and seek approval for allocation of RM100,300.00 from MPC's Board of Management (BOM) for Fostering Good Regulatory Practice (GRP) through Reducing Unnecessary Regulatory Burdens (RURB) Programs in Services Sector - Construction Industry initiatives and activities.

2.0 Background

This initiative in line with Thrust 4 under Malaysia Productivity Blueprint (MPB) Forging a Robust Ecosystem with acceleration of efforts to enhance government holistic approach towards addressing regulatory and policy constraint that impacted to the competitiveness of the nation. Part of the activities are continuous review of prohibitive competitiveness related regulations and policies by establishing baseline, analysing current competitiveness performance and develop a strategy to enhance competitiveness of the nation. This initiative can contribute to business-friendly regulatory environment and accommodate technological and innovative disruptions.

In the World Bank's Ease of Doing Business Report (EODB) 2020, Malaysia ranks 2nd in the world out of 190 economies for measuring indicators of Dealing with Construction Permits (DCP). The World Bank's measurement of Malaysia for this indicator is through the good practice of the DCP process implemented at the Kuala Lumpur City Hall (DBKL). The successful achievement in the report should be a real practice happened in the related industry and benefited to the business industry players. Thus, it is important to do continuous improvement program to ensure the efficiency and effectiveness of the quality process in DCP.

These outstanding achievements have been shared with Local Authorities in several other states through the DCP State program. The program is a collaboration between the Construction Permits Technical Working Group (TWGDCP) led by the Special Task Force on Business Facilitation (PEMUDAH), the Ministry of Housing and Local Government (KPKT) and the

Malaysian Association of Architects (PAM). Several workshops and focus groups meeting were held throughout the DCP State Program. In December 2018, one of the participated Local Authorities (DBKK) have been completed the program and developed their DCP Manual where it has improved (reduce) the number of procedure and time for obtaining construction permits.

Based from the achievement in DCP State Program, MPC has received several requests to expand the program to other local authorities/ agencies. In 2020, MPC will initiate the program with Sabah state, Perbadanan Putrajaya and Lembaga Lebuhraya Malaysia (LLM). The expected outcome of this program is the streamlining of procedures and guidelines to enhance efficiency of dealing with construction permits in Malaysia.

3.0 Objectives

- To speed up the doing business process in Malaysia by enhancing efficiency on process of getting construction permits.
- To review and address issues related the regulation that led to high compliance cost, hinders efficiency and productivity for dealing with construction permits in Malaysia
- To adopt the World Bank methodology for the process improvement on DCP at local authorities and agencies.
- To ensure the effectiveness of the quality regulation applies for businesses/ industries by understanding and adopting Regulatory Delivery practices.
- To study and benchmark best practice programs/ systems/ mechanism/ approach for DCP improvements.

4.0 Duration

October 2020 – December 2020

5.0 Expected Output

- Successful adoption and implementation of DCP Improvement Initiatives by local authorities/ agencies (reduce no. of procedure & time)
- Developing DCP Manual

- Report on implementation and on best practices
- Improved efficiency of construction permitting in Local authorities and agencies with the implementation of Regulatory Delivery in Construction Industry
- To sustain / improve current Malaysia's ranking in Ease of Doing Business (EODB) Dealing with Construction Permits indicator.

6.0 **Estimated Cost**

Total estimated cost for the overall projects is RM100,300.00. Details of the costing are as Appendix 1.

7.0 **Approval From BOM**

The approval of the Board of Management (BOM) on the budget of **RM100,300.00** is sought upon.

Prepared by:

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Khalidatul Asrin Abdul Aziz

Manager

12 October 2020

Reviewed by:

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Muhamad Muzaffar Abd. Hamid

Deputy Director

12 October 2020

Approved by:

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Mohamad Norjayadi Taman

Deputy Director

Delivery Management Office (DMO)

12 October 2020

APPENDIX 1

No.	Items	Activities	Total (RM)
1.	Engagement Programs/ Workshop	(RM300 x 30 pax) x 1 programs x 2 days	18,000.00
2.	Consultant / Associate / Facilitator/ Professional Fees	a) Perbadanan Putrajaya - RM2,000 (perday) x 5 days x 2 consultants: RM20,000.00 b) Lembaga Lebuhraya Malaysia (LLM) - RM 2,000(perday) x 4 days x 1 consultant: RM8,000.00	28,000.00
3.	Final Report (Sabah, Perbadanan Putrajaya dan Lembaga Lebuhraya Malaysia)	RM2,000.00 x 3 reports	6,000.00
4.	Webinar	Payment to: Moderator – RM400 x 2: RM800 Panelist – RM500 x 2: RM1,000 Rapporteur – RM750 x 2: RM1,500	3,300.00
5.	Technical Working Group Dealing with Construction Permits	Consultant/ Associate/ Facilitator/ Professional Fees - RM2,000 x 5 programs: RM10,000 Minute writer - RM1,000 x 5 programs: RM5,000 Engagement Programs/ Workshop - RM300 x 20 pax x 5 programs: RM30,000	45,000.00
GRAND TOTAL			100,300.00