

RECENTRING GOVERNANCE, INTEGRITY & ANTI-CORRUPTION IN MALAYSIA

NEW INSTITUTIONS, NEW POLICIES
AND THE WILL TO CHANGE

Edited by

ABU KASSIM MOHAMED & ANIS YUSAL YUSOFF

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Published by:

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MALAYSIA

Published in 2020

ISBN 978-967-17951-2-5

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PREFACE

My heartiest congratulations to GIACC on the publication of this book, particularly to Director General Tan Sri Abu Kassim Mohamed and Deputy Director General Datuk Dr. Anis Yusal bin Yusoff, for their strong leadership in advancing the governance reform agenda in Malaysia. The insights and lessons captured in this book are impressive and clearly illustrate the government's firm commitment to improve governance at all levels, enhance integrity and accountability, and fight corruption. Under the visionary leadership of Prime Minister Tun Dr. Mahathir Mohamad, the government has laid the crucial groundwork for institutional reform and achieved considerable progress in a short period that deserves a lot of recognition. The government's approach is firmly anchored in the Sustainable Development Goals (SDGs), particularly SDG 16 on peace, justice and strong institutions, and in the Shared Prosperity Vision 2030, which clearly reflects this with its emphasis on governance and integrity as a key enabler of prosperity and sustainable growth for all Malaysians. UNDP has been proud to partner with the government in many of these activities, particularly in its anti-corruption efforts.

Good governance is central to UNDP's work across the globe, being a core aspect of UNDP's mandate and one of our key areas of support. UNDP assists governments in strengthening their public institutions, including supporting governance reform efforts to help countries fight corruption and promote inclusive participation to ensure that no one is

left behind. We support countries in a variety of contexts to strengthen anti-corruption institutions and systems at the national and local levels, mitigate corruption risks in essential sectors, and enhance the collective actions of governments, civil society and the private sector in fighting corruption.

Malaysia's reform journey is just beginning, and experience shows that institutional reforms take between 10 and 12 years before their impact is fully seen and felt. It will be an iterative process requiring strategic interventions and continuous assessment along the way. The key now is effective implementation of the institutional frameworks that have been laid, to ensure that reforms are sustainable and momentum is not lost. UNDP is already supporting the government in these reforms in sector-specific and organisational-level initiatives.

Improving governance at all levels will require the cooperation of all stakeholders, and UNDP looks forward to supporting the government in engaging all relevant actors in coordinated action. There is also the need for reform efforts to expand beyond the public sector, such as the strengthening of corporate governance opportunities in the private sector, and to deal with emerging challenges in today's context of IR 4.0 and rapidly evolving new technologies. As a long-standing and trusted development partner, UNDP stands ready to support the government as Malaysia moves forward in its reform journey and remains a proud partner.



Mir Nadia Nivin
Governance and Institutional Reform Specialist
United Nations Development Programme (UNDP)
23rd February 2020

*Empowered lives.
Resilient nations.*

INTRODUCTION

As this book covers many issues related to the government's efforts to eradicate corruption and restore good governance and integrity, we thought to begin this book with the dimension of leadership in government transformation to send a strong signal on the importance of leadership in any transformation exercise.

When the Pakatan Harapan (PH) government took office on May 9, 2018, Prime Minister Tun Dr. Mahathir Mohamad was asked what Malaysia Baharu or New Malaysia would look like. He said, *“New Malaysia, of course, is something that should certainly be better than the last regime, and even an improvement on the period during which I was prime minister for 22 years, which means of course that we have to go back to democracy and the rule of law.”* (5 July, 2018, *Investvine*).

Tun Dr. Mahathir stands by that vision of good governance. Malaysia Baharu must be rehabilitated from the self-enriching ways of the previous government and also improve on the government he led as prime minister for 22 years. We must improve how our politics and democratic processes are conducted, the relationship between the public and private sectors, and how each should be run.

But beyond the wishlist and vision for New Malaysia, we must ask each and every one of ourselves: do we have all the pieces of the jigsaw? What walls must we take down or rebuild so that all the pieces of this

diverse society click together to form a stable, cohesive and successful nation? Are we prepared to change the parts of our culture that have brought us perilously close to the social and financial ruin which led to the downfall of a government of 61 years? Or do we only accept “change” that suits our own ends?

How did we get here? It is crucial we know the root causes. Malaysia’s culture of obsequiousness became fertile ground for the wide adoption of feudal norms; the business community, especially, felt the need to get close to so-called “higher authorities” who would award them favours and contracts. This became an unspoken and open practice. Succumbing to *feudalism* and *obsequy* led to a value system that condoned corrupt business practices. Consequently, businesses suffered a loss of profits, as there was always an element of off-the-books “paybacks” to government regulators.

It is often said those who earn low wages resort to corruption, or that corruption is very race-specific. Right now, we need to move beyond stereotypes of race and creed, and take collective responsibility for this country. Otherwise, whatever solutions we develop as leaders will be prejudiced by considerations of exclusivity when we should instead strive to be inclusive. A democratic system, if informed by populism and narrow ethnic concerns, soon abandons *integrity* and *honesty*.

History reiterates that systemic integrity and an honest government are built on personal integrity. In short, a system of governance is only as good as the people who administer it. Legislation, regulations and oversight bodies exist to build integrity into the system as well as deter corrupt practices. But they are no panacea for cheating on a grand scale. When the global financial sector collapsed in 2008, beginning in America, its top lawmakers and academics had argued for more regulation despite the country already being one of the most-regulated markets in the world. Yet the financial traders who crashed the global

market had found ways to circumvent the regulatory system which had in fact enabled them to do so – all the way to the top. This leadership vacuum occurred in a culture of self-deception and self-justification. We now know how the regulators, credit agencies, speculators, buyers, sellers, banks and ratings agencies had all tacitly or explicitly colluded to game a system doomed by the weight and complexity of its own rules. It was a system that substituted rules for truth and honest conduct.

The quandary for nations today is not about becoming developed. Rather, it is about how well citizens thrive in an economic and social environment constantly in flux. The challenges presented by what we call “Industrial Revolution 4.0” are like goalposts with positions that shift daily. These challenges demand leaders who are resilient, agile and responsive to the present and future needs of people, as well as to the country and planet they call home.

Thus, we should clearly understand what we mean by the term, “developed country”. What does a developed Malaysia, a New Malaysia, look like? We defined “developed country” when we set out Vision 2020 in 1991, but the rebuilding of Malaysia must now reckon with a new global order and a country whose governmental system and treasury are in great need of repair and regeneration. All of the above have altered what it means for Malaysia to be considered a developed country.

It is no coincidence that the definition of “developed” is now being challenged globally, thanks to the devolution of some of its self-proclaimed exemplars. Britain, which once led and colonised almost two-thirds of the world, now struggles to decide on the nature of its relationship with Europe to ensure its own prosperity. Britain’s seemingly best-educated leaders led the argument for Brexit. It has led to the polarisation of its society and to many businesses and citizens leaving the country in despair at the continuing uncertainty from self-

serving and expedient policymaking. America, which once prided itself on having a transparent and open government, regularly implodes with gun violence as its society too becomes increasingly politically polarised.

So we must, as a society, ask ourselves the hard questions of what a developed Malaysia looks like, and what leadership skills are needed for our times. We each play an active part in rebuilding the country in our daily lives. Whether it is next year, or in five or 20 years, we must be able to envision New Malaysia not just in terms of the so-called educated and professional classes, but also in the upbringing of our children and grandchildren; in the wealth of the natural heritage we now borrow from them, and in the health of their indigenous custodians of that natural heritage.

Will we be industrialised but polarised, as Britain and America now are, in 20 years? Will we have mass street protests with yellow vests or gas masks, as in France and Hong Kong? Will we be a nation polarised by conservative and liberal factions, at the expense of our shared prosperity? Will we create a society where the young, who will one day govern the country, experience mental, social and moral challenges, as a matter of course? We may not have the answers today, but we hope to spark the necessary robust conversations for our future, right now.

While we strive to ensure the country's economic development is based on the conventional economic indicators, we also need to create a country that is conducive for mature political discussion, so that Malaysian society is also socially, psychologically, culturally and spiritually developed.

For this, we need truly trustworthy and public-spirited leaders who are unifying figures – leaders who can unite a diverse Malaysia, establish consensus, and deliver on the social justice and political stability needed

for an effective government. We need leaders who can comprehend that unpredictable global circumstances have an impact on local decision-making, define the challenges and customise our solutions to them. Only then can we achieve a high quality of life for all and enjoy the national pride and self-esteem that comes with such an achievement.

This must be the foundation upon which New Malaysia should be built. It is the bedrock of our economy, politics and social order. If we do not institutionalise its values, all our work so far would just be the frills of a system that will be dismantled when the next administration walks in – and the cycle will continue, as we have seen over the years. Building our national institutions on a bedrock of shared noble values is crucial to Malaysia's sustainability and ultimate success.

We often miss the importance of culture in charting the prosperity of nations. Culture defines our beliefs, preferences and value system. Culture was once a key parameter that was used to explain how countries differ in their economic and political development. Unfortunately, this was dropped for a 'one size fits all' measure of progress that made it easier for the so-called 'saving institutions' like the IMF and World Bank to intervene.

For example, the initial wave of industrialisation in Europe in the 18th century grew with the expansion of the Agricultural Revolution and its demand for farming machinery. People migrated from villages to cities to make a living; factories were built, and machines were manufactured; and banks began lending money to businesses that were expanding. Peoples' lifestyles changed, and cultures with them. The effects of these revolutions percolated through societies and influenced behaviours and ultimately changed value systems and the culture.

Cultural change directly and indirectly affects our lifestyles in both obvious and imperceptible ways. When culture evolves with a change

in lifestyle, we see new parameters of tolerance in society and have higher expectations of governments and businesses to deliver on their promises. As a result, the nature of work and business models change accordingly.

A case in point is the Shared Prosperity Economic Model of the 12th Malaysia Plan, which will see a shift from a race-based assessment of national goals, to a needs-based one. Affirmative action of any kind usually subscribes to the 4 Es – equity, entrepreneurship, education and employment. When Malaysia started the New Economic Policy in 1971, it was well executed in its first decade and served its intended purpose. But as the world around us changed, we kept the policy as it was formulated, and found that the outcome no longer served its intended purpose. In many cases, the policy’s objective of equity was abused.

Policy is not a standalone principle or course of action. It calls for leadership skills and thinking in every part of the government machinery, the private sector, civil society and media, to evolve with the times. We need to constantly test our policies under different scenarios, and our leaders must have the acumen and capacity to respond with workable and effective solutions.

The model of government-linked companies (GLCs) needs to be reviewed. Their leaders too must be enabled to lead and not wait on the government for direction. GLCs should lead for research and development and not just break new ground for a private sector that is unprepared to do so, and also pioneer better employment models to match the needs of today. With leaders of insight, and foresight, this can happen.

Nations rise when each and every individual citizen is accorded with dignity and respect. Only then will we have a sense of purpose and

belonging in the place we call home. It is the role of leaders to build the now, with foresight and anticipation, for the vision of Malaysia that all its diverse peoples can all call home, come what may.

This book is organised into 5 parts:

PART 1:

Provides an overview of efforts undertaken since the formation of the National Centre for Governance, Integrity and Anti-Corruption (GIACC) at the Prime Minister's Department in June 2018. This part documents the background and recent political history up to the challenges that lie ahead.

PART 2:

An independent consultant review of the National Anti-Corruption Plan (NACP).

PART 3:

An insight into Corporate Liability Provision—Section 17A under MACC Act 2009 particularly the guidelines on adequate procedures which was developed by GIACC to facilitate compliance by companies. This part also explains the pilot project of the ISO37001- Anti-Bribery Management System (ABMS) carried out by GIACC through the Malaysian Institute of Integrity (INTEGRITI) and about the work on developing Malaysian Governance Indicators.

PART 4:

A selection of quotes and excerpts from interviews with respondents as part of the project to document the efforts thus far.

PART 5:

Photos and speeches (in Bahasa Malaysia) from the launching ceremony of the National Anti-Corruption Plan (NACP) on 29th January 2019, as well as the lyrics of the theme song “*Malaysia Bersih*” which was launched together with NACP. This song was also selected as the theme song for the National Day and Malaysia Day celebration 2019.

In this book we attempt to add to the literature of national development by documenting the insights and lessons in advancing the governance agenda in Malaysia. We sincerely hope it will be useful to every person and institution in this integrity-building endeavor. We would like to thank the UNDP, in particular Ms. Mir Nadia Nivin, and all who worked on this documentation project, especially Ms. Firoz Abd. Hamid & Dr. Meredith Weiss and those who participated in the interviews, for their support.

Much has been done, and yet more needs to be accomplished. Public servants must stay in touch with the realities of people from all walks of life. When projects are announced, their plans must be successfully implemented and communicated to all Malaysians – our primary and ultimate shareholders.

Thank you very much.

Tan Sri Abu Kassim Mohamed and Datuk Dr. Anis Yusal Yusoff
The National Centre for Governance, Integrity and Anti-Corruption
Prime Minister’s Department
23rd February 2020

Note: At the point of publication, Corruption Perception Index (CPI) for Malaysia has increased 6 point in year 2019 from score 47 to 53 and rank 61 to 51 out of 180 countries. This is the result of the implemented initiatives that has been documented in this publication.

PART 1

DOCUMENTATION OF GOVERNANCE REFORM POST GE14

RECENTRING GOVERNANCE, INTEGRITY, AND ANTI-CORRUPTION IN MALAYSIA:

**NEW INSTITUTIONS, NEW PRIORITIES,
AND THE WILL TO CHANGE**

a. The kick-off: Recent political history and context

Malaysia's May 2018 general election ushered a new coalition into federal office for the first time since peninsular Malaya's independence from Britain in 1957. Any such handover of power offers a window of opportunity for institutional change. In this case, high on the agenda was governance. Fully one-third of the incoming Pakatan Harapan (Alliance of Hope) government's election manifesto centred on governance: enhancing integrity across public institutions, curbing corruption, reforming Parliament,

the judiciary and improving the electoral system. **Almost immediately upon assuming office, the new government began to put in place a framework for reform. Intrinsic to that framework were not just desired outcomes, but also changes to the process of crafting policies and monitoring progress. The ultimate aim is to ensure governance and integrity is institutionalised at all levels of government regardless of who runs the government of the day.**

This study traces the crucial first phase of those efforts. Although it is too soon to evaluate the results of Pakatan Harapan's anti-corruption and good governance initiatives, the coalition has created the institutions and pathways, and set as well as articulated the objectives and norms that warrant documentation and assessment. In particular, the Pakatan Harapan government has started institutionalising this initiative by establishing a Cabinet Special Committee on Anti-Corruption (JKKMAR, *Jawatankuasa Khas Kabinet Mengenai Anti Rasuah*) to approve policies and initiatives on governance, integrity and anti-corruption. It also established on 1 June, 2018, the National Centre for Governance, Integrity and Anti-Corruption (GIACC) to plan, coordinate and monitor the implementation of these policies. GIACC reports directly into the Prime Minister's Office, which underscores its commitment to all efforts to strengthen governance in Malaysia post GE14, a task for which the highest office in the land takes full responsibility.

These efforts both serve as harbingers of new systems, rules, and expectations come into focus, and potentially offer case studies from Malaysia for its international partners and its own state governments contemplating their own routes to reform.

Why the emphasis on governance?

A focus on governance and anti-corruption efforts is not new to Malaysia, an upper-middle-income country on the cusp of fully

developed status. Malaysia's leaders have always published their achievements on the country's progress on the United Nations' Sustainable Development Goals (SDGs), in nearly eradicating hard-core poverty and vastly expanding access to healthcare, education, and infrastructure. Starting with the promulgation of the New Economic Policy (NEP) in 1970 and continuing with each subsequent five-year Malaysia Plan since, Malaysia has pursued far-reaching socioeconomic restructuring to enhance equity and opportunity. The New Economic Model (NEM) introduced in 2009 and undergirded by the 11th Malaysia Plan now in progress has, at its core, economic progress as represented by high incomes, social inclusivity and environmental sustainability.¹

Yet although Malaysia has largely maintained social harmony, over the course of decades, core institutions related to governance and rule of law have weakened in recent times. As the government's own National Integrity Plan noted in 2004, in making the case for improvement, "The decline in integrity among individuals, organisations and the society at large are manifested in the form of the spread of corruption, incompetence, malpractices, abuse of power, fraud and other unethical behaviour as well as the lack of work motivation"². **Global patterns suggest a correlation between strong democratic institutions and lesser incidence or perception of corruption;³ wealthier states also tend to perform better, whether due to higher state capacity to enforce rules or because reducing corruption facilitates growth. Malaysia's comparatively strong and**

1 Government of Malaysia, *Malaysia: Sustainable Development Goals Voluntary National Review 2017*, Putrajaya: Economic Planning Unit, Prime Minister's Department, 2017.

2 Government of Malaysia, *National Integrity Plan*, Putrajaya: Integrity Institute of Malaysia, 2004, p. 11.

3 See, for instance, the World Bank's mapping of Worldwide Governance Indicators, available at <<http://info.worldbank.org/governance/wgi/index.aspx>>.

expanding economy has been at odds with its record of governance, pre-GE14 especially.

By 2017, on the eve of Malaysia's 14th general election, Malaysia's Corruption Perceptions Index (CPI) score⁴ was 47 on a scale of 100 (in which 0 is highly corrupt and 100 is very clean); the country ranked 62nd out of 180 countries or territories globally. (Malaysia's score had not yet changed by the end of 2018, though it had ticked up to a rank of 61st globally.) While Malaysia outperformed neighbouring states such as Indonesia (with a score of 38 in 2018), the Philippines and Thailand (both 36) or Vietnam (33), it significantly underperformed counterparts such as Singapore (with a score of 85 and tied for third globally), Japan (73), Taiwan (63), and South Korea (57). More revealing still, Malaysia had been on a downward slope. From 1995 through 2008, its score averaged 50.8; it had dipped below 50 only twice, in 2000 and 2002. From 2009–2017, the average dropped to 47.7, exceeding 50 only in 2014, then trending incrementally downward each year since.⁵ In other words, in the eyes of the country commentators whose assessments lie behind the CPI's component measures, Malaysia's scores were declining in recent years, notwithstanding a series of initiatives under previous Barisan Nasional (BN, National Front) governments to promote public-and private-sector integrity and deter corrupt practices.

4 Developed by Transparency International, the CPI is a composite measure, drawing on up to 13 (for Malaysia, currently nine) established indices of corruption and governance. It captures experts' and businesspersons' perceptions of public-sector corruption, both institutional aspects (e.g., availability and enforcement of laws on financial disclosure or whistleblower protection, extent of bureaucratic red-tape) and practice (e.g., the extent of bribery, nepotism in civil-service appointments, or prosecution of corrupt officials). However imperfect, the CPI is a widely recognised measure and, given its methodological consistency over time, effectively captures trends and countries' relative positions.

5 Data from Transparency International Malaysia, "Corruption Perceptions Index 2018", slide presentation, 29 January 2019.

Hence, as the 2018 elections approached, public concern for corruption was high, elevated particularly by the high-profile 1Malaysia Development Berhad (1MDB) sovereign-wealth fund corruption scandal.⁶ The progenitor to the current Pakatan Harapan coalition, Pakatan Rakyat, had already made better governance a centrepiece of its campaign in 2013. In 2018, Pakatan Harapan reinforced that emphasis, galvanised not only by the issues themselves, but also by former Prime Minister Tun Dr Mahathir Mohamad’s entry into the coalition as leader of a new party, inspired by antipathy to the extent of “money politics” he saw in the incumbent Barisan Nasional leadership.⁷ As detailed below, Pakatan Harapan’s manifesto emphasised governance; the second of its five “pillars” focused specifically on reforming institutions of administration and politics.

Analyses of the election results suggest that concern for governance and reducing corruption were among the key reasons for Pakatan Harapan’s victory and Barisan Nasional’s decline. **The Federal Government thus began not only with the political will, but also with a mandate for reform.** That said, at the subnational level, Malaysia’s government is more fragmented than at any previous point in its history by way of rule of state and federal compositions. While Pakatan Harapan governs at the federal level, state leadership is divided among Pakatan, the Barisan Nasional, Parti Islam Malaysia (the Pan-Malaysian Islamic Party, PAS), and state-specific coalitions in Sabah (aligned with Pakatan) and Sarawak. Each of these parties or coalitions has its own emphases and agendas,

6 For details, see Randeep Ramesh, “1MDB: The inside story of the world’s biggest financial scandal”, *The Guardian*, 28 July 2016; Stefania Palma, “1MDB explained: timeline of Malaysia’s financial scandal”, *Financial Times*, 10 February 2019.

7 On the launch of the party and Mahathir’s role as leader, see Wan Saiful Wan Jan, “Parti Pribumi Bersatu Malaysia in Johor: New Party, Big Responsibility”, *Trends in Southeast Asia* 2018/2, ISEAS – Yusof Ishak Institute, January 2018.

however centralised that public administration may be, especially fiscal resources and authority, in Malaysia’s federal system.

Focusing primarily at the federal level, the new government has forged ahead with laying the groundwork for institutional reform, with recourse to its manifesto and subsequent stock-taking exercises, new consultative and policy-making mechanisms, and international norms and standards. Part of that programme happened as part of Pakatan Harapan’s agenda for its first hundred days, part has begun via various ministerial and agency initiatives, and part has been formalised with the launch of a 115-point National Anti-Corruption Plan at the end of January 2019.

b. The Pakatan Harapan Manifesto: Prioritising Governance

The real starting point of Malaysia’s current reform narrative is the Pakatan Harapan’s manifesto, *Buku Harapan: Membina Negara Memenuhi Harapan (Book of Hope: Rebuilding Our Nation, Fulfilling Our Hopes)*.⁸ Drafted by a team of representatives from each coalition component-party, the document stresses many of the same themes as Pakatan Rakyat’s *Buku Jingga (Orange Book)* manifesto in 2013, but with more comprehensive scope and shifts in emphasis and details.

Comprising the manifesto are five core planks, on a “people-centred” economy, reformation of political institutions, equitable and sustainable development, fulfilling the 1963 Malaysia Agreement with Sabah and Sarawak, and fostering inclusivity, moderation, and international respect. The ten promises Pakatan Harapan highlighted as constituting their programme for their first hundred days in office, should the coalition be elected, reflected

⁸ The manifesto is available for download at <<http://pakatanharapan.com.my/diymanifesto.php>>.

this framework. Seven of these initial targets emphasised economic issues: taxes, subsidies, wages, debt relief, and the like. One was to restore the special status of Sabah and Sarawak. The remaining two promises addressed the coalition’s emphasis on governance: investigating scandals plaguing institutions such as 1MDB and the Tabung Haji pilgrimage fund, and re-evaluating mega-projects awarded to foreign countries, particularly China.

The full text of the manifesto, however, dives deep into the woods of good governance, addressing both structural and normative dimensions. **The majority of the twenty-one promises most clearly relevant to this domain fall under its second plank, on reform of institutions of administration and politics; others appear later in the document.** Subsequent efforts, including by the JKKMAR and GIACC, have referred specifically to these promises, which include:

- Promise 12. Limit the Prime Minister’s term of office and restructure the Prime Minister’s Department.
- Promise 13. Resolve the 1MDB, Federal Land Development Authority (FELDA), Majlis Amanah Rakyat (MARA, Council for the People’s Trust), and Tabung Haji mega scandals.
- Promise 14. Reform the Malaysian Anti-Corruption Commission and strengthen anti-corruption efforts.
- Promise 15. Separate the Offices of Attorney General and Public Prosecutor.
- Promise 16. Restore the dignity of Parliament.
- Promise 17. Ensure the transparency and robustness of Malaysia’s electoral system.
- Promise 18. Create a political financing mechanism that has integrity.

- Promise 19. Restore public trust in judicial and legal institutions.
- Promise 20. Make the Malaysian Armed Forces and the Royal Malaysian Police respected and enviable.
- Promise 21. Empower the Public Service.
- Promise 22. Make the governance of government-linked companies (GLCs) on par with international standards.
- Promise 23. Ensure government procurement produces the best value for taxpayers' money.
- Promise 25. Strengthen the role and powers of local authorities.
- Promise 26. Make Malaysia's human rights record respected by the world.
- Promise 29. Enhance the transparency and integrity of the budget and budgeting process.
- Promise 31. Spur investment and simplify business processes and trade.
- Promise 38. Advance the interests of *Orang Asal* (indigenous peoples) in Peninsular Malaysia.
- Promise 48. Return customary land to the peoples of Sabah and Sarawak and guarantee their rights to it.
- Promise 57. Ensure Malaysia is known for its integrity, not corruption.
- Promise 58. Defend and protect the country's borders from external invasion, trafficking, and smuggling.
- Promise 60. Promote Malaysia's role in international institutions.

The manifesto, together with specific economic and other targets, establishes an expectation of “responsible party government”, or a programmatic premise to governing. Under this purview, legislative

candidates articulate their national party platforms and anticipate that voters will hold them accountable for fulfilling those promises at the next election.⁹ Having established this expectation gave Pakatan Harapan the impetus and political will to ensure it could effectively meet these targets.

The coalition has acknowledged that a number of promises are unlikely to be achieved immediately; or are unfeasible, though not impossible – e.g., those that require constitutional amendment, since Pakatan Harapan’s majority falls short of the required two-thirds of votes in the Dewan Rakyat, the lower house of Parliament. This approach has allowed Pakatan Harapan to claim credit where due, and enumerate thirty-six specific achievements in the coalition’s first seven months in office.¹⁰

Building from its manifesto, Pakatan Harapan has expressed a commitment to “good governance”, a broad rubric essential to and inclusive of not just democratic processes, but also sustainable and human development. Corruption, explains the United Nations, is “principally a governance issue – a failure of institutions and a lack of capacity to manage society by means of a framework of social, judicial, political and economic checks and balances”.¹¹ The linked concept of “integrity” brings the individual into focus, as acting in accordance with prevailing values and norms and eschewing corrupt practices. A focus on the big picture – on a national integrity system as a programme and objective, not only to redress but also to *prevent*

9 This conceptualisation of democratic representation derives from the classic, Warren E. Miller and Donald E. Stokes, “Constituency Influence in Congress”, *American Political Science Review* 57:1 (March 1963): 45-56.

10 An illustrated flyer listing these successes, “36 pencapaian kerajaan baharu dalam tempoh 7 bulan” (36 achievements of the new government in the span of 7 months) made the social-media rounds.

11 UNDP, “Anti-corruption”, Practice Note, available at <<http://www.undp-aciac.org/publications/finances/anticor/undp-ati04e.pdf>>, 2004, p. 2.

corruption¹² – implicates public-sector anti-corruption strategies, monitoring and enforcement agencies, the judiciary, civil society, public participation in decision-making, the media, the private sector and international partners.¹³

The two core frameworks which undergird the Malaysian government’s objectives and approach are the UN Convention against Corruption (UNCAC) and Sustainable Development Goals (SDGs). Inspired by the need for a systematic global response to corrupt practices and illicit flows of funds as threats to stability, security, rule of law and sustainable development, UNCAC aims to not just strengthen measures to combat and redress corruption and to facilitate international cooperation toward that end, but also “to promote integrity, accountability and proper management of public affairs and public property”.¹⁴ That approach mandates not merely prohibiting specific acts as illegal, but promoting good governance proactively, including as embodied in political culture. The Malaysian government’s anti-corruption strategy should be understood as reflecting this comprehensive view, requiring long-term, strategic interventions and assessment.

Meanwhile, as noted above, the Malaysian government is formally committed to the SDG framework. Drafted in 2015 and enacted the following year, the SDGs aim for a world “rid of poverty and

12 See Anis Yusal Yusoff and Mohd Nizam Mohd Ali (ed.), *A National Integrity System*, Kuala Lumpur: The Malaysian Institute of Integrity, 2016.

13 Petter Langseth, Rick Stapenhurst and Jeremy Pope, “The Role of a National Integrity System in Fighting Corruption”, Economic Development Institute of the World Bank Working Paper, Washington, DC: The World Bank, 1997, pp. 9-10.

14 United Nations Office on Drugs and Crime (UNODC), *United Nations Convention Against Corruption*, New York: United Nations, 2004, pp. 5-7. The convention does not define “corruption” (or “anti-corruption”) except colourfully in then-Secretary-General Kofi Annan’s foreword, as “an insidious plague that has a wide range of corrosive effects on societies” (p. iii).

hunger, and safe from the worst effects of climate change” by 2030.¹⁵

Governance-reform efforts align most obviously with SDG 16, to “promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”. Under SDG 16 are twelve specific component targets. The Malaysian government has explicitly tied specific steps in its anti-corruption strategy to these targets, particularly SDG 16.5, “substantially reduce corruption and bribery in all their forms”. Other targets under SDG 16 include:

- 16.1: Significantly reduce all forms of violence and related death rates everywhere
- 16.2: End abuse, exploitation, trafficking and all forms of violence against and torture of children
- 16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all
- 16.4: By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organised crime
- SDG 16.5: Substantially reduce corruption and bribery in all their forms.
- 16.6: Develop effective, accountable and transparent institutions at all levels
- 16.7: Ensure responsive, inclusive, participatory and representative decision-making at all levels
- 16.8: Broaden and strengthen the participation of developing countries in the institutions of global governance

15 UNDP, Sustainable Development Goals, booklet available at <<https://www.undp.org/content/undp/en/home/librarypage/corporate/sustainable-development-goals-booklet.html>>, 2015.

- 16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.¹⁶

For instance, the formation of JKKMAR aligns with targets 16.5 and 16.7; new asset-declaration rules for MPs and guidelines on politicians or civil servants accepting gifts or payments align with target 16.5; the new National Anti-Corruption Plan pursues targets 16.3 and 16.5; and improving transparency and integrity in budgeting processes aligns with target 16.10.¹⁷

Overall, the Malaysian Government’s proposed reforms span three broad areas. First, are *government institutions and practices*. These systemic changes aim to restore checks and balances across government branches and agencies, albeit initially focused largely at the federal level. Key, are reforms to the structure of elections (from recalibrating constituency delineation to potentially redesigning electoral rules), political parties (including party and campaign finance), parliamentary practice (to introduce select committees, improve legislative procedures, etc.), and judicial independence.

Second, is the *public sector*. Focusing primarily on the federal civil service, but also on agencies such as the Royal Malaysia Police, these proposals address such aspects as selection processes, remuneration structures (for equity, but also to mitigate pressures encouraging recourse to corrupt practices), promotion processes, and structures for transparency and accountability.

16 For the specific indicators attached to each target, see <<https://sustainabledevelopment.un.org/sdg16>>.

17 For the full list of 23 steps and their associated targets, see Anis Yusal Yusoff, presentation for session on “Safeguarding the Sustainable Development Goals from Corruption Risks”, Kuwait International Conference on Integrity for Development, 15-16 January 2019.

Third is the *political/command economy*. Here, the initial emphasis initially has been especially on the significant state-controlled share of Malaysia’s economy by government-linked companies (GLCs), government-linked investment companies (GLICs), and other public holdings. However, this domain extends to issues of transparency, accountability, and general probity in the private sector, as well. It is worth adding that public governance must set the benchmarks and precedents for corporate governance. Soundly managed government entities are the precursor to a strong private sector in any country, and ensuring this requires review of laws under which these bodies are constituted.

Despite the “elaborate anti-corruption framework” being periodically revamped and updated, “the level of corruption has remained high and the plethora of strategies ... appear to have made hardly any difference in containing and combating corruption in the society”.¹⁸ While a full history is beyond the scope of this report,¹⁹ a brief review of this institutional legacy serves to illustrate not only what has changed, but also why institutions are inadequate absent the requisite political will.

Malaysia first enacted a Prevention of Corruption Act in 1961, which was replaced by the Anti-Corruption Act in 1997, then Malaysian Anti-Corruption Commission Act of 2009. The Anti-Corruption Agency (ACA), created in 1967, could investigate cases, secure and access documents and witnesses, arrest and prosecute offenders, and propose relevant reforms. Today’s Malaysian Anti-

18 Noore Alam Siddiquee, “Combating Corruption and Managing Integrity in Malaysia: A Critical Overview of Recent Strategies and Initiatives”, *Public Organization Review* 10 (2010): 154.

19 For a concise history from the late colonial era through Najib’s premiership, see Anis Yusal Yusoff, Sri Murniati and Jenny Gryzelius, *Combatting Corruption: Understanding Anti-Corruption Initiatives in Malaysia*, Kuala Lumpur: IDEAS, 2013.

Corruption Commission (MACC, *Suruhanjaya Pencegahan Rasuah Malaysia*) replaced the ACA in 2009. Modelled on Hong Kong’s Independent Commission Against Corruption, the MACC was more autonomous and empowered than the ACA, but still lacked full independence, remaining essentially under executive control.

Although the ACA, and then MACC, initially retained substantial autonomy, that independence became increasingly constrained as the MACC’s investigation into 1MDB deepened. Pakatan Harapan promised in its manifesto to reinforce the MACC and has taken steps to do so; a larger percentage of cases being investigated are proceeding to the prosecution stage; MACC has been made more autonomous and now reports to Parliament rather than the prime minister; and further structural and procedural reforms are being implemented or considered, such as to improve budget policies, administrative management and appointment processes.

Among other institutions that have anti-corruption roles, key is the Public Complaints Bureau (PCB, *Biro Pengaduan Awam*), established in 1971, which receives public concerns related to public administration. In 2018, the PCB was revamped and suggested to become Ombudsman Malaysia and comes under the GIACC. Also germane are the Attorney General and Auditor General, the latter being focused on parliamentary and fiscal oversight; and the bipartisan Public Accounts Committee in Parliament, which reviews the government’s financial management and holds government agencies accountable. Private-sector governance standards are regulated by the Securities Commission, Bank Negara Malaysia and Bursa Malaysia (previously the Kuala Lumpur Stock Exchange).²⁰

20 Siddiquee, “Combating Corruption”, 159; Noore Alam Siddiquee, “Managing ethics: Drives for fighting corruption and enhancing integrity”, in Noore Alam Siddiquee (ed.), *Public Management and Governance in Malaysia: Trends and Transformations*, London: Routledge, 2013, pp. 182-3.

The Companies Commission of Malaysia also oversees corporate governance and key to this landscape is synergy and an effort that requires focusing as one of the priorities within NACP.

Moreover, specific institutional initiatives have focused deliberately on the wider frame: not just by enforcing rules, but developing a culture of integrity that informs and upholds Malaysia’s successful socioeconomic development. Institutional remedies have included, for instance, a network of Integrity Management Committees across all tiers of government, established in 1998 and consolidated in 2009 under a Committee on Integrity Governance.²¹ Periodic public campaigns (and slogans) since the 1980s have focused on changing work norms, by entrenching the idea of a civil service that is “clean, efficient, trustworthy” (bersih, cekap, amanah). Among the most important steps in recent years were the launch of a National Integrity Plan in 2004, and Government Transformation Programme (GTP 1.0) in 2010 and GTP 2.0 in 2012.

Introduced by then-Prime Minister Abdullah Ahmad Badawi in April 2004, the aim of the National Integrity Plan (NIP) was to bring anti-corruption enactments introduced since the late 1990s in line with broader national goals, and to make these efforts more effective.²² The NIP traced factors that might undermine integrity among individuals, systems and procedures, structures and institutions, and culture.²³ Its objectives included reducing corruption and abuse of power, increasing bureaucratic efficiency,

21 Government of Malaysia, “An Initiative to Consolidate the Integrity Management System of Malaysian Government Administration: Establishment of Committee on Integrity Governance (CIG)”, Prime Minister’s Directive No.1 of 2009, Putrajaya: Prime Minister’s Department, p. 4, 7-8

22 Government of Malaysia, *National Integrity Plan*, Putrajaya: Integrity Institute of Malaysia, 2004, p. vii, 2.

23 Government of Malaysia, *National Integrity Plan*, pp. 11-15.

enhancing corporate governance, strengthening families, and improving popular well-being.²⁴

Coordinating, monitoring and advising on these efforts was the new Malaysian Institute of Integrity (INTEGRITI). Together, the NIP and INTEGRITI were to form the crux of a national integrity system for comprehensive reform, oriented towards “reforming and changing systems rather than on blaming individuals”.²⁵ The approach stressed individual and institutional ethics beyond formal laws and regulations, with “a positive goal of maximising integrity at all levels” as a prophylactic against corruption.²⁶ INTEGRITI still exists today, although the NIP that gave rise to it has been replaced by the National Anti-Corruption Plan (NACP), led in its development by GIACC. INTEGRITI now focuses on public and private-sector capacity-building and training for compliance with governance and anti-corruption measures developed by GIACC. In 2010, then-Prime Minister Najib Razak rolled out the Government Transformation Programme (GTP), to be steered by a newly established Performance Management and Delivery Unit (PEMANDU) under the Prime Minister’s Department. With the aim of improving public services, the plan identified six National Key Result Areas (NKRAs): reducing crime, fighting corruption, improving student outcomes, raising the living standards of low-income households, improving rural basic infrastructure, and improving urban public transport.²⁷ The GTP honed in on public-sector transparency and accountability, as with the enactment of a Whistleblower Protection Act in 2010 and a GTP Roadmap in

24 Government of Malaysia, *National Integrity Plan*, pp. 26-28.

25 Anis Yusal and Mohd Nizam, *A National Integrity System*, p. 4.

26 Anis Yusal and Mohd Nizam, *A National Integrity System*, pp. 8-10.

27 Government of Malaysia, *Government Transformation Programme: Annual Report 2010*, Putrajaya: Performance Management and Delivery Unit, Prime Minister’s Department, 2011.

2011 that called for studies into the effectiveness and independence of such key institutions as the Judicial Appointments Committee and Auditor General’s Office.

Two years later, Prime Minister Najib extended these efforts with GTP 2.0. The initiative was developed from the National Transformation Programme, which itself operationalised goals under the ten-year New Economic Model (NEM) for resource allocation, economic growth and social development. The NEM presented eight inter-related structural reforms designed to allow Malaysian institutions to meet contemporary development challenges, including to be more accommodating of innovation and to rationalise overlapping functions, within and across tiers of government.²⁸ The GTP emphasised gains in inclusive development in line with the NKRA, from improving rural infrastructure to combatting corruption, as well as economic transformation via development of twelve key industries.²⁹

In explaining its new plan of action in early 2019, GIACC examined why prior efforts had yielded subpar results. As its National Corruption Plan explains, this was because politicians had interfered in administrative and financial matters to benefit their own interests, particularly through public procurement in the construction sector in recent years. Political leaders lacked the will to enforce strong measures, leaving a number of key initiatives unimplemented. MACC and the Attorney General’s Chambers were insufficiently independent of executive interference, especially with the escalation of the 1MDB and FELDA cases in 2015. The MACC

28 Norma Mansor and Raja Noriza Raja Ariffin, “Public administration in Malaysia: Origins, influence and assessment”, in Meredith L. Weiss (ed.), *Routledge Handbook of Contemporary Malaysia*, London: Routledge, 2015, pp. 110-11.

29 Government of Malaysia, *Government Transformation Programme: Annual Report 2013*, Putrajaya: Performance Management and Delivery Unit, Prime Minister’s Department, 2014, pp. 8-10.

Act lacked mandatory minimum sentences for offenders, resulting in light punishments. Government agencies lacked the capacity and resources for effective enforcement and monitoring, including due to limited adoption of new technologies. These weaknesses had compounded to undermine the government’s credibility to fight corruption and, hence, public trust.³⁰ Especially lacking, according to those tasked with the government’s transformation initiatives attest, was a lack of political will at the top.

Hence, as the new government took the reins in 2018, the need to rethink how it approached anti-corruption and governance was obvious. Beyond the new government’s election manifesto, much of the initiative early on came from the Prime Minister Dr Mahathir Mohamed. Further changes in leadership over months to come were important: core offices such as the Chief Secretary to the Government (Ketua Setiausaha Negara), Attorney General, Auditor General, and chair of the Election Commission; the head of Bank Negara Malaysia (Central Bank); a raft of secretaries-general (the heads of the civil service in each ministry); and directors of key GLCs. Some of the existing office holders had been due for mandatory (age-defined) retirement and or job rotation; other officials, such as the chair of the Election Commission, had resigned, and could then be replaced. The infusion of “new blood” indicated the government’s commitment to change.

However, those early steps also included developing plans for more systematic reform, by restructuring aspects of the government apparatus in line with Pakatan Harapan goals. The pressure of a promised hundred-day deadline for meaningful initial steps towards reform ensured that action was simultaneously taken on multiple fronts.

30 GIACC, *National Anti-Corruption Plan 2019–2023*, Putrajaya: Prime Minister’s Department, 2019, p. 5-7.

Council of Eminent Persons and Institutional Reform Committee

Merely three days after the election, Prime Minister Mahathir formed a five-member Council of Eminent Persons (CEP) comprising a former finance minister, a former Bank Negara governor, a former CEO of Petronas, a prominent economist, and a leading businessperson. The CEP was tasked with assisting the government, within the hundred-day transitional period, to develop policies and programmes in line with Pakatan Harapan’s promises. (Two members would later join a new sixteen-member Economic Action Council, chaired by the Prime Minister, announced in February 2019.) **The CEP’s³¹ report focused on improving governance, entailing a range of institutional and legal reforms and including measures to strengthen fiscal discipline and accountability; promoting popular well-being, as by measures to reduce costs of living; and ensuring an inclusive, sustainable, more efficient economy.³²**

Two days into its term, on 14 May, the CEP announced a five-member Institutional Reforms Committee (IRC) with a two-month mandate, to provide guidance particularly on aspects outside the purview of the finance and economics-oriented CEP. **The IRC’s terms of reference were broad: to examine and identify shortcoming in key institutions and compliance with the rule of law; to consult “all the relevant stakeholders” in the institutional and legislative domains; and to make recommendations for reforms or further study.³³** Given its focus, the IRC had a legal slant; its

31 The report was not made public but its recommendations were used in the development of the NACP and its recommendations are being monitored and tracked by GIACC, the mechanism for which is discussed in a separate chapter in this book.

32 “Malaysia’s Council of Eminent Persons completes 100 days, to submit recommendations”, *Channel News Asia*, 21 August 2018.

33 Committee for Institutional Reforms, Terms of Reference, <<https://www.reforms.my/about/>>.

members comprised two retired judges, a prominent activist lawyer and a constitutional law professor. **The IRC addressed nine topics: Parliament; elections; the judiciary; law officers and legal service; anti-corruption; the police and immigration services; communications, media and information; and human rights institutions and laws.**

The IRC requested proposals from the public, then began a series of closed-door discussions with invited groups and individuals. It received over a thousand written submissions, some with proposed draft legislation already attached.³⁴ The IRC submitted seven recommendations for immediate reform to the CEP after one month, then its approximately 800-page final report, a month later, on 16 July 2018.³⁵ In all, the IRC presented 256 suggestions, organised under eight themes. The largest share of proposals concerned the electoral process, with seventy-three recommendations, followed by parliamentary reform, with forty-eight. The IRC's report was not made public, given the risk of generating unrealistic expectations.

In August 2018, GIACC briefed JKKMAR, after reviewing the IRC's suggestions and clarifying the scope of state institutions likely to be involved in their implementation.³⁶ (GIACC referred 33 proposals to the Ministry of Communication and Multimedia for being beyond its ambit.³⁷). The proposals were categorised according to the urgency of their goals: immediate (within three

34 Institutional Reforms Committee, press releases, 21 May 2018 and 17 July 2018, <<https://www.reforms.my/zh/media/press-releases/>>.

35 Supplementary documentation followed, including a second volume of draft bills, and a third of further proposals submitted by the public that fitted poorly into the eight themes.

36 GIACC brief (*kertas makluman*) for JKKMAR meeting, “*Analisis ringkas terhadap laporan Jawatankuasa Reformasi Institusi* (Institutional Reform Committee – IRC)”, 8 August 2018.

37 GIACC brief for JKKMAR meeting, 8 August 2018.

months), short-term (between six and eighteen months), or long-term (within five years); it gave a lower priority to the proposals that required the Federal Constitution to be amended in order to take effect.³⁸ Many of these recommendations appear in the National Anti-Corruption Plan (NACP), although drafting the NACP involved a separate consultative process, under GIACC's aegis.

The Special Cabinet Committee on Anti-Corruption and National Centre for Governance, Integrity and Anti-Corruption

As the CEP and IRC embarked on their work, Prime Minister Mahathir moved to establish an anti-corruption governance superstructure by combining, repurposing or replacing existing but ineffective agencies. Underpinning this framework are the Special Cabinet Committee on Anti-Corruption (JKKMAR, *Jawatankuasa Khas Kabinet Mengenai Antirasuah*) and the National Centre for Governance, Integrity and Anti-Corruption (GIACC). The two bodies were developed in tandem.

As a first step, mere weeks after the election, Prime Minister Mahathir had announced the establishment of the GIACC. After leaving MACC, its first chief commissioner and current GIACC director general, Tan Sri Abu Kassim, became the director of the Governance and Integrity Centre at Universiti Teknologi MARA, which inspired GIACC's name and framework. Datuk Dr Anis Yusal Yusoff, GIACC's deputy director general, was then director general of the National Integrity and Good Governance Department (JITN, *Jabatan Integriti dan Tadbir Urus Negara*) that was launched in early 2018. The establishment of GIACC was to help ensure implementation of relevant pledges in Pakatan Harapan's manifesto, the recommendations in the IRC's report,

38 Confidential GIACC brief, 8 August 2018.

and present them directly to JKKMAR. GIACC would also serve as coordinating secretariat for anti-corruption efforts across the government, and be accountable directly to the prime minister.

The Malaysian Institute of Integrity (INTEGRITI) (of which Datuk Dr Anis Yusal Yusoff was previously president and Chief Executive Officer) as well as the JITN (now absorbed under GIACC) the revamped PCB and the Enforcement Agency Integrity Commission. Also later repurposed were all under GIACC. The administrative units concerned with governance and integrity, which used to be distributed throughout government bodies and which JITN coordinated, now come under under MACC, with an MACC officer appointed to each.

JKKMAR, the formation of which was announced on 8 June 2018, replaced the Special Cabinet Committee on Government Management Integrity (JKKMKPK, *Jawatankuasa Khas Kabinet Mengenai Keutuhan Pengurusan Kerajaan*) Mahathir had established in 1988. (Keutuhan or integrity, had been added to the name as part of a government initiative in 1997 to strengthen anti-corruption efforts.) JKKM(K)PK was chaired at first by Deputy Prime Minister Anwar Ibrahim, then his successor Abdullah Badawi, who continued as chair when he became prime minister. When he took over from Abdullah Badawi, Najib had initially sustained that practice, but the committee had not met since 2012.³⁹ The reformed JKKMAR includes the prime minister as chair, the deputy prime minister as deputy chair, five senior ministers (Home Affairs, Finance, Defence, Economic Affairs, Law (including the Deputy Minister for Law), the Chief Secretary, the \Director-General

39 See Abdul Rahman Embong, “Public opinion surveys and anti-corruption reform in Malaysia”, *Knowledge Commitment Action Against Corruption in Asia and the Pacific*, proceedings of the 5th Regional Anti-Corruption Conference of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, Beijing, 28-30 September 2005, p. 118.

of the Public Service Department, the Secretary General of the Treasury, the Attorney General, Auditor General, the Director General of GIACC and Chief Commissioner of MACC, and all secretaries general. It met monthly from June through November 2018, and then held bi-monthly meetings in 2019. In the course of development of this Report, the authors interviewed most of the members of JKKMAR.

After being appointed to GIACC, Abu Kassim had proposed JKKMAR to the Prime Minister so that GIACC could directly present it with policy proposals, while keeping its focus on implementing, monitoring and evaluating the progress of anti-corruption plans. GIACC and MACC together laid out the terms of reference for JKKMAR:

- To help determine broad directions and concrete policies related to public-sector governance, integrity and anti-corruption;
- To monitor and evaluate the efficacy of these policies;
- To evaluate and approve governance, integrity and anti-corruption initiatives the administration will implement; and,
- To assess committee members' recommendations on governance, integrity, and anti-bribery measures, at both JKKMAR and Anti-Corruption Committee (JAR) levels.⁴⁰

GIACC functions as an anti-corruption and governance planning unit (akin to the long-standing Economic Planning Unit under the Prime Minister's Department), focusing on policy design, implementation, monitoring and assessment. It is not concerned with enforcement of the law, which comes under MACC and other related agencies. GIACC plays key role in monitoring the progress

⁴⁰ GIACC and MACC, Job Description (Peranan dan Tanggungjawab JKKMAR), [8 June] 2018.

of initiatives approved by JKKMAR, from inception to completion, such as the restructuring of an agency, drafting of a policy, or the introduction of a new programme or formation of a committee. Other goals are broader, such as reinforcing an institution’s autonomy, or improving border security.

GIACC provides regular progress reports to JKKMAR, using “traffic light” (green, yellow, red) status indicators. Between June and December 2018, GIACC assessed the progress of sixty-one initiatives JKKMAR had approved, each with a specific lead agency (usually GIACC itself, but spanning a range of ministries, administrative offices, commissions, and Parliament). Over two-thirds, or forty items, were at least 71 percent complete (green); twenty were between 41 and 70 percent complete (yellow); and only one, on laws regarding malfeasance of public servants under the Malaysian Anti-Corruption Commission Act 2009, was 40 percent complete (red).⁴¹ In its first six months of existence, JKKMAR had promulgated a National Anti-Corruption Plan; determined the implementation of ISO 37001 Anti-Bribery Management System for all ministries, agencies, and government offices, as well as GLCs deemed at high risk of corruption; developed a policy on political involvement and a code of ethics for public servants; strengthened rules on private-sector business administration with new procedural guidelines and reforms to the MACC Act; explored proposals to separate the offices of Public Prosecutor and Attorney General; ensured greater independence for the Judicial Appointments Commission; established an Integrity and Governance Unit in GLCs; and approved dozens of smaller-scale decisions to improve systems and processes of governance, integrity and anti-corruption.⁴²

41 GIACC, “Laporan Pemantauan Pelaksanaan Keputusan Mesyuarat Jawatankuasa Khas Kabinet Mengenai Anti-Rasuah”, PowerPoint presentation, [2019].

42 Jabatan Perdana Menteri, “Mesyuarat Jawatankuasa Khas Kabinet Mengenai Anti Rasuah (JKKMAR) 5/2018”, media statement, 21 November 2018.

By early 2019, JKKMAR had identified 24 objectives, all but four of which were assigned to the Ministry of Finance, the Public Works Department, or the Department of Standards under the Ministry of International Trade and Industry. Six objectives were mostly complete by the time of the JKKMAR's sixth meeting, in January 2019; the rest were partly complete.⁴³

This combination of JKKMAR and GIACC makes for more efficient agenda-setting and policy development. Rather than approach a minister and have that individual present a given proposal to the Cabinet, GIACC can present proposals to the JKKMAR directly. At each meeting, JKKMAR addresses a series of issues, some at the level of concept papers (e.g., on political finance legislation or how to enforce declarations of assets and gifts by legislators and administrators); some for information and workshopping (e.g., on the establishment of JKKMAR and GIACC themselves, on the IRC report, or on how to reinforce MACC's prosecution of cases); and some possible enactments for consideration (e.g., revisiting draft asset and gift-declaration legislation a month later, or steps to restore parliamentary authority). GIACC has taken the lead on most proposals, but MACC and other agencies central to the issues under consideration have also presented submissions.⁴⁴ JKKMAR invites key stakeholders to join meetings as appropriate; for instance, when a paper concerns a ministry not normally represented on JKKMAR, the minister will come for the discussion.

Even allowing for a more deliberative parliamentary process – which is among the reforms now being pursued – Malaysia's legislative branch is especially hierarchical and partisan, compared with those

43 GIACC, "Pemantauan Pelaksanaan Keputusan Mesyuarat JKKMAR", Siri 6, Bil. 1, 2019.

44 Rekod Senarai Kertas Makluman/ Konsep/Pertimbangan dalam Agenda JKKMAR (spreadsheet), June–August 2018.

of other parliamentary systems. The streamlined process allowed for by JKKMAR has not only facilitated efficient policy change, but also offered a channel for access to the Cabinet for at least the GIACC leadership, a distinct procedural shift.

c. The role of international partners

As an upper middle-income state with a human-development rating of “very high” (.802 in 2017, or 57th of 189 polities),⁴⁵ Malaysia does not lack for capacity and resources. Even so, given the pace of reforms pursued, working with international partners, particularly multilateral agencies, offers an efficient way to jump-start necessary processes. **Since the 2018 general election, the Government of Malaysia has been increasingly open to working with impartial partners, to draw on knowledge of international best practices and norms, as well as comprehensive capacity-development perspectives and methodologies they can offer.** For instance, as noted, the UN’s UNCAC and SDGs have been used as templates by the Malaysian government for its reform initiatives.

The United Nations Development Programme (UNDP) has been particularly germane to the anti-corruption and integrity-related aspects of Malaysia’s reform processes, given the centrality of governance to the UNDP’s core mandate and mission. The Malaysian government’s collaboration with other UN agencies, however, reflects the extent to which governance also features throughout UN programmes. UNDP launched its governance programme in Malaysia only in August 2018; the organisation had had only a fairly minor presence in the country before then. While UNDP is far from the only active agency in Malaysia, it has been well-positioned to serve as a facilitator and coordinator. Being a

⁴⁵ UNDP, *Human Development Indices and Indicators: 2018 Statistical Update*, New York: United Nations Development Programme, 2018, p. 22.

multilateral agency, UNDP has no vested interests as a partner, but can offer high technical capacity and experience, enabling the agency to coordinate among bilateral supporters and organisations. Malaysia’s UNDP governance programme began with a focus on anti-corruption and integrity initiatives, and reforms to its judiciary, electoral system and parliamentary processes. The focus on anti-corruption had five key initial areas.

- I. **Documentation** – To document the anti-corruption initiatives undertaken by the PH Government since GE14. This involves reviewing the NACP and also interviewing key stakeholders on challenges and opportunities ahead in eradicating corruption in Malaysia and documenting them in a book;
- II. **Peer review of the NACP** – This was undertaken by external consultants engaged by UNDP to independently review the work done by GIACC on implementing the NACP;
- III. **Develop a Monitoring and Evaluation System** for NACP activities;
- IV. **Launch a pilot programme for the rolling implementation of ABMS** at the federal, state and local levels of government to encompass the entire infrastructure of the Government of Malaysia, including government-linked companies at the federal level; and,
- V. **Implement an Organisational Anti-Corruption Plan (OACP)** for all government entities. An OACP is in essence the translation of NACP into the culture of each ministry and agency, customised to suit their procedures, processes, and risk profiles.

UNDP has played similar coordinating and assistance roles for the Malaysian government in sector-specific institutional reform,

such as working with the Chief Justice to facilitate international connections as Malaysia considers new judicial standards. UNDP has also provided feedback on ratification of UN covenants (per manifesto promises), and how these might translate into domestic laws and policies. UNDP will also offer technical support as the judiciary takes steps to integrate new technology. On electoral-system reform, UNDP has helped develop a plan for how to structure the highly complex and technical reform effort, including how best to allocate multiple international partners' contributions, and is providing an in-country senior advisor for an extended period. UNDP advisors have also offered assistance in formulating a parliamentary reform action plan, including in identifying donors and suitable working partners.

Malaysia is less dependent on international expertise and support than many other countries undergoing similar transitions. The extent of work to be done and the pressure to make rapid headway, however, have pressed the Government to accept targeted assistance. In working together, UNDP and the Malaysian government share fiduciary duties for projects, but UNDP has the benefit of both neutrality and uniquely broad expertise and perspective as the world's largest implementer of both electoral and parliamentary assistance. Given that Malaysia needs only strategic and technical advice and has the capacity to implement and sustain programmes domestically, UNDP expects to play a reduced role in two or three years. Although new areas of concern may emerge, as amid challenges of embracing the evolving 4th Industrial Revolution, the UN's chief goal is to foster momentum, beyond short-term deliverables – to see its involvement, through the UNDP and other agencies, as a strategic intervention with potentially enduring governance-enhancing impacts.

d. Efforts and achievements to date

Within the first hundred days after the election – by early August 2018 – the Pakatan Harapan Government had taken significant steps toward institutional re-evaluation and redesign, laying the ground for subsequent efforts. Those steps included establishing JKKMAR and GIACC as well as the short-term Council of Eminent Persons and its offshoot Institutional Reforms Committee; making a number of key high-level appointments (for which selecting credible, reform-minded individuals of integrity was essential); establishing partnerships with domestic and international experts; and assessing core needs and priorities while building up capacity for research and implementation. When the National Anti-Corruption Plan was launched in January 2019, the Government had already identified and ranked priorities for institutionalising good governance and integrity, and for sanctioning and preventing corruption across spheres of both the public and private sectors.

Since its formation on 1 June 2018, GIACC has implemented 61 initiatives, including the key objective of restoring the dignity of the Parliament by way of:

- i. Reintroducing the Parliamentary Services Act 1963, which delineates Parliament from the larger public service. Though this Act is still being implemented, the employees of Parliament will no longer be part of the larger public sector of Malaysia;
- ii. The establishment of six Select Committees whose members comprise Parliamentarians from both sides of the aisle (on 16 August 2018); and
- iii. The Chairman of Public Accounts Committee (PAC) being appointed from among Opposition Members of Parliament.

An effort was made to implement a policy on asset declaration by MPs and their administrative staff. This asset declaration

information has been published on the Malaysian Anti-Corruption Commission (MACC) website. The Pakatan Harapan (PH) administration also issued a directive stating there will no longer be political appointments for Malaysian Heads of Mission posts. The mechanism of appointment and management of Heads of Mission abroad has been improved via the Malaysian Government Administrative Systems Abroad circular which took effect on 8 November 2018.

Apart from the above initiatives, there are several others related to strengthening governance, integrity and eradicating corruption which are in progress.

1. Poignantly, the initiative to limit the Prime Minister's term in office to two terms is underway. This requires amendments to the Federal Constitution.
2. The reform of the Malaysian Anti-Corruption Commission (MACC) is also underway. The selection of the MACC Chief Commissioner will be done via a Parliamentary Select Committee. This procedure has been approved by the Cabinet Special Committee on Anti-Corruption (JKKMAR). Section 5 of the MACC Act must be amended for this reform to be implemented.
3. On government leakages and governance failures related to government-linked companies and agencies such as FELDA and the like, MACC will form a regulatory body to monitor governance in such investment agencies.
4. The other crucial reform now underway is the separation of the responsibilities of Attorney General and the Public Prosecutor. Again, this requires changes to the Federal Constitution, after which a two-third voting majority is required for its passing. The amendments to the specific provisions currently underway.

5. The robustness of the electoral system in Malaysia has come under scrutiny in the last few general elections. Post-GE14, to ensure the transparency and robustness of Malaysia’s electoral system, the Election Commission is reviewing the entire electoral process and presented its findings to the Cabinet Special Committee on Anti-Corruption (JKKMAR) in May 2019. One of the key areas being studied is the financing of political parties and election candidates. This reform is in its final stages of policy drafting.
6. The establishment of the Independent Police Complaints and Misconduct Commission (IPCMC) has been one of the most awaited reforms in Malaysia. The Royal Malaysian Police has come under tremendous criticism for a long time. The IPCMC Bill has now been drafted and is in its final consultation stage with the Attorney General’s Chambers.
7. The re-empowering of the public service is being done by limiting the involvement of members of the governing administration (who are politicians) in the appointment of Secretaries General and Directors General, which comes under the purview of the Chief Secretary, with recommendations from the ministries and the Public Service Department.
8. The Malaysian Ombudsman Act is being enacted to replace the Public Complaints Bureau.
9. Reform of government-linked companies (GLCs). The Cabinet Special Committee on Anti-Corruption decided that the Ministry of Finance should provide clear guidelines on the appointment of senior management, chairmen and boards of directors in GLCs and their subsidiary companies, and that there shall be no political appointees in GLCs.

10. The process of government procurement, which is one of the most prone to corruption, is being reviewed by the Ministry of Finance. A law being drafted to ensure all government procurement will produce the best value for the taxpayer's money
11. Improving the transparency and integrity of the budgeting process is also being done. The following recommendations were presented and agreed at a meeting of JKKMAR:
 - i) Mid-year budget reviews should regularly conducted;
 - ii) Criteria for off-budget allocations should be scrutinised; and,
 - iii) Each expense item using public money shall be recorded promptly and will be carefully monitored in accordance with the established financial procedures.
12. Other reform areas include ensuring the rights, way of life and well-being of Orang Asli, the indigenous people of Malaysia; to return and guarantee the rights of customary land in Sarawak; and, to monitor the implementation of the recommendations made in the Report of the National Inquiry into the Land Rights of Indigenous Peoples, among which is to conduct a study on the definition of customary land.
13. The Ministry of Home Affairs has highlighted that defending and protecting the country's borders from external invasion needs to be part of the reform agenda especially in matters of immigration.
14. Other areas of governance that are currently being reformed include strengthening the role and power of local authorities by reviewing the Local Government Act of 1976, and strengthening the policy on Human Rights in Malaysia by amending the Malaysian Human Rights Commission Act 1999.

Finally JKKMAR has agreed that as part of the reform agenda on governance, integrity and anti-corruption, Malaysia should promote its work in international institutions.

National Anti-Corruption Plan

Malaysia’s National Anti-Corruption Plan (NACP) will streamline and codify multifarious goals. In June 2018, JKKMAR determined that it would seek to integrate governance, integrity, and anti-corruption initiatives under a unified plan – hence the NACP.⁴⁶ **The NACP replaces the 2004 National Integrity Plan (NIP) and anti-corruption NKRA_s (National Key Results Areas). JKKMAR intends that the NACP’s approach of measurable, achievable targets and its assignment of lead agencies and timelines for each of their initiatives, will ensure better results. These will be augmented by GIACC’s roles of monitoring and coordination. The NACP must be viewed as a live and its plans and policies must change with the times.**

The NACP includes a rationale for its own promulgation, explaining the extent to which the public sector has become vulnerable to corruption. Prior anti-corruption initiatives, have been “late, slow or unpopular to be implemented”, including a number of measures still pending from the last administration.⁴⁷ GIACC has prioritised initiatives for inclusion that can be effective and produce a big impact in a short period.⁴⁸ **The NACP spells out the potential hazards of a delay in implementing reforms, from too-weak government regulation of corporations powerful enough to subvert the system, to “invisible hands” that might interfere in decision-making, to the**

46 GIACC, *NACP*, Executive Summary.

47 GIACC, *NACP*, p. 5.

48 Hariz Mohd, “NACP will pack more punch in reducing corruption – Abu Kassim”, *Malaysiakini*, 17 January 2019.

NACP being paraded as a mere “shadow peacock”, intended more for show than impact.⁴⁹

The NACP lays out clearly how to bring to fruition the vision articulated in the Pakatan Harapan manifesto. **At its core are three missions: to uphold the rule of law; to improve government efficiency, transparency and accountability by institutionalising principles of good governance; and to create a clean business environment.**⁵⁰ Its focus is largely on formal institutions and policies, although it also includes the sort of the civic education and public outreach activities the INTEGRITI promoted in the past, particularly through Strategic Objective 2.4, on education and professional development for “human governance-based programmes”.⁵¹ It leaves anti-corruption enforcement to the MACC. Overall, the NACP echoes and operationalises Pakatan’s manifesto and the IRC’s report in its articulation of objectives and initiatives.

GIACC developed the NACP in collaboration with government agencies and non-governmental stakeholders. As a first step towards identifying concerns, GIACC met individually with the secretaries-general of each ministry, 26 in all, who were each asked to identify the key challenges they faced or key weaknesses in policies or laws relevant to combatting corruption in their domain. GIACC then invited the Auditor General and MACC Chief Commissioner to explain what they had been auditing or investigating in that ministry, to help in setting priorities for what to pursue. (*GIACC excluded some initiatives – for instance, a commitment to open-tender for public procurements, an initiative already securely underway.*)

49 GIACC, *NACP* p. 26.

50 GIACC, *NACP* p. 33.

51 GIACC, *NACP* p. 44.

The NACP is very focused on the public sector because the Government believes it has to set its own house in order first before directing others to do likewise. This public-sector focus, though, is apt, because more than 63 percent of complaints to the MACC in the past five years were about the public sector, the largest share (almost 43 percent) of those concerning procurement. In the past three years alone, 30 high-ranking civil servants have faced corruption charges, eroding public confidence.⁵² GIACC also invited other representatives, apart from those in the public sector, to participate in an NACP drafting committee, including representatives from both business and civil society – specifically, anti-corruption NGOs, C4 (Centre to Combat Cronyism and Corruption) and Transparency International.

Nor did the collaborative process stop with identification of problems thus far. GIACC drew on a range of global models, government data, and prior surveys and assessments. **Analyses of complaints to MACC over the preceding five years, for instance, allowed the drafting committee to determine Malaysia’s major weaknesses, in terms of corruption. Leading the pack was administrative failure, such as manipulation of systems and procedures, conflict of interest and abuse of discretionary power or political interference.**⁵³

Supplementing these retrospective considerations are risk-assessment and scenario-planning exercises. The GIACC offers projections to 2030. To do so, the drafting committee considered trends and developments such as the increasing decentralisation of government functions and new collaborative platforms; emerging technologies for corruption-deterrence; cleaner business processes; building institutional and public trust; digitalising public services;

52 GIACC, *NACP*, p. 4, 9.

53 GIACC, *NACP*, pp. 34.

and the growing potential of big data, artificial intelligence, and blockchain (a way of storing digital data in discrete, or distributed, “blocks”) as tools in combatting fraud.⁵⁴

Working with a local innovation-support agency, the committee developed four scenarios: the continuation of the status quo ante; a limited realisation of the NACP’s vision; economic and ethical growth from the successful introduction of the NACP; and decline and social-system collapse. The process entailed enumeration of shared visions and fears: what the government might plausibly aim to achieve and what might result, should the effort fail. The participants identified opportunities to increase the odds of positive outcomes, such as implementing systematic risk assessments, fostering citizen participation via anti-corruption watch groups, and extending the use of technology to streamline and improve procurement processes, as well as risks, such as unethical media practices, weakening of NGOs’ watchdog functions, and the short life cycle of digital media, software, and hardware. Each scenario includes a consideration of what it would entail in terms of political governance, public-sector administration, public procurement, law enforcement, legal and judicial systems, and corporate governance.⁵⁵

Those domains constitute the NACP’s six priority areas, each with a coordinating core strategy:

- *Political governance*: Strengthening political integrity and accountability.
- *Public-sector administration*: Strengthening the effectiveness of public-service delivery.

54 GIACC, *NACP*, pp. 15-17.

55 GIACC, *NACP*, pp. 19-21, 23-25.

- *Public procurement*: Increasing efficiency and transparency in public procurement.
- *Legal and judicial sectors*: Enhancing the credibility of the legal and judicial system.
- *Law enforcement*: Institutionalising the credibility of law enforcement agencies.
- *Corporate governance*: Inculcating good governance in corporate entities.

These strategies frame a total of 16 objectives, further disaggregated to yield 115 specific initiatives. Of these initiatives, 30 are short-term goals, to be achieved by December 2019 (of which, the NACP identifies 22 as high-impact top priorities); 31 are medium-term, for completion within two years (by December 2020); the remaining 54 are long-term goals, to be achieved by 2023.

As the implementation of the NACP gets underway, the lead agency or agencies named for each initiative will coordinate efforts for that item – for instance, the Ministry of Communication and Multimedia will take the lead on Initiative 1.2.8, introducing new legislation on freedom of information, within the five-year timeline. GIACC will oversee the process, however, as the secretariat of a multi-tiered governance structure. An October 2018, Prime Ministerial Directive establishes this arrangement: an operational tier (comprising agency, state government and national-level anti-corruption committees) reports to JKKMAR, which reports to Parliament; GIACC will also provide the JKKMAR and Parliament with an annual NACP monitoring and evaluation report. Policy recommendations can thus filter up from below, with a combination of ground-level implementation and high-level checks and balances.⁵⁶

56 GIACC, *NACP*, p. 56.

Reflecting the combination of political inputs such as the Pakatan Harapan manifesto, extra-governmental consultation, and international technical advice through which the GIACC developed the NACP, the document outlines an implementation framework spanning state, federal and international levels, inclusive of continuing input from public and private sectors, as well as civil society. The strategy encourages spin-off initiatives, as well. For instance, the Minister of Domestic Trade and Consumer Affairs contacted GIACC after the NACP's launch, to request help in developing a ministry-specific anti-corruption plan, to fulfil its role in ensuring a conducive environment for fair competition.⁵⁷ **Beyond systematic mapping of inputs to outputs, more ad-hoc guidance, and quarterly reports that lead agencies will send to GIACC, the implementation plan calls for biannual Coordination Performance meetings among relevant stakeholders.**⁵⁸

Revamping the policy process

Whereas the NACP focuses on institutional measures – changes to laws, structures, and so forth – governance reform is a larger project. Central to its pursuit is the refinement of processes for policy development, implementation and feedback across the government, on an ongoing basis. Policymaking has typically been highly top-down in Malaysia, although particular individuals now in government are known for their efforts at consultation. **Beyond GIACC itself, several ministries have been especially proactive in institutionalising new processes, particularly by building consultation and ongoing collaboration into their plans and policies. For instance, the Ministry of Defence is convening**

57 Muslimnah, “KPDNHEP proaktif dalam penyediaan pelan anti rasuah peringkat kementerian”, pressstatement, 20 Februari 2019, <<https://www.kpdnhep.gov.my/kpdnhep-proaktif-dalam-penyediaan-pelan-anti-rasuah-peringkat-kementerian/?lang=en>>.

58 GIACC, *NACP*, p. 57-58, 60-61.

a consultative process to draft a national security white paper – Malaysia’s first – to present to Parliament in late 2019. The Ministry of Foreign Affairs likewise formed a consultative council composed of former diplomats, academics and representatives from civil society, and held town hall sessions to gather feedback, complementing a day of parliamentary debate, to inform a new foreign policy framework. JKKMAR has promoted efforts in line with the resulting framework, such as by undertaking to appoint career diplomats, and not politicians, as ambassadors and high commissioners as well as adopting the blunt theme, drawn from the Pakatan Harapan manifesto, “*Malaysia dikenali kerana integritinya, bukan kerana rasuah*” (“A Malaysia known for its integrity, not corruption”) to project a new image abroad.⁵⁹

Meanwhile, overlapping with NACP targets, specific institutional arenas have called for more targeted review and planning – particularly of the electoral system, Parliament and the judiciary, but also for such areas as policing and security, and the state’s role in the economy, including through GLCs.

Electoral reform

Among the most politically salient social movements in recent Malaysian history has been Bersih, the Coalition for Clean and Fair Elections. That electoral reform would emerge as a priority for the new government was thus unsurprising.

The Election Commission (EC) – with human-rights lawyer Azhar Harun as chair as of September 2018 – has already begun to reform election-management practices for by-elections, including inviting Bersih as election-monitor. These elections offer opportunities to try out new processes for voter registration, candidate nomination,

59 “Initiatives under JKKMAR – edited version”, GIACC document.

and more. The EC is also enforcing laws already on the books, such as against “treating” voters to woo votes, during campaigning, and encouraging election petitions to go to trial (which has rarely happened), so the courts can offer guidance on the interpretation of election laws and regulations. Within Parliament, too, a Caucus on Parliamentary Reform and Governance is independently considering electoral reform.

Specific initiatives related to electoral reform also appear in the NACP – “Reforming of electoral legislation and electoral systems” is Strategic Objective 1.1, indicating how much of a priority electoral reform is. JKKMAR took near-immediate action, especially on high-profile and pressing aspects of reforming the electoral process. In July 2018, JKKMAR had already agreed to pursue legislation on political funding, although the details for how to address this politically challenging issue had yet to be worked out.⁶⁰ Enactment of a political funding law, with transparency as its core underlying principle, features in the NACP as a target for completion within two years, though the GIACC is hoping to enact the law sooner.⁶¹ But while such steps as establishing an Election Commission Nomination Committee (NACP initiative 1.1.6) or legislating against the use of government machinery to promote a candidate or party (1.1.9) are tangible and straightforward, the change of government in May 2018 afforded an opportunity for a comprehensive review of Malaysia’s electoral system. Those efforts are now underway, extending beyond the delimited areas the NACP identifies.

60 Teks Ucapan YB Tuan Mohamed Hanipa Maidin, Timbalan Menteri di Jabatan Perdana Menteri (Undang-Undang) Semasa Mengguling Perbahasan Rancangan Malaysia Kesebelas (draft response), n.d.

61 Hariz Mohd, “Political funding bill to be completed by end-2020, says Abu Kassim”, *Malaysiakini*, 15 January 2019.

In August 2018, the government established an Electoral Reform Committee (ERC), headed by former Election Commission chair, Tan Sri Abdul Rashid Abdul Rahman, to develop a set of proposals, a wide-ranging process expected to take about two years. The ERC has benefited from the deep expertise of Malaysian civil society and academia on electoral systems and elections management, as well as from international advisors – UNDP, International IDEA (Institute for Democracy and Electoral Assistance), and IFES (International Foundation for Electoral Systems) are all involved in the ERC's ongoing work. The ERC includes representatives from political parties, and participants have made determined efforts to include the Barisan Nasional and other opposition parties in its discussions. The committee has actively solicited feedback from the general public, including through consultations at different venues across Malaysia, to record grievances and suggestions, as well as from groups such as Parti Keadilan Rakyat's Institut Wanita Berdaya (Women's Empowerment Institute) which conduct public outreach programmes.

The ERC has divided its work into nine clusters: the electoral system; the electoral roll and voter registration; constituency delineation; conduct of elections; political or campaign financing; the role and duties of a caretaker governments; the need for an elections management body; voter education; and, law reform. UNDP, International IDEA and IFES work with three clusters each, and UNDP is bringing a technical advisor to coordinate the highly concerted process; International IDEA and bilateral partners have also sponsored expert visits to Malaysia or overseas study tours.

Some of the clusters are narrowly technical; others, especially the first, on the electoral system, are expansive, because it must take into account a cost-benefit analysis of restructuring Malaysia's electoral system and whether it should be based on proportional representation

or mixed-member majoritarianism, for instance, instead of the current first-past-the-post, winner-takes-all system that applies for all of Malaysia’s state and parliamentary constituencies, all of which are currently single-member districts, i.e. are represented by just one assemblyperson each. It is also considering how to present and phase in any changes that may be regarded as radical, in order for them to gain the broadest political support.

Parliamentary reform

Parliamentary reform is also underway, both within the institution itself and as part of broader restructuring. Its overall objectives are to restore equilibrium among the decision-making branches of government and to improve checks and balances. Promise Number 16 of the Pakatan Manifesto offers a long list of specific steps related to restoring “the dignity of the Parliament”, oriented around two key thrusts. The first is to ensure the legislature becomes less of a “rubber stamp”, playing a more active role in developing legislation, scrutinising budgets, and otherwise controlling the policy agenda. The second is to restore parliamentary autonomy, by reinstalling a separate parliamentary service (which a constitutional amendment in the 1990s folded into the general government service) and by granting Parliament financial independence. Reforms under consideration (many of them included under the NACP’s Strategic Objective 1.4, “Enhancing Parliamentary Authority and Governance”), look towards Commonwealth and other international benchmarks. These measures extend beyond what the manifesto articulates, such as the development of a code of conduct for members of parliament or of a parliamentary commission for oversight.

A number of early JKKMAR initiatives serve to shift authority from the executive to the legislative branch. Moving forward,

members of parliament will be able to vet nominees for chief commissioner of the MACC, for instance. Various reforms aim to restore the institutional integrity of Parliament, including facilitating a better-functioning Opposition, more substantive debate, and greater transparency. The Parliamentary Service Act of 1963 is to be reintroduced, and parliamentary select committees are being formed.⁶² Six select committees had already begun work as of the March–April 2019 parliamentary session, with few more in development. The Code of Conduct for Members of Parliament is also being produced currently by the House Speaker, for the first time.

The Speaker of the House, Tan Sri Mohamad Ariff Md. Yusof, is responsible for coordinating institutional reforms, as well as training parliamentary staff, to facilitate a more substantial legislative function. On the Senate side, too, a 14-member Senate Reform Working Committee, formed with the approval of the Senate president, has developed proposals to give the Upper House a clearer purpose and role and ensure it can more effectively represent states’ and local citizens’ interests.⁶³ In addition, Dato’ Seri Anwar Ibrahim, chairs a bipartisan Parliamentary Reform and Governance Caucus that aims to propose and coordinate efforts to improve governance within the institution. The Caucus has identified wide-ranging initial foci, reinforcing efforts in select committees and other fora, including supporting the effective implementation of the NACP.⁶⁴

These reforms extend beyond technical fixes. Some improvements suggested, for instance, address norms that would encourage or

62 “Initiatives under JKKMAR – edited version”, GIACC document.

63 Susan Loone, “Report on Senate reforms ready in March, says Yusmadi”, *Malaysiakini* 23 January 2019.

64 Anwar Ibrahim, “Statement on Parliamentary Reform and Governance Caucus”, 30 January 2019.

oblige members of parliament to take policymaking more seriously, such as by ensuring they have access to the bills and amendments on which they are to vote, and sufficient lead time to allow for thoughtful review and debate. Other suggested reforms would ensure the Opposition has a stronger platform from which to scrutinise the Government – a shift that Pakatan Harapan hopes will encourage opposition to back proposed reforms.

Judicial reform

Spearheaded by the Chief Justice, institutional reform of the Judiciary is also making headway. Part of the judicial-reform effort involves integration of international frameworks, such as the International Framework for Court Excellence performance-management system⁶⁵ and technological fixes, to make case management and processes such as empanelling judges more efficient and transparent. Other aspects address the specific ways judicial independence and probity have deteriorated over time, as well as the Chief Justice's concern for maximising access to justice. An overarching imperative is to eliminate negative public perception of the Judiciary and to improve public confidence in the institution.

One initiative, for instance, has been to revive public-interest litigation as a tool for advancing causes such as environmental initiatives. As part of judicial reform, a colloquium for judges on public-interest litigation considered the benefits, drawbacks and potential uses of public interest litigation and its use by neighbouring jurisdictions. Workshops will be conducted for lawyers and NGOs to raise awareness of public interest litigation and encourage stakeholders to bring forth cases. Attention has focused, too, on human rights, as Malaysia considers high-profile and important

65 See <<http://www.courtexcellence.com>>.

efforts to repeal or amend a range of laws identified in the Pakatan manifesto, such as the Sedition Act and Prevention of Crimes Act, and to enact laws that safeguard the freedom of information and expression, for instance.

Judicial reform has also focused on the legal profession and institutional integrity, including how best to balance the need to hold officers of the judicial service accountable for upholding judicial independence.

Policing and security

Reform of the Royal Malaysia Police features prominently in Malaysia’s anti-corruption plans. Surveys suggest the public perceives the police force as the most corrupt institution in Malaysia.⁶⁶ Beyond reducing such practices, the Ministry of Home Affairs seeks to remodel the police from being a just an “enforcement agency” to being an agency that provides a service in the public interest. This will be done by addressing standard operating procedures and other aspects.⁶⁷ The NACP places law enforcement as one of its core priority areas (Strategy 5, comprising a total of 17 specific initiatives) and has as its aim to institutionalise the credibility of Malaysia’s law enforcement agencies.

Establishment of an Independent Police Complaints and Misconduct Commission (IPCMC), addressed in Promise 20 of the Pakatan Harapan manifesto and initiative 5.3.4 in the NACP, has been an especial focal point. The IPCMC Bill is now being

66 E.g., Transparency International, *Asia Pacific –Global Corruption Barometer, 2017* (2017_GVB_AsiaPacific_RegionalResults), Q2: “Perceptions of corruption, by institution”, available at <https://www.transparency.org/whatwedo/publication/people_and_corruption_asia_pacific_global_corruption_barometer>.

67 Interview with Muhyiddin Yassin, 5 March 2019.

drafted to be tabled in Parliament. The working team is also engaging all relevant stakeholders in the process. Since taking office in May 2019, the new Inspector General of Police, Tan Sri Abdul Hamid Bador, has given his full commitment to implement the IPCMC.

One proposal from civil society is for a wider definition of complaints, to cover abuse, injuries or deaths during police operations outside the police station or police detention. Other measures that signal commitment to transparency in both law enforcement and public security include the establishment of a Royal Commission of Inquiry, approved by the JKKMAR⁶⁸ and announced in January 2019 (then codified as initiative 5.1.4 in the NACP), into 139 mass graves found in Wang Kelian, Perlis (on the Malaysia–Thailand border) in May 2015, and the issue of human trafficking. Similarly, Defence Minister Mohamad Sabu appointed a former Auditor General to investigate past practices in his ministry, by way of a six-month study of procurement, governance, and financial practices. That process has turned up evidence of abuse of power and resources, including losses of over RM500 million from dubious land-swap deals.⁶⁹

Economic probity and GLC governance

Efforts to improve integrity and governance span the public and private sectors. While the public sector has been the primary focus, steps such as a corporate liability provision in Section 17A of the MACC Act 2009, gazetted in 2018, encourages companies and organisations to run corruption risk-management exercises and establish integrity and governance units under the purview of corporate boards of directors. Section 17A also indicated the Minister shall issue the “Adequate Procedures” guidelines to

68 “Initiatives under JKKMAR – edited version”, GIACC document.

69 “Mat Sabu: Defence Ministry lost over RM500mil from land swap deals”, *The Star*, 19 February 2019.

private sector companies to curb corruption and inculcate good governance in the private sector.⁷⁰ The NACP includes a priority area on corporate governance, including two strategic objectives: one that addresses transparency of ownership, and control, of a corporate entity while the other strategic objective addresses resilience against corruption. Initiatives under these objectives focus on procurement processes, vetting of top management, utilisation of public funds (for statutory, state-owned, and government-established bodies), disclosures and transparency, political influence-seeking, anti-corruption awareness, and anti-bribery measures.⁷¹

Under this new phase, the government had by early 2019, piloted an Anti-Bribery Management System, the ISO 37001 standard, in three federal, three state, and three local government agencies. ISO 37001 addresses bribery by, or of, an organisation or its associated personnel. Certification entails training and enactment of risk-management measures to prevent, detect and deal with bribery.⁷² UNDP has provided assistance for a pilot programme, with guidance from GIACC to identify the challenges and opportunities associated with pursuing this certification. The pilot programme was jointly executed by INTEGRITI. It will also identify other means of strengthening governance in corporations and commercial entities.

These technical measures have been accompanied by a broad emphasis on retraining and skills development, and a revamping of procedures and rules, much of it specifically in line with NACP initiatives. Previously little-used existing laws, such as the Price

70 Interview with Madinah Mohamad, Auditor General, 14 February 2019 (written responses).

71 GIACC, *NACP*, pp. 52-53.

72 See “ISO 37001 Anti-Bribery Management System”, <<https://www.bsigroup.com/en-MY/iso-37001-anti-bribery>>.

Control and Anti-Profitteering Act 2011, have also been earmarked for greater use rather than creating new duplicate measures.

Within this economic domain is the fraught nexus of public and private enterprise. The sprawling GLC sector is an especially nebulous one – we lack even a precise count of GLCs now in operation. As of 2013, the Malaysian government controlled 23.6 percent of the Malaysian corporate sector and 42 percent of the market-capital value of the stock market through seven government-linked investment companies (GLICs) and 35 GLCs, all of which are in turn linked to a total of 68,300 companies.⁷³ Given that scope, plus the political crises and economic stresses in which these institutions have been implicated, GLC reform is not only codified in the Pakatan Harapan manifesto (Promise 22 addresses raising GLC governance to international standards; Promise 23, on optimising government-procurement processes, is also germane), but is a linchpin for the reform of public-sector governance. The Council of Eminent Persons looked into GLC reform within Pakatan’s first 100 days of taking office; drawing in part on the CEP’s and IRC’s recommendations, the NACP’s 10 initiatives under Strategic Objectives 6.1 and 6.2, on transparency and anti-corruption in corporate entities, explicitly include both state-owned and government-established companies. However, the combination of abstruseness of the sector, the purpose of its formation and how politically sensitive the issues relating to them are, the progress of reform in this area is still slow.

This arena exemplifies the ways in which institutional-reform efforts under Pakatan extend beyond government agencies, to include other stakeholders. For instance, a 50-member coalition of civil society organisations (CSOs) has formed a GLC Reform Cluster,

73 Edmund Terence Gomez, *Minister of Finance Incorporated: Ownership and Control of Corporate Malaysia*. Petaling Jaya: SIRD, 2018, pp. 176, 182.

part of the CSO Platform for Reform Coalition. Their objective is the institutionalisation of a well-functioning system of checks and balances over GLCs. Towards this end, they have requested that the government set up an independent task force to focus on seven specific areas, such as amendments to the Companies Act and requirements for public auditing. The continued practice of appointing politicians or party-linked individuals to the boards of GLCs or statutory boards has drawn particular concern. **Both government and private-sector officials we interviewed stressed the need for better selection procedures for the vetting and oversight of board members, given Malaysia’s record of abuse of these processes, from misdirection of government contracts, to diverting resources to key parliamentary constituencies ahead of an election.**⁷⁴ New policies are already in the works, including a new public procurement law expected to be tabled later in 2019.

e. **The challenging path ahead**

Communications, Priorities – A liberalising electoral outcome such as Malaysia’s offers a uniquely valuable “policy window” for reform. But as we stand as of this time writing, almost 18 months post GE14, that window is narrowing and impatience is growing among the electorate. **The general consensus among respondents and desktop studies is that the PH Government’s list of priority issues and how these are communicated to the public remains its biggest challenge.**

Onboarding Training – In any transition of power, new leaders take office with a popular mandate and an electoral incentive to make

⁷⁴ See also J. D. Lovrencic, “Watchdog to push for reform of government-linked companies launched”, *Aliran Monthly*, 24 January 2019; Tarrence Tan, “Ambiga: We will not forgive Pakatan if it decides against reforming GLCs”, *The Star*, 24 January 2019; Terence Gomez, “Curb covert power networks to stem corruption”, *The Star*, 11 February 2019.

good on their promises. That combination of factors offers strong impetus for quick, decisive action. However, such efforts must be for the long-term – and the lack of institutional continuity and incomplete turnover of personnel in an electoral transition do create challenges. This is another challenge for the Government, which has many first-time cabinet ministers, some of whom are even new to politics. They have been ‘parachuted’ into these challenging positions without organised coaching and instructions that are liable to change, given the novel situation of a new government for the first time in the country’s history. In public-listed companies, boards, senior management and chairmen are required to attend structured training programmes, either by oversight bodies or the company itself. This is clearly unavailable for members of the present Cabinet, even though the number of their stakeholders is larger than that of any public-listed company. **It is proposed that formalised onboarding training is developed and made compulsory for all first-time ministers. This can be organised by Parliament, being an independent legislative body, with oversight by MACC, and the Office of the Chief Secretary to the Government.** The rationale for this is that Parliament is in the process of implementing a code of conduct for its members and this training can be a part of that reform initiative. **Onboarding training should cover areas such as setting out a vision, its priorities, objectives and schedule; stakeholder management and communications especially in times of crises; organisational management, transformation and culture; leadership skills; and, the effective management of meetings, to name but a few essential skills.**

Progress of Election Promises and Reform of Government – The ever-looming popular referendum of the next general election means it is of critical importance to communicate such progress and their results effectively in order for the public to appreciate that their feedback has been acted upon, Ideally, this will also allow the

public apprehend the overarching narrative of reform, and its *raison d'être*: not just governance for governance's sake or to right past wrongs, but the pursuit of more sustainable, inclusive development. Indeed, that so much of Pakatan Harapan's electoral support appears to have been more *against* the incumbent government than *for* significant systemic reform⁷⁵ makes it all the more crucial that policymakers secure ongoing buy-in for the changes they propose.

Public Administration Reform – The nature of Malaysia's first transition of power has left Pakatan Harapan to confront two key conundrums. **First, the remnants of the previous system remain in place, this being a government administration as well as a civil service needing reform to face the realities of the times. Second, the Pakatan Harapan Government aims for, and has embarked upon, simultaneous processes of reform on many fronts, including corporate-sector governance. The Government's core supporters have high expectations, not only for sweeping changes, but speedy results.** However, given the financial constraints posed by high government debt and prior losses to corruption, and the uncertainty of the global financial market and political turmoil (especially now, amid the Covid-19 pandemic), prudent officials may be strongly inclined to take things more slowly, and hasty reforms would be counterproductive. This is an area that requires continual observation and monitoring by the Cabinet to ensure significant and meaningful reform is done, and communicated to the public by all levels of government.

Execution and Review of the NACP – The government's efforts thus far should be seen primarily as establishing the framework for

75 See, for instance, the contributions to *The Round Table: The Commonwealth Journal of International Affairs* 107, no. 6 (2018): "Regime Change in Malaysia: GE14 and Its Importance", guest-edited by Chin-Huat Wong and Kee Beng Ooi, available at <<https://www.tandfonline.com/toc/ctrt20/107/6>>.

a long-term process of reducing and reversing the normalisation of political and economic corruption in Malaysian public life. This will require not just enforcement, but governance planning, with an initial strong push, much of it via GIACC, followed by ongoing review. But it is essential to institutionalise not just specific reforms, but also new processes, to ensure momentum and commitment persist beyond the tenure of any one office holder. Just as essential is the clear execution and enforcement plan laid out in the NACP, and its review mechanisms. **Respondents interviewed during the NACP’s gestation urged GIACC to ensure a clear implementation plan with specific timelines, points of responsibility for each reform initiative, and the resources required to achieve them. Their concern remains that the NACP plan could give way at the point of its execution and enforcement.**

Institutionalisation – The institutionalization of procedures for policy development, implementation, evaluation, and feedback will be a difficult but crucial task to ensure the sustainability of a new governmental culture. As GIACC’s Tan Sri Abu Kassim notes, the NACP is a “living document”⁷⁶ that needs periodic retooling and elaboration. Especially useful would be to refine coordination among parts of the government structure and its machinery. **In interviews, respondents noted their preference for a “whole-of-government” approach, in which ministries and departments collaborate across portfolios to address multi-dimensional policy issues.⁷⁷ The NACP adopts just such an approach by identifying and tasking one or more lead agencies to coordinate progress among relevant agencies for each reform initiative. This requires building trust and buy-in from across the aisle in Parliament so the Government and Opposition work together to achieve the institutionalisation**

76 Interview, 31 January 2019.

77 Tom Christensen and Per Læg Reid, “The Whole-of-Government Approach to Public Sector Reform”, *Public Administration Review* 67, no. 6 (2007): 1059-66.

of reforms. One instance where non-partisan cooperation would likely be required is where reforms can only take place by amending the Federal Constitution (for instance, to parliamentary practice), which can only be passed with a two-thirds majority in Parliament. The process of conciliation needs to be inculcated in New Malaysia, such as with the successful passage of the bill to reduce the voting age to 18 years old into becoming law. **The Executive needs to be able to present a case of good for all, and reduce the politicisation of issues, if reforms are to be embraced and voted where Parliamentary consensus is required.**

Stakeholder Management – The institutionalisation of changes in *process* will entail continued incorporation of stakeholder input, throughout the policy lifecycle. **Although that shift in approach has begun across the government and civil society organisations, the focus thus far has been more on soliciting policy input than expanding participation to policy drafting or implementation. This is an area that needs further work and strengthening.** Malaysia’s international partners might develop new ways to inculcate such efforts for greater efficacy, to avoid duplication and with an eye towards long-term domestic sustainability.

Strong Civil Service – More broadly, especially in light of the extent to which policy execution has come to rest with the civil service, an effort is being made to retrain and encourage civil servants in their roles in the reform process. At the time of independence, Malaysia’s civil service followed a classic Weberian model of legal–rational administration: clear rules, hierarchical authority, merit-based appointments, political neutrality and technical efficiency.⁷⁸ However, the civil service has become increasingly politicised since then, due to factors ranging from personal relationships between political

78 Mansor and Raja Noriza, “Public Administration”, pp. 104-5.

and civil-service elites, to political parties using the public service for their own election campaigns (while selectively proscribing the participation of civil servants, in their personal capacity, in politics), to clientele practices.⁷⁹ This is notwithstanding periodic efforts since the 1980s to improve the efficiency and professionalism of the bureaucracy; Malaysian civil servants have come to be “subject more to political control than to public accountability mechanisms”. Our respondents suggest such habits still need to be overcome in at least some parts of the administration. **The interviews also strongly suggested that the mechanism of work between the Executive and civil service needs to be revamped for greater accountability, transparency and optimal outcomes, on both sides. It can also be deduced from the interviews that there is a need for clarity in the promotions and appointments both in the civil service and in the offices of ministers. The roles and responsibilities of ministerial aides must be clearly stated from the outset especially in regards to their involvement in procurement decisions and the related policy implementation. The Chief Secretary, with GIACC and MACC, has begun to introduce work processes that will enable this transparency, by clarifying lines of accountability and responsibility.**

Politics, Manifesto and Reform Agenda – Certainly, politics looms unavoidably large over reform efforts. Populism is beginning to rage and this is resulting in MPs playing to the gallery at times to keep their voter base. **Officials interviewed for this book have noted the inconsistency of political support for (or gaps in politicians’ understanding of) certain reforms, such as in those officials’ efforts to disentangle political from administrative matters. Beyond the broadly demarcated deadlines in the NACP, policymakers will need to strategise the sequence and structure of reforms in a way that is most politically feasible; in short, they must ensure accountability**

79 Siddiquee, “Combating Corruption”, 166-7.

and manage popular expectations. The cost of implementing reforms and the resources required for them are not substantively covered in the NACP; these should be made public for transparency and accountability. Officials who were interviewed for this book also stressed the need to have clear mechanisms for implementing manifestos by this Government, and also all future governments. **Promises are often made at the point of election and manifestos become a forgotten document. In this new era the public have been demanding adherence to promises and the PH Government has worked hard in segmenting its promises and achievements over the last 18 months. Where unable they have communicated reasons for them. Moving forward, it would do well for the Government to put in place mechanisms that would enable manifestos to be reviewed and implemented post a general election. This should ideally be driven by the Chief Secretary, under the purview of the Prime Minister.**

Transparency in Key Appointments – This is a topic that was one of the most concerning for respondents. The overarching requirement is that reforms address not just formal institutions and rules, but also informal institutions and norms. The goal must be to reduce the occurrence of corruption and other malfeasance, however entrenched a particular “way of doing business”. In the past, the politicisation of monitoring and enforcement processes has eroded public trust, casting anti-corruption measures as partisan political weapons first and foremost. Institutionalising a stronger role for Parliament – for both Government and Opposition – and the judiciary, will ensure better checks and balances, and reduce the ability of any one person to subvert the democratic process. Importantly, it will reassure the public that the national reform effort is inclusive and sincere. **Disrupting closed elite networks, such as by allowing Parliament to vet and confirm nominees for key appointments and ensure greater transparency and insulation from politics among GLCs, may help.**

Multiple respondents stressed the need to appoint candidates with the requisite competence and of integrity in positions of authority – yet experience shows that structural controls are needed, too. Respondents also suggested that a transparent appointments system is developed and made public to build public confidence in the Government and its reform agenda. In the final analysis GLCs are established using public funds but the appointments of their board members and senior management are still seen as clandestine, done by a select few. This process needs to be made transparent, and the perception that person(s) in high office are making political appointments needs to be replaced by clarity of institutionalised systems and processes of vetting and professional appointment.

Ministerial Messaging – Several respondents mentioned cases in which ministers’ public statements were ‘out of sync’ or uncoordinated, or that were too easily misinterpreted, whether intentionally or otherwise. Their negative effects on public opinion that poor media practices may generate, is among the risk factors the NACP identifies.⁸⁰ To avoid mischaracterisation and misconception, the government will need to be deliberate and coordinated in its statements, to facilitate public understanding through routine media practices that ensure transparency and perhaps to prioritise the reforms that enable this to take place (e.g., per Promise 27 of the Pakatan Manifesto). The administration can also encourage journalists and other media practitioners to ask deeper questions – to go beyond “he said, she said’ reporting” for “public education in the public interest”, as one respondent put it. This work could help to raise awareness of, appreciation for, and commitment to the normative goals of good governance and the extent to which integrity and anti-corruption measures facilitate sustainable

80 GIACC, *NACP*, p. 25.

development goals. The quality of news reporting in Malaysia requires strengthening as much as the quality of communications of senior public and private sector leaders.

Setting the Gold Standard for Governance – Some respondents were candid in stating that government entities involved in businesses and commercial activities must be the gold standards for corporate governance. Ultimately the regulators and oversight bodies are owned by the government in part or in whole. As one respondent said, *“Frankly you don’t even need NACP to catch a criminal. The laws, institutions and systems are there. We just need people to do their work. Will NACP get people to do their work better?”* The aspiration is for government-owned companies to practise the highest standards of governance to set the benchmark for the market, and companies linked to government should be exemplary. **Given also that the Ministry of Finance is seen as a ‘super regulator’ under which existing regulatory bodies sit, respondents expressed that MOF should be setting the bar for its own companies which should be the god standard for how all public and private sector companies are run. The case is quite the reverse at present given the many malfeasance cases involving GLCs.**

Accountability in the Public Service – Every year the Auditor General’s Report lists areas of non-compliance, in detail, and it is debated in Parliament, and the Public Accounts Committee. Yet what remains unclear are the actions taken in respect of the report, after it has gone through these public processes. The perception is that in most instances officials are either transferred or put in cold storage. The sentiment and perception are that no real deterrent action is taken against these officials because these malfeasances are an annual occurrence, and only seem to get worse. The process of prosecution is seen to be onerous and interminable, one example of this inertia concerns RM100 million which went

missing at the Ministry of Sports under the previous government, and remains at large in its outcome. Another constant refrain by respondents, and based on desktop studies, is that ‘some small fish’ is often made responsible for the crime of the leader. There is no closure in these cases because the public is not informed of their outcomes. **It is proposed that the Chief Secretary, should prior to the announcement of the next Auditor General’s Report, make a statement about the actions (or non-actions) taken against those identified in the previous years’ reports, and by what system and processes.** As one respondent said, *“It was good enough for the public to know crime was committed then we are not told what happened to these people who committed the crime.”*

f. Lessons learned

Malaysia’s experience since Pakatan Harapan’s election is distinctive.

First, the nature of the transition is itself salient: this was a “transition by election” rather than a case of bottom-up “replacement” by popular revolt, or a negotiated “transplacement”.⁸¹ The system overall thus remains in place, under new management.

Second, Malaysia has a parliamentary rather than presidential system. The relatively higher level of policymaking efficiency of parliamentary systems in general compared with presidential systems applies also to governance reforms – but so too does the reversibility of those policies, should the government change hands at the next election.⁸²

81 Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century*. Norman, OK: University of Oklahoma Press, 1991.

82 E.g., Arend Lijphart, “Constitutional Choices for New Democracies.” *Journal of Democracy* 2, no. 1 (1991): 72–84.

Third, Malaysia is a federal rather than unitary polity. Control of state governments is currently divided among parties, so we might expect mixed levels of commitment to, or agreement on, the reforms that are or should be enacted. **This is an area that requires further work in as much as how the NACP will be cascaded down to state and local governments, as well as the corporate sector.** Thus far the focus of NACP and its implementation is centred heavily at the federal level. Its applicability needs to also work at state and local government levels.

Fourth, the Alliance/BN had controlled the federal government and directed the civil service since independence, so norms and expectations that this coalition cultivated are deeply embedded. While there remain frustrations on both sides and a measure of trust deficit, **the onus and responsibility remains on ministers to set and drive the vision for their ministries and this is a skill essential for the onboarding training for new ministers mentioned earlier.** Like any commercial entity that would welcome a new management, the onus remains on the top leadership to institute trust and direction.

Fifth, the tone from the top is critical in times of reform. Balancing the legislative, executive and extra-governmental channels for agenda-setting, policy formulation, policy implementation and feedback is crucial for running the country; so too is strong political will at the top equally essential. Even prior to GE14, Malaysia already had a well-articulated architecture for anti-corruption reform; that its institutions performed so poorly, allowing substantial rent-seeking and misdirection of public funds to continue, confirms that institutions alone are not enough. **Whether parliamentary or presidential, a chief executive's antipathy or mere indifference to reform can derail the process.** Moreover, given that sustaining public backing for reform is an active undertaking, the public is likely to be sceptical of reforms in the face of lukewarm public messaging, while

policymakers will hesitate to take the risk of changing the rules. These dilemmas are especially keen when the transition of power happens through an electoral process, as in Malaysia in 2018. Nevertheless, there is a fine line between having a champion at the top and allowing reform to be too closely identified with the highest office of the land or with any one personality – and if any one person is essential for the process to continue, institutionalisation is clearly incomplete. The top leadership at every level of an institution must clearly set the tone of unwavering support for the reform agenda.

Sixth, a determined top leader should lead the effort to limit the ability of his or her successors to dismantle the most important structural reforms. The Malaysian experience illustrates clearly the need to consider not just formal and informal institutions, but also technical, political and normative aspects of reform. This requires that the reform process start with the big picture. In the Malaysian case, that sketch is most clearly captured in the collectively developed Pakatan Harapan manifesto and the consultation-driven IRC report. That the CEP saw fit to task a committee with assessing the institutional landscape in the first hundred days is, as one participant notes, a “happy accident”, but one worth emulating. Having the IRC report helped GIACC to structure and orient the NACP’s content and reform initiatives, but also its processes and their sequence, with designated lead agencies for each initiative, specific timelines and clear chains of accountability. The requirement for regular accounting will facilitate GIACC’s task of updating its stakeholders, not least the broader public, and foster their expectations for norms of integrity. Such an approach reduces the risk of disparate, poorly sequenced or incompatible reforms, and could be emulated usefully elsewhere.

Seventh, even polities with the benefit of strong local capacity, such as Malaysia’s, may find real utility in external expertise to

expedite the establishment of best practices when time for research is limited. It may be more efficient to adapt an international model to address a problem common across states than to try to tweak an existing rule or practice. Coordination with international partners with experience of such a process flattens the learning curve. Also, neutral international partners are frequently able to mediate between civil society organisations and policymakers, coordinate with external partners, assume fiduciary authority, or otherwise facilitate collaborations. However, international partners need to coordinate among themselves and establish a mediating agency to develop an overall plan; this agency then serves as the point of communication with relevant government agencies. The window for such assistance is short – probably no longer than the first 18 to 24 months after a transition of government, before political opportunity structures start to close.

Eighth, coordinated communications across the government and to the grassroots is essential to forestall cynicism and keep the reform momentum with the public. It may be necessary to conduct workshops for the news media on governance reforms, particularly where they have been previously acquiescent or suppressed. In the same vein, making the findings of consultative processes easily and widely accessible to the public may facilitate greater engagement, transparency, and accountability.

However daunting the challenges of institutional reform in Malaysia, given a strong electoral impetus and mandate, the Pakatan Harapan Government has established a framework substantially centred around governance, integrity and anti-corruption from the outset. How Malaysian planners structure reforms initiatives, particularly through JKKMAR (for policy development) and GIACC (for policy planning and cross-agency coordination and monitoring), can offer planners and theorists from other countries

into what a reform process requires. The specific content of such efforts, especially as articulated in the NACP, and the accounting thus far of what has and has not worked well would be some useful examples, **Malaysia's experience of peaceful government transition has not been without its challenges, but demonstrates and offers a benchmark of how reforms can be done without bloodshed and violence.**

PART 2

INDEPENDENT CONSULTANT REVIEW OF NATIONAL ANTI-CORRUPTION PLAN

INDEPENDENT CONSULTANT REVIEW OF NATIONAL ANTI-CORRUPTION PLAN

The United Nations Development Programme has been an active partner of the documentation project of the anti-corruption initiatives by the government of Malaysia post GE14. UNDP has contributed further by ensuring that the NACP, which was developed by GIACC, was independently reviewed by an expert in the field.

Richard E. Messick was appointed to review this work. Mr. Messick consults for international organisations, development agencies, and non-governmental organisations on legal development and anti-corruption issues. Mr. Messick worked at the World Bank on legal and judicial reform and anti-corruption projects until his retirement. His writings have appeared in scholarly and popular publications,

including the *American Political Science Review*, *World Bank Research Observer*, *Wall Street Journal* and *Washington Post*.

The following are some key comments made by the consultant in his review of the first draft of NACP document in December 2018, and before its formal launch:

1. On the work done by GIACC: stating, *“I think is a fine piece of work that will serve your country well.”*
2. **Monitoring and Evaluating of Implementation.** The consultant suggested distinguishing between actions required by the Executive and those by Parliament to implement an initiative. He used the example of how the Solomon Islands’ strategy broke down the steps required to enact a law into those the executive had to take to submit legislation to the legislature and then those that the legislature had to follow to approve the legislation.

Further, the United Nations Office on Drugs and Crime (UNODC) guide to developing and implementing a national anti-corruption strategy recommends the implementation of all measures in discrete steps, to take it from a proposal on paper to a fully implemented policy. Breaking down each initiative into separate steps or milestones makes implementation monitoring easier, and would also ease the publishing of regular updates on which steps have been accomplished, how long it took to clear each prior step, and how long the measure has been pending at the current stage. Evaluation consists of determining whether there is an inordinate delay at any step, and if so, identifying the reason or reasons for the delay. This approach can help speed implementation as those responsible for each step in the process will know that any tardiness in fulfilling their duty will be revealed.

3. **Monitoring and Evaluation of Impact.** It is proposed to gauge the impact of the NACP’s implementation by comparing Malaysia’s score or rank in 2023 with its score or rank in 2018 on four high-level measures. These are:
1. The World Justice Project’s Rule of Law Index, from a score of .54 to .63;
 2. The Corruption Conviction Rate in Malaysia, from 77% to 90%;
 3. The Global Competitiveness Report’s Public Service Delivery indicator, from a global rank of seventh to fifth; and,
 4. The joint Asian Corporate Governance Association/CLSA Limited Asian corporate governance ranking, with Malaysia ranking among the top four.

Monitoring the on-going impact of the reforms on the level of corruption allows for the implementation strategy to be modified if the data shows it is having little or no effect. It is inevitable that experience and contingencies will require adjustments to one or more reform initiatives. This information can be gleaned from the monitoring data, an evaluation of which will show why an initiative is failing to curb corruption and suggest what changes need to be made. These changes can range from modifying an initiative, say, by expanding the number of specialised corruption courts, to scrapping it altogether. (The strategy might candidly make this point so that observers understand why changes might be made after six months or a year.)

The consultant commented that the four measures selected were all too high-level to inform decisions about a particular initiative and the time frame too long to provide useful feedback. By 2023, the score or ranking on any one of them, whether or not improved,

might provide no guidance on what steps the Government should take between now and 2023 to adjust its anti-corruption strategy.

What is needed are micro-level indicators of the impact of each initiative that GIACC can monitor over the next five years. Developing many of these indicators will require a good deal of thought and expertise. They need not be agreed upon at the outset of the strategy.

The UNODC guide suggests such indicators be developed with the agency responsible for implementing an initiative, in order to take advantage of its expertise and create a sense of ownership or buy-in. The proposal is to acknowledge the need for GIACC to work with the appropriate agency on impact indicators and for their development to be made an immediate priority.

Further, while the strategy makes it clear that the test of its success is in how Malaysia scores or ranks on the four high-level indicators in 2023, the press and others are likely to compare Malaysia's 2019 scores or rankings on the four against the 2018 ones and quickly note if any have declined. The consultant suggested reducing their emphasis by making it clear that they are examples of the kind of indicators that are regularly used to gauge progress. High-level measures are crude, rough indicators with short-term fluctuations unrelated to changes in corruption levels.

The strategy already explains why changes in TI's Corruption Perceptions Index are not useful; the UNODC guide contains more on the limitations of high-level indicators (on pages 46 and 47) that might also be included in Malaysia's anti-corruption reform strategy.

4. **Financial Disclosure.** The NACP contains five initiatives on financial disclosure.
- Number 1.2.1, the introduction of “a proper asset declaration system for Members of the Administration and Members of Parliament,” a short-term, strategic priority;
 - Number 1.2.9, the introduction of a “statutory act on the declaration of assets and interest by Members of Parliament,” a long-term initiative;
 - Number 3.1.1, the requirement of the disclosure of conflicts of interest in the procurement process, a short-term initiative;
 - Number 6.1.3, the requirement that officers in government-linked entities declare their positions in other entities, a medium-term initiative; and
 - Number 6.2.5, introduction of a decree governing conflict of interest in government-linked entities, a medium-term initiative.

The consultant asked if these should be combined into a single initiative as the stakeholders maybe the same in some. He also recommended revisiting the definition of “proper asset declaration system” to include a declaration of interest.

5. **Agency Prevention Measures.** The consultant noted that Number 2.1.1 requires public sector agencies to develop an Organisational Anti-corruption Plan by December 2019 and that Number 2.1.4 requires all agencies to be certified by December 2020 for an anti-bribery management system (ABMS) that meets the standards of ISO 37001. As these two initiatives are closely linked, it might be

useful to combine them into one initiative. The combined initiative could reference the United Nations Convention Against Corruption (UNCAC) article 9(2)(d), which requires state parties to have “effective and efficient systems of risk management and internal controls”. The second round UNCAC review recommended that Malaysia “consider strengthening the risk management system in the area of public financial management”.

The consultant said these two prevention measures are extremely important. The time and cost required to investigate, prosecute, and convict a single individual of a corruption crime is enormous, and its impact pales when compared to the effect of simple measures to reduce the temptation and opportunities to engage in corrupt acts.

However, the consultant also noted with concern that many agencies may need considerable time and expert guidance to develop corruption prevention plans, and whether all can meet the deadline. He added that the resources of MACC, IIM and the Prime Minister’s Department may find it difficult to assist all the relevant agencies within a short time. He suggested the strategy could instead call for “critical” agencies to have a plan within the near-term with others given more time.

6. **Capacity Issues.** The NACP identifies 30 different agencies, including units within an agency, that will be responsible for implementing the 103 proposed initiatives. Judging by the number of initiatives, the workload of most agencies or units will increase only modestly.

The consultant asked if the Prime Minister’s Department and GIACC would be able to implement the parts of the strategy for which they are responsible, given their current staffing levels and resources. This shortfall in capacity is seen most clearly in the Ministry of Finance, which bears sole responsibility for nine initiatives and is responsible with one or more other agencies for another 17.

Table 1. Ministry of Finance Initiatives

Short-Term		Medium-Term		Long-Term	
Sole	Shared	Sole	Shared	Sole	Share
3.1.1, 3.2.1, 3.2.2, 3.2.3	1.3.3, 2.1.3, 3.1.2, 6.1.1, 6.2.3	3.2.4, 3.2.5	2.1.4, 3.1.2, 3.2.5, 6.1.2 6.1.3, 6.2.4 6.2.5, 6.2.6	3.1.5, 3.1.6, 3.2.9	1.4.9, 3.2.8 6.2.7
4	5	2	9	3	3

Table 1, above, breaks down the 26 initiatives according to whether they are to be completed in the short, medium, or long-term and whether the Ministry of Finance is solely responsible for implementation. As the table shows, by December 2019, the Ministry is solely responsible for introducing a conflict of interest policy for procurement (3.1.1) and “a more transparent mechanism” for preventing the leak of confidential information during the procurement process (3.2.1); develop standard clauses for procurement contracts that protect the government’s interests

(3.2.2); and to ensure rescuing contractors are appointed through an open tender (3.2.4). In addition to these four initiatives for which it is solely responsible, it shares responsibility for implementing another five, also by December. These are intended to assist the Prime Minister's Department to develop a policy on appointing politicians to the boards of government-linked companies (1.3.3); ensure the advice of technical units when carrying out projects (3.1.2); and assist in the development of other reforms to government-linked corporations (6.1.1 and 6.2.3).

Given the above analysis, the consultant asked if adequate resources have been allocated for implementing the initiatives, and whether the demands on Finance Ministry staff would be excessive. But it does seem to ask a lot of the staff imminently, particularly when there are nine initiatives the Ministry will be expected to help implement by December 2020 and two (curb leakage in government funds – 3.2.4; establish a procurement complaints mechanism – 3.2.5) that staff would be solely responsible for.

7. **Guidance on political interference.** The consultant provided additional reading references on ways to prevent parliamentarians from improperly interceding with civil servants which is addressed in Strategic Objective 1.3: Managing Politicians' Interference in Public Service and Local Authorities Administration.

The images below shows two samples of the comments made

PRIORITY AREA: POLITICAL GOVERNANCE

STRATEGY 1 - Strengthening Political Integrity and Accountability

1.1.1	To undertake a study on the viability of electronic electoral system and to implement if deemed feasible <i>Won't implementation require legislation?</i>	Election Commission of Malaysia (EC) Malaysian Administrative Modernisation and Management Planning Unit (MAMPU) <i>Parliament</i>	Within 1 year (Jan 2019-Dec 2019)
1.1.2	To review the amount of election expenses allowable for each constituency, by whom such amount should be allowed to be spent on; to clearly define what constitutes to "election expenses" <i>Again, isn't legislation required?</i>	Election Commission of Malaysia (EC) <i>Parliament</i>	Within 2 years (Jan 2019-Dec 2020)
1.1.3	To establish a fixed election date or to define a fixed period by which the Government should call a General Election. Any dissolution of Parliament or State Legislative Assembly before such date or period of time shall only be done by approval of the Parliament or State Legislative Assembly <i>Legislation?</i>	i) Election Comm ii) Parliament of M	As I suggested in my earlier memo, I would divide each of these into two initiatives, or sub-divide each to show steps executive must take to submit legislation to Parliament and process Parliament must follow to enact the legislation into law.
1.1.4	To establish transparent delimitation of Parliamentary and state boundaries process <i>Legislation?</i>	Election Commiss <i>Parliament</i>	
1.1.5	To review and strengthen Part III (Corrupt Practices) of the Election Offences Act 1954 (Act 5) <i>Legislation? Why will it take five years?</i>	i) Election Commission of Malaysia (EC) ii) Malaysian Anti-Corruption Commission (MACC) iii) <i>Parliament</i>	Within 5 years (Jan 2019-Dec 2023)
1.1.6	To establish Election Commission Nomination Committee <i>Seems like could be done much sooner</i> <i>Legislation? Why will it take five years? Seems like could be done much sooner especially if it can be accomplished without the need to amend law</i>	Election Commission of Malaysia (EC)	Within 5 years (Jan 2019-Dec 2023)
1.1.7	To establish a bi-parisan Parliamentary Select Committee on Electoral Matters pertaining to: i) Membership of the Election Commission ii) Finance of the Election Commission iii) Delimitation Exercise iv) Any other matters of public and national interest <i>Is there any role for EC in this initiative?</i> <i>And why would it take 5 years?</i>	i) Election Commission of Malaysia (EC) ii) Parliament of Malaysia	Within 5 years (Jan 2019-Dec 2023)
1.1.8	To amend Article 114(4) of the Federal Constitution on the Constitution of Election Commission to add more criteria in disqualifying members of Election Commission; including involvement in political parties (past or present). <i>Spell out steps required to amend constitutions and break down initiatives into different parts or sub parts based on what entity responsible for each part</i>	Election Commission of Malaysia (EC)	Within 5 years (Jan 2019-Dec 2023)

NO.	INITIATIVE	LEAD AGENCY	MILESTONE
1.1.9	To insert legal provision on the use of Government's machinery in promoting the election of any candidate or political party as an offence under Election Offences Act 1954 (Act 5) As with other proposals, to amend law, divide into steps Executive must take to submit legislation to Parliament and steps Parliament must take to enact. I would think readying such legislation for submission could be done in the short term.	Election Commission of Malaysia (EC)	Within 5 years (Jan 2019-Dec 2023)
1.2.1	To introduce a proper asset declaration system for Members of the Administration Different from 1.2.9 because 'interests' not included? See accompanying memo	i) Prime Minister's Department (PMD) ii) Malaysian Anti-Corruption Commission (MACC)	Within 1 year (Jan 2019-Dec 2019)
1.2.2	To improve on the policy or mechanism pertaining to the acceptance of gifts, entertainment and payment by Members of the Administration	i) Prime Minister's Department (PMD) ii) Malaysian Anti-Corruption Commission (MACC)	Within 1 year (Jan 2019-Dec 2019)
1.2.3	To strengthen the independence and widen the autonomy of the National Audit Department by placing them under the Parliament Legislation required?	National Audit Department (NAD) Parliament?	Within 1 year (Jan 2019-Dec 2019)
1.2.4	To amend the current Government circular: "Pekeliling Perkhidmatan Bilangan 3 Tahun 1998" to include sponsorship hence strengthening the monitoring mechanism	Public Service Department (PSD)	Within 1 year (Jan 2019-Dec 2019)
1.2.5	To introduce new legislation on governing Political Funding and to include an offence on lobbying Since lobbying and political funding are separate (although closely-linked) issues, might it make sense to divide into two initiatives? Especially since p.15 of Strategies make it sounds preparatory work for lobbying guidelines done.	Prime Minister's Department (PMD) National Centre for Governance, Integrity and Anti-Corruption (GIACC), JPM	Within 2 years (Jan 2019-Dec 2020)
1.2.6	To transform the Public Complaints Bureau (PCB) into Malaysian Ombudsman Legislation required?	Public Complaints Bureau (PCB)	Within 2 years (Jan 2019-Dec 2020)
1.2.7	To limit the term of Office for the Prime Minister, Chief Minister and Menteri Besar Legislation required?	i) Prime Minister's Department (PMD) ii) States Government	Within 5 years (Jan 2019-Dec 2023)
1.2.8	To introduce new legislation on Freedom of Information Again, divide into work Executive must do to prepare legislation and steps Parliament must take to enact. Why 5 years?	Ministry of Communications and Multimedia Malaysia	Within 5 years (Jan 2019-Dec 2023)
1.2.9	To introduce a written law on the declaration of asset and interest by Members of Parliament Note that 1.2.1 is short term and this is long term.	i) Prime Minister's Department (PMD) ii) Parliament of Malaysia	Within 5 years (Jan 2019-Dec 2023)

PART 3

- I. **CORPORATE LIABILITY PROVISIONS –**
*Section 17A, Malaysian Anti-Corruption
Commission (MACC) Act 2009*

 - II. **ANTI-BRIBERY MANAGEMENT SYSTEM AND
GOVERNMENT OF MALAYSIA –**
*Description
and Analysis of a Pilot Programme*

 - III. **MALAYSIAN GOVERNANCE INDICATORS**
-

INTRODUCTION

This chapter describes an initiative by the Malaysian Government to strengthen governance in the public service following GE14, including in government-linked companies. It involves introducing a management standard to identify risk profiles that could lead to corruption within an organisation. As with all initiatives described in this book, this initiative was led by the National Centre for Governance, Integrity and Anti-Corruption (GIACC) with the support of the United Nations Development Programme (UNDP). This chapter will focus on what led to the consideration of using the Anti-Bribery Management System (ABMS), and its pilot programme within the government bodies as well as an analysis of its advantages and disadvantages, and the determinants for its onward success.

CORPORATE LIABILITY PROVISIONS –

SECTION 17A, MALAYSIAN ANTI-CORRUPTION COMMISSION (MACC) ACT 2009

INTRODUCTION OF CORPORATE LIABILITY PROVISIONS

The Malaysian Parliament passed a bill in April 2018 to amend the Malaysian Anti-Corruption Commission (MACC) Act 2009 with the insertion of Section 17A. This new Section allows for the prosecution of commercial organisations when an associated person engages in corruption in order to obtain or retain business or seek an advantage for the organisation. The new corporate liability provisions mark a big step from the previous provisions which focused on prosecution of individuals for bribery and corruption in Malaysia only.

Companies have been given a grace period of two years to prepare for the new corporate liability provisions, which will come into effect

on June 1, 2020 under New Section 17A Malaysian Anti-Corruption Commission (Amendment) Act 2018. In summary:

- i. The provisions hold a commercial organisation liable for its employees and/or associates' corrupt practices that are carried out for the organisation's benefit or advantage.
- ii. The provisions apply to corrupt activities by companies and partnerships, regardless of size, conducting business in Malaysia and, in certain circumstances, overseas.
- iii. Penalties, upon conviction, may entail a fine of 10 times the value of gratification or RM1 million, whichever is higher, and/or a jail sentence not exceeding 20 years.

The amendment places the onus of proof on the company and its directors to demonstrate that adequate procedures are in place to prevent corrupt practices in their organisation, and on the organisation's associates to avoid risks of liability and penalties. **One of the measures that companies both in the public and private sectors have opted to implement is the ISO37001 Anti Bribery Management System.**

This fundamental intent of the amendment is that the highest leadership of an institution in the public or private sector, commercial or otherwise, comes under the purview of the Act, and places the onus them to be proactive in preventing corruption. **The amendment places a duty of care on commercial entities to prevent the offer of gratification, which falls to the company and its directors. It no longer matters whether the directors can be said to have actual knowledge of the corrupt actions of these associated persons.**

A stringently high and onerous duty of care is now on a company to show that it has in place adequate procedures to prevent associated

persons from undertaking corrupt practices. **The exact measures are not defined in law, therefore, organisations will have to demonstrate adequate measures were taken to prevent corrupt practices.**

Ministerial Guideline for Adequate Procedures Principles (T.R.U.S.T.)

Pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”), the Government issued non-legally binding guidelines on Adequate Procedures Principles for commercial entities on 4 December, 2018. **The guidelines recommend ABMS as one of the systems that can be considered to strengthen governance in commercial organisations.**

The guidelines are to assist commercial organisations in understanding and developing the adequate procedures that should be implemented to prevent the occurrence of corrupt practices in relation to their business activities. These guidelines were formed on the basis of five principles which form the acronym, **T.R.U.S.T.**

1. PRINCIPLE I – TOP LEVEL COMMITMENT

Top-level management is primarily responsible for ensuring that the organisation complies fully with the laws and regulations on anti-corruption, and ensure the effective management of the key corruption risks of the organisation.

2. PRINCIPLE II: RISK ASSESSMENT

A corruption-risk assessment should form the basis of an organisation’s anti- corruption efforts. The assessment may include identifying areas of corruption and fraud activities, cross-border activities that may result in corruption, as well as relationships and transactions that might allow for corruption to occur.

3. PRINCIPLE III: UNDERTAKE CONTROL MEASURES

The commercial organisation should implement control and contingency **measures that are reasonable and proportionate** to the nature and size of the organisation, in order to address any corruption risks arising from weaknesses in the organisation's governance framework, processes and procedures. These would include strong due diligence as well as whistleblowing and witness protection measures.

4. PRINCIPLE IV: SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT

Top level management should ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption programme, and ensure the programme is enforced. This should include a monitoring programme that covers the scope, frequency, and methods for review. It should be managed and overseen by qualified staff who conduct continual evaluations and improvements of the organisation's anti-corruption policies and procedures. Alternatively, they management may **consider an external audit (for example MS ISO 37001) by a qualified and independent third party at least once every three years to ensure the organisation's policies and procedures on preventing corruption are in compliance with the law.**

5. PRINCIPLE V: TRAINING AND COMMUNICATION

The commercial organisation should develop and disseminate internal and external training and communications relevant to its anti-corruption management system, in proportion to its operation.

Note: Details of this procedure can be found in the following link <http://integriti.my/giacc/garis-panduan-tatacara/>

This chapter adopts part of the procedure listed in the link.

ANTI-BRIBERY MANAGEMENT SYSTEM AND GOVERNMENT OF MALAYSIA –

DESCRIPTION AND ANALYSIS OF A PILOT PROGRAMME

1. ANTI-BRIBERY MANAGEMENT SYSTEM

a) **Brief Description**

ISO 37001 specifies the requirements and provides guidance on establishing, implementing, maintaining, reviewing and improving an anti-bribery management system. **It includes a series of measures and controls that represent global anti-bribery good practice.** It is the first certifiable global anti-bribery standard and uses the similar HLS as the ISO 9001 and ISO 14001.

ISO 37001 can be standalone or integrated with existing management procedures and systems of government and commercial organisations. It is applicable to small, medium and large organisations in all sectors, including public, private and not-for-profit. Although applicable to organisations across the spectrum, there is no one-size-fits-all solution for implementation. Bribery risks will vary depending on the size of an organisation, the locations and sectors in which it operates, and the nature, scale and complexity of its activities. The system is expandable based on the growing needs of the organisations' risk areas.

Figure 1. Summary of the Objectives of ABMS and Government Anti-Corruption Plans

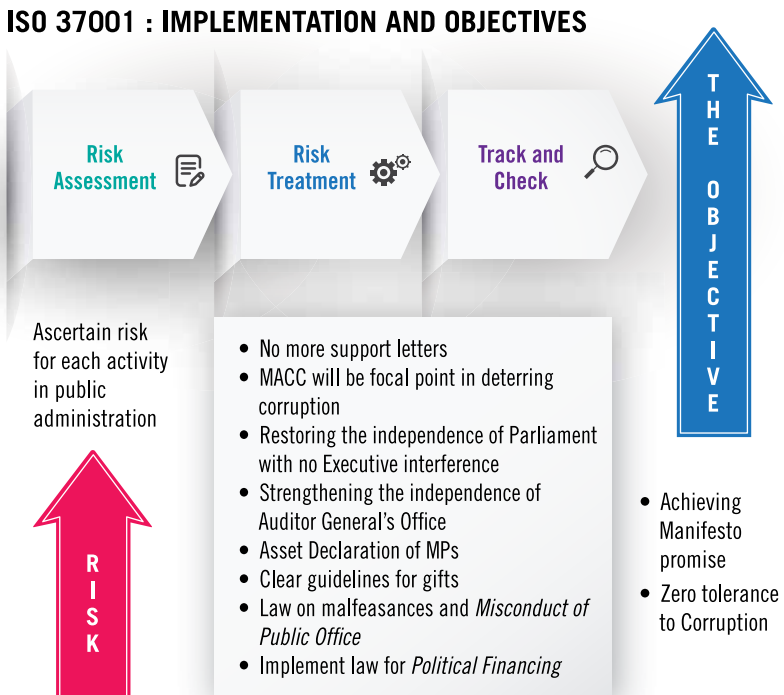


Figure 2 below summarises the key functions of ISO 37001

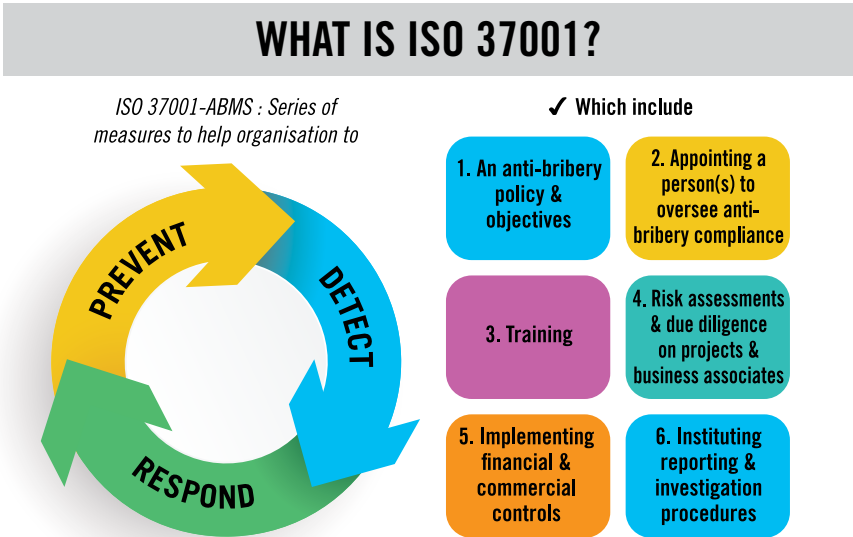
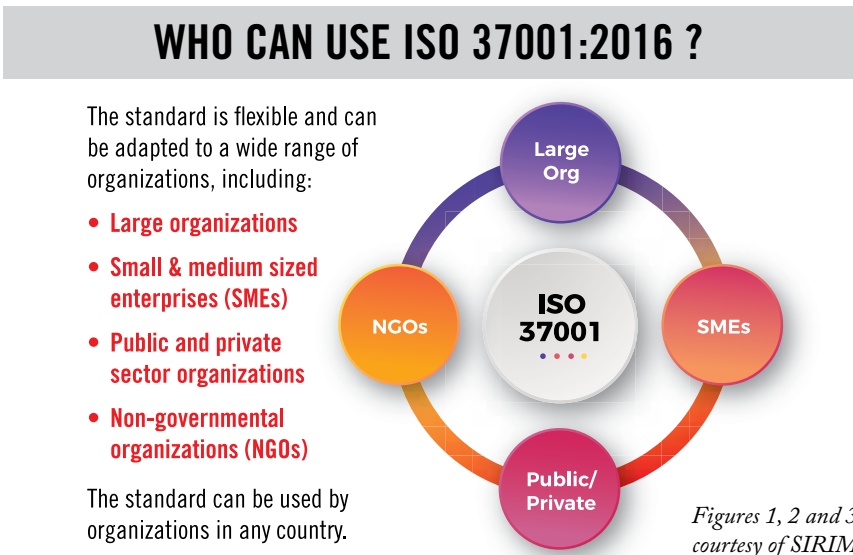


Figure 3 summarises the entities in which ABMS can be implemented.



The following are the key parameters and enablers for the successful implementation of ISO 3700:

- i. Determining the context (internal and external issues), stakeholders needs and expectations;
- ii. Assessment of bribery risks;
- iii. Implementation of an anti-bribery policy, objectives and processes;
- iv. Top management leadership and governing body oversight;
- v. Set up of a compliance function to monitor the ABMS processes (Integrity/Compliance Unit);
- vi. Communication of the anti-bribery policy to staff and business associates;
- vii. Training for staff and business associates;
- viii. A due diligence process on personnel, projects and business associates;
- ix. Implementation of financial, commercial and contractual controls;
- x. Monitoring of benefits given or received by the organisation (gifts, hospitality, donation) to ensure they are not be perceived as bribery;
- xi. Implementation of a whistleblowing procedure;
- xii. A process to investigate and deal with any actual or alleged bribery; and,
- xiii. Conduct internal audits, management reviews (if possible, three levels of review), and take corrective action for continual improvement.

2. How ABMS Works

ABMS identifies existing and potential risks within an organisation and addresses them according to priority. It prescribes active measures to curb bribery and corruption in the form of a holistic management system that takes into account performance measures and company culture. It is designed to enable and encourage a company culture that is responsive to the management system. . Thus, finding a consensus among the staff and top management on the nature of the corruption risks faced by the company is one of the keys to its successful implementation.

The risks that are captured in the management system may be pre-existing or newly developing ones. These have to be continually updated based on the expansion and the nature of the organisation, as well as local and global circumstances. Each organisation and institution will have activities and risks specific to their nature of business and therefore it is essential the accreditation bodies understands the nature of business to assist them to identify these risks.

Also key to the success of ABMS for any organisation, commercial or otherwise, are leadership and company culture. A management system that can be circumvented or abandoned, so the leadership of an organisation must enable a system of work that upholds transparency and good governance. It may be that the system identifies risks as being active and action is not taken. This is a very real possibility. Also possible is that risks are not adequately identified and recorded due to a lack of understanding of the nature of an organisation's activities, or for more sinister reasons. The importance of continuous internal and external audits to the successful implementation of ABMS cannot be overemphasised.

3. ABMS and the Malaysian Government

One of the first initiatives the Pakatan Harapan Government undertook was the establishment of the National Centre for Governance, Integrity and Anti-Corruption (GIACC), as discussed in the main section of this book. Tasked to develop the national plan to eradicate corruption and bribery, GIACC has, since its establishment on 1 June 2018, achieved many of its targets set out in the National Anti-Corruption Plan (NACP) launched on 29 January, 2019. GIACC, an agency under the Prime Minister's Department is the secretariat of the Special Cabinet Committee for Anti-Corruption (JKKMAR) chaired by the Prime Minister.

The key areas which GIACC jointly worked on with UNDP are as follows:

- I. **Documentation** – To document the anti-corruption initiatives undertaken by the Government since GE14. This involves reviewing the NACP and also interviewing key stakeholders on challenges and opportunities ahead in eradicating corruption in Malaysia and documenting them in a book;
- II. **Peer review of the NACP** – This was undertaken by external consultants engaged by UNDP to independently review the work done by GIACC on implementing the NACP;
- III. **Develop a Monitoring and Evaluation System** for NACP activities;
- IV. **Launch a pilot programme for the rolling implementation of ABMS** at the federal, state and local levels of government to encompass the entire infrastructure of the Government of Malaysia, including government-linked companies at the federal level; and,

- V. **Implement an Organisational Anti-Corruption Plan (OACP)** for all government entities. An OACP is in essence the translation of NACP into the culture of each ministry and agency, customised to suit their procedures, processes, and risk profiles.

Note – This section will specifically focus on Section IV of the resolution of the Committee.

4. ABMS Pilot Programme

In January 2019, **The Malaysian Institute of Integrity, (INTEGRITI)** which has come under the purview of GIACC since the post-GE rationalisation of agencies, was tasked to lead and supervise the ABMS pilot programme. **SIRIM Berhad**, formerly known as the Standards and Industrial Research Institute of Malaysia, a corporate organisation owned wholly by the Malaysian Government under the Minister of Finance Incorporated, was selected as the primary certifying body for this pilot programme. **It has to be noted that at the point of writing SIRIM has not been certified under ISO 37001.**

The purpose of this pilot programme is to ascertain the usefulness and relevance of implementing ABMS in government entities, the challenges involved, the budget required for it, and if there are more suitable alternative systems. INTEGRITI has been tasked to manage the certification of these entities. It is not a given that ABMS will be rolled out immediately following its successful pilot; the final decision will be based on its effectiveness in curbing and eradicating corruption in the government.

To ensure that ABMS would be trialled based on a comprehensive understanding of the nature of government and its complexities, the working team led by GIACC decided that the pilot will be rolled

out across three federal ministries, three state governments, and three local government councils, as follows:

I. Ministries

- i. Ministry of Health
- ii. Ministry of Consumer Affairs and Domestic Trade
- iii. Ministry of Defence

II. State Governments

- i. State Government of Johor – which later decided to withdraw from the pilot programme
- ii. State Government of Kedah
- iii. State Government of Kelantan
- iv. State Government of Penang (added to replace Johor)

III. Local Government Councils

- i. Dewan Bandaraya Kuching Utara (City Council)
- ii. Majlis Daerah Kuala Langat (District Council)
- iii. Majlis Perbandaran Kangar (Town Council)

4.1 Analysis of Pilot Programme

Rationale for Selection

The above were selected to test how the following elements affect corruption-risk profiling for different entities under federal, state and local governments:

1. Size, structure and delegation of decision-making authority of the organization;
2. Nature, scale and complexity of the organisation's activities and operations;

3. Nature of customer profile and stakeholders;
4. Levels of risks of business and business model;
5. Locality and sectors in which the organisation operates or anticipates operating; and,
6. Levels of interaction between public officials and stakeholders, i.e. where there is direct interaction or where processes can be conducted online.

Each of the three selected ministries have different profiles under the six selection criteria listed above. The Ministry of Health is focused on frontline customer service, its quality and efficiency, including waiting time. Its risk profile may be related to procurement and waiting time for specific medical procedures, which may have a waiting list. It may also have to account with the fee structure for senior surgeons and consultants. The risk profile for an entity such as the Ministry of Defence would be different, with more weightage being given to procurement and defence contracts and their related decision-making. In the same vein, the Ministry of Consumer Affairs and Domestic Trade may focus its risk areas on procurement processes and contracts to SMEs, price-setting and introduction of new domestic trade policies which may or may not be open to industry lobby groups.

The selection of the state governments for the pilot programme of ABMS was also to observe the differences in its implementation as follows:

1. How it would be implemented in different states, overall;;
2. The parties that comprise the state government;
3. The size (geographical area, population) of each state;

4. The nature of each state's primary business;
5. The employment model and data of each state; and,
6. The nature of the relationship between the federal government and each state.

The selection of local governments focused on city, district and town councils, all of which have purviews of varying complexity, such as:

1. Size of population;
2. Demography and need profiles;
3. Complexity of services required;
4. Bureaucracy and decision-making processes;
5. Reporting structure to the state government; and,
6. The state governments under which these councils reside and their overriding policies.

These are some of the main factors in the selection of these entities for the pilot programme. The final certification report which will be submitted by GIACC to the Government of Malaysia would describe any unique factors in the difficulty of certifying a government entity under ABMS.

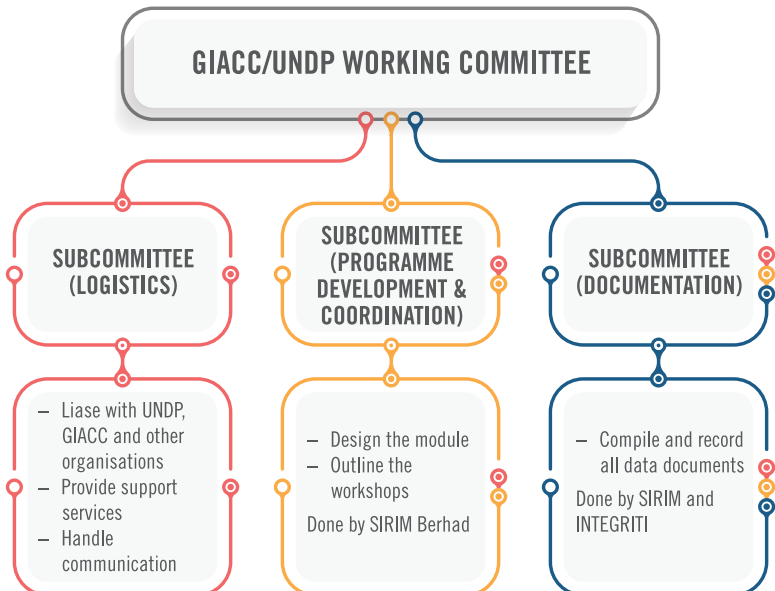
The following areas have been determined by certifiers as being most prone to corruption:

1. Procurement management
2. Contract management
3. Enforcement and regulation of services
4. Payment processes

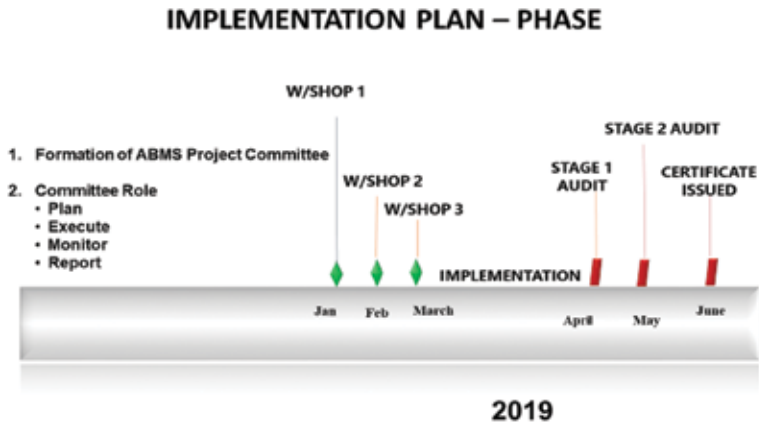
5. Monitoring of contracts of supply and services
6. Issuance of licences and permits
7. Property management
8. Revenue collection
9. Planning approvals, development charges and development approvals
10. Approvals for applications for proposed development management
11. Human resource management

4.2 Implementation Process of ABMS Pilot Programme

The working committee for the pilot programme was drawn from INTEGRITI with oversight by GIACC. It was organised as follows:



The implementation process for the pilot programme covers a six-month period and is as follows:



Figures – courtesy of SIRIM Malaysia

4.3 Selection of Participants and Workshop for the Pilot Programme

The participants were selected from three different areas of work for each entity:

1. **Management level** – persons in leadership roles or are involved in making key decisions, such as secretaries general, deputy secretaries general, directors general or their deputies;
2. **Legal and/or internal audit level** – persons who will be involved in identifying and monitoring the corruption and bribery; and,
3. **Integrity Officer** – persons involved in identifying corruption-risk areas.

On commissioning the pilot, three workshops were conducted. They focused on the following areas:

1. **Workshop 1** provided awareness on the need for the programme, and an overview of the regulatory and legal provisions, and role of oversight bodies such as the Malaysian Anti-Corruption Commission. The amendment to the MACC Act on corporate liability, and corporate risk management, was covered, among others. This workshop was conducted by INTEGRITI, SIRIM and external consultants.
2. **Workshop 2** focused on internal audit and a gap analysis of the existing systems and processes in the selected entities for the pilot. The facilitators from SIRIM worked with the participants in identifying these gaps.
3. **Workshop 3** was conducted after the participants implemented the processes prescribed in ISO 37001 in their areas of work. This workshop focused on reviewing the work, and the challenges faced by the participants in introducing the system in their respective organisations.

Prior to the first workshop, participants were asked a series of questions to ascertain their understanding of the project, risks of bribery and their general perception of available systems that address corruption at all levels of government.

4.4 Findings from the Pilot Programme

1. **Pre and Post Workshop Surveys** – These were done with all participants to gauge their understanding of anti-corruption management systems and what they involve.

The results showed a marked increase in understanding participants after the third workshop. It also showed the need for continual coaching and training because specific areas such as legal and regulatory requirements remain complex to those not well versed in them. Another area to be constantly aware of are the evolving nature of risk profiles, and the emergence of new ones because of changes in technology that alter B2B or retail interaction, for instance. To illustrate, the surveys show that participants from local councils were able to identify risk profiles more easily than those from ministries. This would point to the more complex business models and greater number of types of interactions of local councils.

2. **Budgetary Elements** – There are currently no market rates; costings are based on the number of man-hours required by certifying bodies, frequency of audits required, training and size and nature of an organisation's business, including its spread in footprint. For instance if the entire MOH were to be certified as opposed to one local council, the associated fee would invariably be different. This is an area the Government will need to take into account in its final decision.
3. **Certification** – At the time of writing all nine bodies have been certified. Of importance here are continual internal audits and the commitment of the respective entities to also use external auditors. There is no market standard but each certifying body may recommend intervals. This again would be subject to discussion between the certifying body and the organisation. **An oversight body within government must be responsible for monitoring the continual audit process of certified entities, and report to either JKKMAR and/**

or the Chief Secretary to the Government of Malaysia (KSN).

4. **Culture and Leadership** – The pilot programme addresses the understanding of systems and processes. **It does not address and demonstrate how to inculcate a culture and leadership essential for ensuring the successful implementation and continuous usage of ISO 37001.**
5. **Key Performance Indicators** – The workshop syllabus does not address how ABMS will feed into individual, group and departmental KPIs and their scoring of success and failure. It also does not address Ministerial KPIs and how ABMS is implemented across the federal, state and local government levels.
6. **Executive Decisions** – The workshops do not explicitly discuss areas that ABMS can no longer facilitate. **Put simply, if an executive decision is made at the highest levels of Government to move forward with a third national car or an ECRL project that would increase national debt; or a Taman Rimba development or Lynas which could harm the environment, how can a process-based system such as ABMS complement or contradict these decisions? Can executive decisions override ABMS or complement it? This has not been covered in the findings of the pilot programme and requires addressing.**
7. **Obstacles to Implementation** – In the course of the programme, one state government withdrew from it. The Government needs to **decide if the implementation of ABMS will be made compulsory. If different levels of government can opt out of ABMS, this would not create a full-proof anti-corruption system.**

8. **Certifying Body** – SIRIM was appointed to run the pilot programme. The Government must ascertain if one body should be awarded the full remit of certification or if there should be open competition and transparency in the selection of certifying bodies by the respective entities. However, competition among certifying bodies may also offer challenges of its own, such as a situation where ‘vending machine’ certifiers can offer to certify at cost. This is a decision that requires consensus. SIRIM and the leadership of INTEGRITI need to develop a clear set of areas of compliance. This could then be used as a basis to call for bids from other suppliers. **ISO 37001 is an international standard and there are many valid local and regional certifiers that are qualified for the task. The quality and pricing of certifiers will be among key selection criteria the Government will need to address.**

9. **Blocking of Investigations** – The scope of certification of activities covered by ABMS is limited and minimal, and needs to be expanded to include current scenarios. **It may be the case that the certifiers and the company themselves are unfamiliar with bribery risk assessment, i.e. to identify, analysis and evaluate bribery risks.** Further, there may also be issues in accessing documentation in the event of malfeasance, for initial investigation records on bribery complaints/incidences.

5. Learnings – Advantages and Disadvantages of ABMS

Despite many positives, ISO 37001 may face challenges in acceptance or adoption in some parts of the government and the private sector for the following reasons:

1. The long-standing corruption prevalent in some industries may well see a **pushback by the private sector in the implementation** of such systems.
2. **Weak enforcement of existing anti-corruption regulations.** MACC in this instance, will need to address how to strengthen enforcement should ABMS be rolled out across the government and its business entities.
3. Despite the provisions of corporate liability laws and its more stringent requirements on companies and directors, that want to implement ISO 37001 should be prepared to face challenges such as:
 - a) Structuring global reporting requirements for incidents of possible violation as these would be additional to the auditing required by law;
 - b) Implementing and ensuring adequate structured and acceptable limits or approaches to cultural practices in their respective geographies, such as gifting, stakeholder interactions, decision-making processes, to name but a few; and,
 - c) Customising documentation and monitoring mechanisms across geographies and units for continuous compliance for entities with more than one footprint of business and beyond one locality of operations.

ISO 37001 will face challenges in order to be accepted by many business entities under the government, especially SMEs. Even though procurement guidelines list anti-corruption ISO certifications a prerequisite for participating in government tenders (and this may go a long way towards increasing adoption of the ISO and demonstrating the nation's anti-corruption vision), the

stakeholders may well revert to similar guidelines developed internally or externally that could match the ISO standards listed as a prerequisite for participation in government procurement tenders.

The following are some of the advantages and disadvantages of ISO 37001 certification for a company or government entity:

5.1 Advantages:

- i. Certification may offer a “stamp of approval” of an organisation’s anti-bribery and anti- corruption programme. This may offer a degree of comfort for the board and management;
- ii. Certification provides a proactive confirmation of a company’s commitment to identifying and reducing bribery; and,
- iii. Certification could well create a level playing field and benefit all competitors, consumers and governments, if used as one of the key qualifiers for participation in tenders.

5.2 Disadvantages:

- i. ISO standards are usually directed to manufacturing processes and safety standards (such as how many first-aid kits per capita an organisation has and how many fire drills to conduct), and thus could be seen as a “check-the-box” exercise. **How it relates to government entities remains at large as not many countries have adopted this holistically;**
- ii. **Many compliance decisions and risk identifications are based on “reasonable” subjective decisions.** Thus the certification will not mean that an organisation will not

have a violation and that corruption risks will be reduced to zero. The concern remains that some companies might use this certification as an insurance policy and let their guard down;

- iii. Certification should be a continual and not a one-off process. An anti-corruption programme needs to be regularly reviewed and adjusted for new business or geographic risks. **The question remains whether companies are prepared to set aside the added budget for this continual audit and certification renewal.**
- iv. There is also the question of the competency of auditors in the nature of the business being audited. ABMS is relatively new in Malaysia and completely new to the Government of Malaysia. **How adept are certifiers in becoming thoroughly familiar with the nature of business of a company in order to guide them in risk identification and certification, if they themselves do not understand the business?** This certification may in some ways be a rubber stamp for existing programmes or a barrier for certifying auditors who may not understand the background to certain “reasonable” provisions that are made to control bribery and corruption.
- v. Companies may delay subsequent audits and the persons handling the bribery cases in companies must also be competent in addressing risks areas;
- vi. Top political leadership at state and exco levels, or even at executive levels, may not fully support ISO 37001 implementation over the long-term. **Its successful implementation is contingent on its institutionalisation and not on executive decision-making. The success of ABMS will also depend on a default setting on ongoing**

audits; regular updates and changes of personnel manning the process; regularly updated risk profiling; and a leadership and culture that will enable and promote this.

5.3 Context and Judgement

The ISO 37001 standard states that “different types of business associates are likely to require different levels of due diligence”. It is a sensible and well-recognised principle companies may vary the scope of their due diligence based on their nature of business and markets they operate in, deal size, and government policies, for instance.

However, the ISO 37001 provides no guidance on how context and judgement should be applied except that it should be “reasonable”. Judgement in this instance should be exercised by the compliance professionals within the company, together with their legal and other advisers, who are presumed to be most familiar with the company and the risks it faces. It is in these areas that ISO 37001 may not be a fool-proof mechanism to curb corruption. Some organisations may well use this as a reason to resist implementing it at all.

The question is, how will a compliance and/or an audit officer exercise his or her discretion? Will ISO inspectors simply rubber stamp the decisions of the company’s compliance team, noting that “different types of business associates ... require different levels of due diligence,” for example, and that those in the business know best?

ABMS is really a corollary of the provisions of corporate liability law. Thus, the Government should do more to increase awareness of corporate liability provisions by ensuring ALL

relevant regulators, industry and professional bodies work together in this regard.

That said, commercial organisations should also revisit their gifts and entertainment policies, and other anti-corruption policies, to ensure they are sufficiently robust to allow the organisation to meet legal standards.

8. Conclusions

ABMS is not an exact science nor a fool-proof management system to eradicate corruption in organisations, commercial and otherwise. It is one means of minimising corruption. There remain many factors of uncertainty in ABMS, as with any management system. This is because ultimately corruption is a human act; it is not system-led. Therefore regulatory compliance or otherwise depends on the people involved in a system. The decision to roll out ABMS across government entities must take cognisance of the fact that a management system is only as good as its users, and their organisational and ultimately, community and national culture. Section 17A of the MACC Act also requires strengthening because of its broad reliance on the discretion of auditors, and the officers of the entity being audited, in determining what is or is not a corrupt practice. Both ABMS and Section 17A need to be reviewed.

THE MALAYSIAN GOVERNANCE INDICATORS (MGI)

A PIONEERING NATIONAL EFFORT TO MEASURE GOVERNANCE

The Malaysian Governance Indicators can be used to guide an assessment of the country's quality of governance based on a comprehensive set of indicators.

It is hoped that these indicators will serve as a useful document in developing and delivering targeted policies and programmes that incorporate the principles of good governance for a prosperous and corruption-free nation.

WHAT IS GOVERNANCE?

World Bank defines governance as a **method** through which **power is exercised** in the management of a country's political, economic and social resources for development.

Asian Development Bank defines governance as **the manner** in which power is exercised in the management of a country's social and economic resources for development.

UNDP defines governance as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. It comprises **the mechanisms, processes and institutions** through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.

Canada Institute of Governance defines governance as **the process** whereby societies or organisations make important decisions, determine whom they involve and how they render account.

Governance is a broad concept that is most relevant in the political, public and corporate sectors. **Good governance** provides a framework of **control mechanisms** that support national institutions in their goals, while preventing the unwanted risks of corruption and abuse of power which lead to losses of public funds and hinder social development.

WHY GOOD GOVERNANCE MATTERS

The governance reform programmes introduced in the NACP are designed to minimise the risks of corruption inherent in various challenges such as:

- i) sustaining high-income growth and social well-being;

- ii) meeting public demands for greater accountability;
- iii) managing the impact of globalisation;
- iv) staying abreast of advances in information technology; and
- v) optimising public-private sector collaboration.

Malaysia continues to adopt a holistic approach to good governance by incorporating good governance principles in the policy, planning and delivery processes, in line with the Government's commitment to make "Malaysia known for her integrity, not corruption". With good governance, policy implementation becomes more meaningful because it is in the public interest.

WHAT DO GOVERNANCE INDICATORS TELL US?

Studies have shown a strong correlation between good governance and human development. Good governance is achievable when political actors and the public and private sectors each play their roles in governance reform to the benefit and well-being of the rakyat. Governance indicators are important for the evaluation of national progress in this regard.

The Malaysian Governance Indicators (MGI) have identified the dimensions of transparency, accountability, efficiency and effectiveness as critical for a well-functioning government.

They are imperative for Malaysia to achieve its goal of becoming a high-income nation, in line with the Sustainable Development Goals.

In this regard, governance indicators measure the quality of governance as a result of how institutions work, and how their outcomes benefit the public. To elaborate on the dimensions of the MGI:

- 1) *Transparency* relates to the conditions where public information can be made readily available and accessible for public scrutiny and evaluation. The establishment of clear guidelines and criteria are important to ensure transparency in the decision-making process to reduce the use of discretion and the risk of corruption.
- 2) *Restore* accountability relates to the conditions that enable the public to hold institutions and organisations responsible for their actions or inaction.
- 3) *Efficiency* is a measure of whether policies have been implemented, and resources utilised, in an optimal manner.
- 4) *Effectiveness* measures whether the objectives of policies have been implemented in line with their intended purpose.

WHY GOVERNANCE INDICATORS MATTER

Governance indicators help us to better understand how public sector agencies are organised, the range of policies and laws that are in place, and how they are implemented. Governance indicators have the multiple objectives of:

- Monitoring and evaluating political institutions, public sector administration, public procurement, legal and judicial proceedings, as well as the corporate sector.
- Analysing trends and identifying potential gaps in policy implementation in order to improve the quality of policy planning and decision-making.
- Ensuring evidence-based policy development and implementation.
- Diagnosing problems for the purpose of policy intervention.

- Providing data for risk assessment and continuous improvement of governance.
- Benchmarking to identify best practices and to compare the state of governance among countries and other institutions at the country level.

WHAT GOVERNANCE INDICATORS MEASURE?

Governance indicators measure the level of governance of institutions and stakeholders in terms of transparency, accountability, efficiency and effectiveness. The data obtained can assist policymakers in planning, developing and evaluating intervention programmes to promote good governance in their respective institutions. Below are the six dimensions of governance as identified in the NACP and how the MGI applies to each:

POLITICAL GOVERNANCE

Transparency

It evaluates the processes by which political activity is transparently reported and disclosed, including asset declaration and conflict of interest. It ensures clear guidelines for transparent decision-making.

Restore Accountability

measures the existence of laws and regulations on ethical conduct in public office, compliance with which indicates a political commitment to integrity and good governance. It also measures the existence and workings of a check and balance mechanism that ensures all Administrative Members and Members of Parliament are made answerable for their actions and decisions made.

Efficiency

measures the electoral system's readiness to improve the integrity of the electoral processes.

Effectiveness

measures the extent to which policies and laws strengthen parliamentary roles, enhance the electoral process and manage the risk of corruption in the political sector, in a democratic political system.

PUBLIC SECTOR ADMINISTRATION

Transparency

measures the accessibility of pertinent information about government policies, processes and procedures.

Accountability

evaluates the check and balance mechanism for public institutions to be held answerable to stakeholders for their actions and inaction, in line with the relevant laws and regulations.

Efficiency

measures the timeliness of the processes of public service delivery systems and the competencies of public officials.

Effectiveness

measures the ability of public institutions to manage corruption risks to enhance the quality and productivity of the Civil Service.

PUBLIC PROCUREMENT

Transparency

ensures that important information about procurement processes are clearly defined and publicly available.

Accountability

evaluates the management of complaints in ensuring fairness in the procurement process.

Efficiency

measures the timeliness of the procurement process as stipulated in the regulations.

Effectiveness

measures the level of competitiveness in the procurement process.

LEGAL AND JUDICIAL PROCEEDINGS

Transparency

ensures that relevant information pertaining to court cases and their procedures are publicly available to improve access to the legal system.

Accountability

measures the compliance of laws in ensuring no undue influence over legal and judicial proceedings.

Efficiency

measures the timeliness of the proceedings and the cases resolved.

Effectiveness

measures the extent to which justice systems are independent and free of undue influence, including corruption.

LAW ENFORCEMENT

Transparency

measures the existence of laws and the accessibility of pertinent information about the government policy, processes and procedures on enforcement.

Accountability

measures the existence of a check and balance mechanism to ensure enforcement officers are made answerable for their actions or inaction.

Efficiency

measures the timeliness of the enforcement process as stipulated in the laws and regulations.

Effectiveness

measures the extent enforcement officers are free from undue influence, including corruption

CORPORATE GOVERNANCE

Transparency

measures how easily stakeholders have access to information about corporate policies and procedures. It ensures clear guidelines for transparent decision-making and the availability of transparent information, such as board remuneration and the appointment criteria and process..

Accountability

measures the existence of a check and balance mechanism to ensure companies are made answerable for their decisions.

Efficiency

measures the timeliness of service delivery and the competencies of company officials.

Effectiveness

measures the outcomes of board governance practices in promoting a corporate culture of integrity and ethical conduct.

**PRIORITY
AREA 1**



POLITICAL GOVERNANCE

Strengthening Political Integrity and Accountability

4 STRATEGIC OBJECTIVES FOR POLITICAL GOVERNANCE



ELECTORAL PROCESS
Strategic Objective 1.1
Reform Election Legislation and Electoral Systems



GOVERNMENT ADMINISTRATION
Strategic Objective 1.2
Ensure Better Transparency and Accountability in Government Administration



POLITICAL INTERFERENCE
Strategic Objective 1.3
Manage Political Interference in Public Service and Local Authorities



PARLIAMENT
Strategic Objective 1.4
Enhance Parliamentary Authority and Administration

14 GOVERNANCE INDICATORS FOR POLITICAL GOVERNANCE

POLITICAL GOVERNANCE	GOVERNANCE PRINCIPLES	GOVERNANCE INDICATORS	
	TRANSPARENCY		1
2			Percentage (%) of political parties report on fund received annually.
3			Percentage (%) of Members of Parliament (MPs) declare assets upon appointment.
4			Percentage (%) of MPs declare accepted gifts and entertainment annually.
ACCOUNTABILITY		5	Percentage (%) of MPs comply with Code of Ethics.
		6	Guideline to prohibit political interference in public service is established.
		7	Percentage (%) of Parliamentary Select Committee (PSC) fully functional.
		8	Election Commission Nomination Committee functional.
EFFICIENCY		9	Electronic Electoral System rolled out for GE15.
EFFECTIVENESS		10	Election Offences Act 1954 amended to address corruption.
		11	Number of convictions in cases involving politicians.
		12	Percentage (%) of corruption cases among politicians is reduced.
		13	Parliamentary Service Act re-enacted.
		14	Parliamentary training arm established.

**PRIORITY
AREA 2**



PUBLIC SECTOR ADMINISTRATION

Strengthening the Effectiveness of Public Service Delivery

4 STRATEGIC OBJECTIVES FOR PUBLIC SECTOR ADMINISTRATION



PUBLIC SERVICE

Strategic Objective 2.1

Redesign Public Services for Good Governance



MERIT AND INTEGRITY BASED

Strategic Objective 2.2

Promote Merit and Integrity in the Processes of Recruitment, Selection and Appointment



POLITICAL INTERFERENCE

Strategic Objective 2.3

Strengthen the Accountability of Local Authorities



HUMAN GOVERNANCE

Strategic Objective 2.4

Enhance Education & Continuing Professional Development of Public Officers with Human Governance-based Programmes

16 GOVERNANCE INDICATORS FOR PUBLIC SECTOR ADMINISTRATION

	GOVERNANCE PRINCIPLES	GOVERNANCE INDICATORS	
		TRANSPARENCY	1
		2	Policy on government regulations and guidelines open to public established.
		3	Guidelines on appointment of special officers, political secretary for all Ministers and deputy ministers established.
	ACCOUNTABILITY	4	National Audit Department made accountable only to Parliament.
		5	New law on ombudsman is established.
		6	Policy on line of reporting for attaché established.
		7	Effective mechanism in the issuance of permits and licensing.
		8	MACC Act amended to address misconduct of public officials.
	EFFICIENCY	9	Average rate (time and cost) of public services delivery improved.
		10	Reduction in number of unnecessary processes.
		11	Percentage (%) of complaints on maladministration resolved and followed through.
		12	Percentage (%) of issues resolved out of total number of complaints.
		13	Number of jobs rotated (based on a 3-5 year frequency).
	EFFECTIVENESS	14	Students are able to identify immoral or illegal behaviour including corruption.
		15	Students are taught to identify elements of corruption.
		16	Percentage (%) decrease in corruption cases among youth.

**PUBLIC SECTOR
ADMINISTRATION**



**PRIORITY
AREA 3**



PUBLIC PROCUREMENT

Increasing the Efficiency and Transparency of
Public Procurement

2 STRATEGIC OBJECTIVES FOR PUBLIC PROCUREMENT



**PUBLIC PROCUREMENT
FRAMEWORK**
Strategic Objective 3.1
Strengthen Public
Procurement Framework



PROCUREMENT TRANSPARENCY
Strategic Objective 3.2
Greater Procurement Transparency
for Better Identification and
Mitigation of Corruption Risks,
Market Distortion and Anti-
Competitive Behaviour

13 GOVERNANCE INDICATORS FOR PUBLIC PROCUREMENT

	GOVERNANCE PRINCIPLES	GOVERNANCE INDICATORS	
 PUBLIC PROCUREMENT	TRANSPARENCY	1	Percentage (%) of contracts publicly disclosed.
		2	MACC verifies comprehensive policy on conflict of interest is in place.
		3	Introduction of arbitration clause in the Integrity Pact.
		4	Integrity Pact to be in line with international standards.
		5	Number of cases charged for non-compliances of Integrity Pact.
	ACCOUNTABILITY	6	Percentage (%) of complaints resolved out of total number of complaints on procurement.
		7	Reduction in audit issues.
	EFFICIENCY	8	Reduction in average duration between the deadline for submission of offers and the announcement of the award decision (<i>providing the e-procurement system is stable enough</i>)
		9	Number and value (in RM and %) of procurement activities conducted through e-procurement system relative to the total number of procurement activities.
	EFFECTIVENESS	10	Percentage (%) or number of contracts awarded through open competitive bidding
		11	Percentage (%) of decrease in corruption cases involving procurement.
		12	Percentage (%) of decrease in complaints lodged about procurement processes.
		13	Time completion of awarded project within given timeframe.

**PRIORITY
AREA 4**



LEGAL AND JUDICIAL PROCEEDINGS

Enhancing the Credibility of the Legal and Judicial System

1 STRATEGIC OBJECTIVE FOR LEGAL AND JUDICIAL PROCEEDINGS



EFFICIENCY OF LEGAL AND JUDICIAL INSTITUTIONS

Strategic Objective 4.1

Improving Institutional Efficacy of the Legal and Judicial System

7 GOVERNANCE INDICATORS FOR LEGAL AND JUDICIAL PROCEEDINGS



**LEGAL AND
JUDICIAL**

GOVERNANCE PRINCIPLES	GOVERNANCE INDICATORS	
TRANSPARENCY	1	Percentage (%) of information updates (case status, etc.) published on corruption cases.
	2	Enhanced transparency in the corruption case handling process.
ACCOUNTABILITY	3	Compliance rate with Code of Ethics.
EFFICIENCY	4	Average time taken for the disposal of a case.
	5	Average number of cases handled within a given period.
EFFECTIVENESS	6	Number of training programmes for legal and judicial officers.
	7	Percentage (%) of decrease in the number of corruption cases disposed out of total number of corruption cases within a year.

**PRIORITY
AREA 5**



LAW ENFORCEMENT

Institutionalising the Credibility of Law Enforcement Agencies

4 STRATEGIC OBJECTIVES FOR LAW ENFORCEMENT



PROFESIONALISM IN ENFORCEMENT AGENCIES

Strategic Objective 5.1
Enhance Efficiency and Professionalism of Law Enforcement Agencies



TECHNOLOGY-DRIVEN ENFORCEMENT

Strategic Objective 5.2
High-Priority Technology Needs for Law Enforcement



TOWARDS EFFECTIVE ENFORCEMENT

Strategic Objective 5.3
Strengthen Law Enforcement Agencies



ENHANCEMENT OF LEGISLATION

Strategic Objective 5.4
Improving Law Enforcement Agency Legislation

8 GOVERNANCE INDICATORS FOR LAW ENFORCEMENT

**LAW
ENFORCEMENT**

GOVERNANCE PRINCIPLES	GOVERNANCE INDICATORS	
TRANSPARENCY	1	New law to strengthen oversight mechanism is established.
	2	Number of laws and regulations published for public access.
ACCOUNTABILITY	3	Percentage (%) of cases on misconduct among police force resolved in a year.
	4	Number of actual cases lodged.
	5	Percentage (%) of cases resolved.
EFFICIENCY	6	Percentage (%) of cases prosecuted out of total number of cases.
	7	Establishment of an integrated system for the management of foreign workers.
EFFECTIVENESS	8	Percentage (%) of reduction in corruption cases/ complaints about enforcement agencies.

**PRIORITY
AREA 6**



CORPORATE GOVERNANCE

Inculcating Good Governance in Corporate Entity

2 STRATEGIC OBJECTIVES FOR CORPORATE GOVERNANCE



**CORPORATE ENTITY
TRANSPARENCY**
Strategic Objective 6.1
Greater Transparency in
Ownership and Control of
Corporate Entities



**TECHNOLOGY-DRIVEN
ENFORCEMENT**
Strategic Objective 6.2
Greater Corporate Resilience
Against Corruption

19 GOVERNANCE INDICATORS FOR CORPORATE GOVERNANCE

 CORPORATE GOVERNANCE	GOVERNANCE PRINCIPLES	GOVERNANCE INDICATORS	
	TRANSPARENCY	1	Percentage (%) of companies disclose information about Board of Directors (BOD).
	2	Number of appointed directors.	
	3	Number of Integrity and Governance Units (IGU) established.	
ACCOUNTABILITY	4	Percentage (%) of cases of misconduct among corporate entities reported and resolved in a year.	
	5	Establishment of a committee to review current laws and regulations.	
	6	Numbers of directors and top management prosecuted for misconduct/corruption.	
	7	Percentage (%) of investigations initiated out of total number of complaints lodged.	
	8	Government agencies held accountable for companies under their purview.	
	9	Policy on integrity vetting is made.	
	10	Number of integrity vetting conducted.	
	11	Number of rejected candidates after integrity vetting with reasons.	
EFFICIENCY	12	Percentage (%) of Organizational Anti-Corruption Plan (OACP) initiatives achieved.	
	13	Percentage (%) of companies certified with Anti-Bribery Management System (ABMS).	
	14	Number of companies that develop and implement OACP.	
EFFECTIVENESS	15	Percentage (%) of reduction in number of corruption cases among corporate sector.	
	16	Number of ABMS certified companies.	
	17	Number of unqualified audit reports.	
	18	Response rate to complaints of corporate misconduct.	
	19	Percentage (%) of reduction in number cases of corruption in the corporate sector.	

PART 4

SELECTED INTERVIEW QUOTES ON GOVERNANCE AND REFORM AGENDA FROM RESPONDENTS

The following are a selection of quotes and excerpts from interviews with our respondents. These are mostly transcribed from interviews held. Where necessary grammar corrections and paraphrasing were made to ensure clarity of feedback.

“

“Political corruption is the mother of all corruption. If you can address political corruption, the other forms are quite easy to prevent”

– Tan Sri Abu Kassim Mohamed –
*Director General,
National Centre for Governance,
Integrity and Anti-Corruption
(GIACC)*

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**“Why GIACC?
Why JKKMAR?**

By setting up JKKMAR, the government has enabled a faster route for the presentation and approval of initiatives and policies by GIACC. JKKMAR also allows GIACC to focus on anti-corruption when it sits, thus for more papers to be submitted for its consideration. (This is the main purpose of a special cabinet committee.) That said, we are currently institutionalising policies and processes to ensure that anti-corruption initiatives can continue regardless of changes in the country’s political leadership”

– Datuk Dr. Anis Yusal Yusoff –
*Deputy Director General,
National Centre for Governance,
Integrity and Anti-Corruption
(GIACC)*

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“Prior to GE14, at the highest level, there was no governance (of anti-corruption). 1MDB was the best test case where the Prime Minister was also the Minister of Finance and the Chairman of the Board of Advisors of 1MDB and SRC – essentially, total control. It is an example of how absolute power corrupts”

– Tan Sri Tommy Thomas –
Attorney General

“KPI results should be published and treated as public documents which can be accessed at little cost. Otherwise, it will create an unwarranted public perception that the government pledge is merely rhetoric”

– Tan Sri Dr. Madinah Mohamad –
Former Auditor General

“UNDP hopes to extend its anti-corruption work with the government as part of a broader anti-corruption framework. GIACC, MACC and UNDP will study Korea’s Anti-Corruption Assessment model, in which an oversight body such as GIACC sets up indicators for other institutions. They then submit their reports to it, and receive scores which are made public. The idea is for Malaysia to adapt such a model to suit local needs”

– Ms. Nir Nadia Nivin –
*Head of Governance,
United Nations Development
Programme (UNDP)*

“The present government is transparent. So far, the Prime Minister has never asked me to brief him (on a case). Even if he did, I would not, as we are independent and he cannot ask MACC to brief him; MACC cannot reveal cases to the PM. I have never revealed cases to any PM in my time. I cannot speak for others who came after me”

– Dato’ Seri Mohd Shukri Abdull –
*Chief Commissioner,
Malaysian Anti-Corruption
Commission (MACC)*

“When civil servants are told or are required to bypass approval processes by higher authorities, it causes a breakdown in governance. This happened in the civil service in the past. We cannot repeat it”

– Tan Sri Badri b. Mohd Zahir –
*Secretary General, Ministry of
Finance*

“There is a perception by ministers that under this government the civil servants are becoming more powerful than ministers. For instance, a procurement board cannot be chaired by a minister, nor can a minister’s aides sit on the committees. The rule of law requires a separation of powers between the executive and the civil service. The minister articulates the policy; the KSU executes it. We cannot have a situation where ministers are policy bearers, and execute, enforce and monitor policy. This will cause chaos and is a real challenge. We are working towards institutionalising the separation of powers under this new government”

– Tan Sri Dr. Ismail Bakar –
*Chief Secretary to the
Government of Malaysia*

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“We have been doing all this for the last nine months though people think it’s been longer. Nine months is not a long time to put the government in order. People are impatient and they say we are slow. New ministers are still learning, and I can see why people are impatient”

– Tan Sri Muhyiddin Yassin –
Minister of Home Affairs

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“The law doesn’t prohibit political parties from spending on election campaigns. The candidate or the election agent must account for campaign spending with the EC after the polls, but their party is not required to. The law on who can spend, and how much, has to be amended; this doesn’t require changing the Federal Constitution. As part of the reform for good governance, EC proposes to revise the current spending cap for election campaigning”

– Datuk Azhar Harun –
Election Commission Chair

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“Another piece of reform I am for, is the open scrutiny of politicians. Even me; you can broadcast my presentations to the Select Committees. This will be good for governance”

– YB Mohamad Sabu –
Minister of Defence

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“My starting point is the Pakatan (Harapan) manifesto. I have had visitors who have said it is a good manifesto, and they marvel at the product. The focus on Parliament in the manifesto comes under Promise 16, on parliamentary reform. This is as complete as one would like it to be, but there are a few things it does not articulate well. For instance, it does not bring up a code of conduct for MPs, which we do not have in Malaysia. This is one of the things that is (now) in the works. Many things such as this, which are basic but have been taken for granted, were not done prior to GE14. Parliament was seen as a passive institution to the point that we were just a rubber stamp (of the Executive)”

– Tan Sri Dato’ Mohd Ariff Md Yusof –
Speaker, Dewan Rakyat

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“But if you think about it, GLCs (government-linked corporations) are also responsible for how public money is spent if their main shareholder is, for example, MOF, EPF (Employees Provident Fund) or TH; their funds are from public depositors. So why are the same standards not applied to GLCs as BNM is applying to FIs (financial institutions)?”

– Dato’ Yusli Yusof –
*President, Malaysian Institute of
Corporate Governance*

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“The Government’s introduction of a corporate liability law is a strategic initiative to deter the private sector from giving bribes for government contracts”

– Tan Sri Abu Kassim Mohamed –
*Director General,
National Centre for Governance,
Integrity and Anti-Corruption
(GIACC)*

“ **“(JKKMAR and NACP) should be more widely publicised. Let’s not forget corruption is always given by someone from the private sector and the recipients are invariably from the public sector; so the education has to be on both sides. We cannot teach just the public sector, because the temptation is still being offered to them. It must include (all) the people of Malaysia so the country as a whole becomes corruption-free”**

– Tan Sri Tommy Thomas –
Attorney General

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“ **“I pray that one day, every nook and cranny in Malaysia will become like this: that we do not take what does not belong to us; and we guard and protect – with all we have – what is given to us, with honour”**

– Datuk Dr. Anis Yusal Yusoff –
*Deputy Director General
National Centre for Governance,
Integrity and Anti-Corruption
(GIACC)*

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“Good governance is about being accountable, participatory and transparent. It ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest of the poor and the most vulnerable are heard in decision-making on the allocation of resources”.

– Tan Sri Dr. Madinah
Mohamad –
Former Auditor General

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“When a police report is lodged, an Inspector will decide if there is a case to be investigated or not. In MACC, this is totally different; all cases lodged are assessed by a committee chaired by the Deputy Chief Commissioner. Every information report must go to him, whether originating at the federal or state level. The Chief Commissioner cannot sit on this committee, as operations come under the Deputy Chief Commissioner. This is MACC’s standard operating procedure to ensure an independent investigation can be conducted”

– Dato’ Seri Mohd Shukri
Abdull –
*Chief Commissioner,
Malaysian Anti-Corruption
Commission (MACC)*

“The problem lies in the culture. What we are addressing now is the product of a culture, and as if trying to fix the leakages of a piping system without first addressing the rottenness and quality of the pipe itself”

– Tan Sri Dr. Ismail Bakar –
Chief Secretary to the Government of Malaysia

“My view is that changes to the civil service must be made now for it to be apolitical. We must be strict and transparent and the KSN has instructed us likewise. I really admire the KSN’s strong stand on this”

– Tan Sri Badri b. Mohd Zahir –
*Secretary General,
Ministry of Finance*

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“There is an offence known as ‘treating’ under Section 8 of the Election Offences Act. Before, during or after an election, one cannot give food, drink or gift to any voter with the intention of persuading him or her to vote, or not vote, for a candidate. That’s what ‘treating’ is. But whether a third party can do that on behalf of a candidate is unclear. The political parties still do it, as I witnessed myself during the Cameron Highlands and Semenyih by-elections (in 2019)”

– Datuk Azhar Harun –
Election Commission Chair

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“As the new government assumes office, people want to know if this will be a better government. One area we have said we will work on, in our manifesto, is eradicating corruption; imbuing good governance, transparency, accountability in many areas of administration, bringing back what people expect of managing an economy, social development and good governance. People expect a lot from us and rightly so because they saw what happened under a government that was corrupt and mismanaged public funds”.

– Tan Sri Muhyiddin Yassin –
Minister of Home Affairs

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“Who vets independent board members before they are appointed? BNM (Bank Negara Malaysia) has a strict and onerous process for approving board members for financial institutions, for example”

– Dato’ Yusli Yusof –
President, Malaysian Institute of Corporate Governance

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“We need to keep talking about good governance and educating people in the behaviours that uphold it. We need to make Malaysia fertile ground for democracy and accountability. The next stage of this process is to completely eradicate corruption, and fully institute good governance. I am changing people in the Ministry (of Defence)”

– YB Mohamad Sabu –
Minister of Defence

“KPI results should be published and treated as public documents which can be accessed at little cost. Otherwise, it will create an unwarranted public perception that the government pledge is merely rhetoric”

– Tan Sri Dr. Madinah Mohamad –
Former Auditor General

“I have been trying to instil a culture of better parliamentary behaviour and accountability on both sides, ministers included. I am focusing on making Parliament a public institution of integrity and dignity, and to dispel the idea that Parliament is a rubber stamp. Two key planks will ensure Parliament becomes more autonomous; the first brings into play the restoration of the Parliamentary Service, with improvements. The Parliamentary Service was abolished by an amendment to the Federal Constitution in the 80s. It will be a closed service, very similar to the civil service, except that it works in Parliament. The second key plank is a Parliamentary Services Commission, which we are proposing. This is similar to a civil service commission, or securities commission. It will be well-structured and run by a board, with a CEO and comprise of representatives from government and opposition MPs, the Attorney General’s Chambers and the Treasury, to name a few. We are most attracted to the UK system so far, as it runs well”

– Tan Sri Dato’ Mohd Ariff Md Yusof –
Speaker, Dewan Rakyat

“Fascinating time in Malaysia now. In most countries, you see the will to reform at the institutional level, within the civil service, and maybe not at the political level, with the politicians. Here it is reversed: the political will is strong and it pulls the internal systems forward with it. Without the political will, institutional reform can only go so far”

– Ms. Nir Nadia Nivin –
Head of Governance,
United Nations Development
Programme (UNDP)

“Under the old MACC (Malaysian Anti-Corruption Commission) Act, when a company representative gave a bribe to a government officer, only the latter was prosecuted; there was no corporate liability. But with the new provisions, the company is also held liable, including its board, and would be subject to criminal proceedings. This would be similar to the UK’s Bribery Act. We have given private sector companies two years to ensure they have internal controls on corruption in place”

– Tan Sri Abu Kassim Mohamed –
Director General, National Centre for
Governance, Integrity and Anti-
Corruption (GIACC)

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“MACC has changed from being a ‘gestapo’-like institution to a professional entity such as Hong Kong’s Independent Commission Against Corruption. A party to an investigation is provided with notice of a visit instead of being raided, or invited to the office where the interview sessions are all recorded, including on CCTVs, in the investigation room. MACC has reached a professional stage in its development”

– Dato’ Seri Mohd Shukri Abdull –
Chief Commissioner, Malaysian Anti-Corruption Commission (MACC)

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“Governance not only concerns the distribution of power and wealth, but also the process through which the current system is maintained or contested. The definition of governance is, “the system by which the Office is directed, managed and held to account.” It incorporates the culture, structures and processes for decision-making, accountability, control and behaviour”

– Tan Sri Dr. Madinah Mohamad –
Former Auditor General

“The Malaysian Bar’s long-standing position is that the office of AG and PP (public prosecutor) should be separated, otherwise too much power is accumulated in one person. I supported that Bar resolution and it is in the Pakatan Harapan manifesto. Implementing this reform requires a two-thirds majority, as it involves amending the Federal Constitution. A public prosecutor should not also be a member of Parliament because if you have to charge another MP with a criminal offence, you shouldn’t bring politics into consideration. Why sully the decision making”

– Tan Sri Tommy Thomas –
Attorney General

“If we want reforms to succeed, ministers have to understand their roles and responsibilities, and civil servants must understand the SOP of good governance”

– Tan Sri Dr. Ismail Bakar –
Chief Secretary to the Government of Malaysia

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“The law on election offences has generally been the same since 1954, as with India and the UK. I believe we went wrong in its implementation and enforcement. When a law is not enforced, it will not be taken seriously by people. It’s like when everyone beats the red light, and people forget the law of stopping at red lights. People will come to accept this illegal behaviour is okay”

– Datuk Azhar Harun –
Election Commission Chair

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“We need to get INTAN and many of the other existing government training institutions to train and retrain our civil service. We have yet to start doing this, and if we have started, it is based on what KP (key performance) INTAN feels needs to be done, not what we think needs to be done. They have not consulted the ministries and this is a big challenge”

– Tan Sri Muhyiddin Yassin –
Minister of Home Affairs

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“The role of the nomination and remuneration board in the appointment of GLC directors, in substance, has to be defined by the government as the largest stakeholder. The appointment process, for all intents and purposes, is set by MOF”

– Dato’ Yusli Yusof –
President, Malaysian Institute of Corporate Governance

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“Our system is not built for broadcasting the proceedings of Select Committees, such as is done in Indonesia. Better to be confidential at the initial stages because you don’t know the full implications of making a statement public right from the start. However, the reason the number of public visitors to Parliament over the last few months has increased so many, many fold is because, I think, we have succeeded in raising the quality of debate and the dignity of Parliament. The code of conduct for MPs will be good to have, and we will make them sign it”

– Tan Sri Dato’ Mohd Ariff Md Yusof –
Speaker, Dewan Rakyat

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“We are in the midst of preparing a white paper on the Defence Ministry’s vision and reforms. Our benchmarks are Japan, Australia and New Zealand, among others. The white paper will set out the kinds of weapons we need, training, human resource requirements, and procurement strategy, to name but a few areas. At the moment, we do not, and have not had, a strategy for procurement for the next 10 to 20 years. This wasn’t done in the past; procurement was on the recommendation of the army or minister”

– YB Mohamad Sabu –
Minister of Defence

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“While we criticise GLCs, family-run companies listed on the stock market also suffer some of the predicaments as GLCs on board governance; you are unlikely to be appointed to the board if you don’t know the main shareholder. This is an issue that also requires regulation, but is less of a problem for the citizens of Malaysia, as you are not using public funds. As GLCs receive public funds from the government, the selection process of their board members needs to be more stringent”

– Dato’ Yusli Yusof –
President, Malaysian Institute of Corporate Governance

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“My concern over the first few months following an election like GE14 (the fourteenth Malaysian general election) was that it would be a heightened period of political uncertainty. We need what I term VUCA (volatility, uncertainty, complexity and ambiguity) leaders for such times. We need to develop future leaders who can implement the NACP in spite of political uncertainty”

– Datuk Dr. Anis Yusal Yusoff –
*Deputy Director General
National Centre for Governance,
Integrity and Anti-Corruption (GIACC)*

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“Political corruption can be addressed with political funding law. In my 30 years’ experience of investigating corruption, I have found political corruption to be the root cause of all the country’s corruption because it creates a conducive environment for corrupt practices from its ripple effect at all levels of government”

– Tan Sri Abu Kassim Mohamed –
*Director General,
National Centre for Governance,
Integrity and Anti-Corruption
(GIACC)*

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“The public sector has to be apolitical and serve the government of the day; it is the minister who is ultimately accountable to Parliament. These are simple principles. If you are a KSU (secretary general of a ministry), you serve the current political minister, assuming whatever he or she tells you to do is lawful. It is not the KSU’s job to check policy”.

– Tan Sri Tommy Thomas –
Attorney General

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“For an individual, integrity is a characteristic or quality that refers to accordance with the relevant moral values and norms. Corruption is very often seen as a serious “integrity violation”; that is, a behaviour that violates the relevant moral values and norms”

– Tan Sri Dr. Madinah Mohamad –
Former Auditor General

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“On the matter of whistleblowing and witness protection, MACC covers the private sector, as provided for under the Whistleblower Protection Act 2010.

When whistleblowers go to the press, they need to understand their protection is compromised: who provides them with protection under law, the media or MACC? Only when you report to an enforcement agency – such as the Police, Customs, Immigration or MACC – are you protected. The private sector does not yet understand this process.

When whistleblowers report corrupt practices to a CEO or company board, can private companies provide them with witness protection? This is currently an issue in the private sector”

– Dato’ Seri Mohd Shukri Abdull –
*Chief Commissioner,
Malaysian Anti-Corruption
Commission (MACC)*

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“We no longer respect the law; we have failed to create law-abiding citizens from a young age. We need to look into parenting if respect for the law is to start in the home. We see its lack in children and adults throwing rubbish from cars, and in public spaces. Parents don’t respect teachers; they don’t even respect law enforcers”

– Tan Sri Dr. Ismail Bakar –
Chief Secretary to the Government of Malaysia

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“People are beginning to talk about election offences now. They should complain to the EC if they think they have encountered a transgression. We can benchmark the Nordic countries; and in countries such as the UK and Australia, a general election is usually uneventful. People just go out and vote. Here, it is war. Parties have their bilik gerakan, bilik operasi, pasukan gerak gempur – our national narrative takes on overtones of war during election time but this is slowly changing as we reprimand the teams of both sides”

– Datuk Azhar Harun –
Election Commission Chair

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“We need a similar body to GIACC that focuses on administration, just as GIACC focuses on governance. There is a gap in this area at the moment. Having this will greatly assist in tracking the implementation of government policies that the KSN needs to head. This has to be in place because it will then enable us to push forward our policies; and on policies that require greater clarity, we must explain further”.

– Tan Sri Muhyiddin Yassin –
Minister of Home Affairs

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“Mindset change is a main road block (of reform). The objective is to entrench the system of parliamentary democracy, and for executive accountability to Parliament, but in a particular sense; Parliament is not competing with the Cabinet. Some people think if we allow Select Committees to be formed, Parliament will be overly strong, like the US House of Representatives.

A strong parliament in fact lends legitimacy to the government. The Select Committees actually strengthen the work of the Cabinet, not the opposite”

– Tan Sri Dato’ Mohd Ariff Md Yusof –
Speaker, Dewan Rakyat

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“The goals set out in the NACP (National Anti-Corruption Plan) are all achievable if everyone does their part. On the advice of the United Nations, we have not used the CPI (Corruption Perceptions Index by Transparency International) as a benchmark, but have instead set realistic and achievable initial goals”

– Tan Sri Abu Kassim Mohamed –
Director General, National Centre for Governance, Integrity and Anti-Corruption (GIACC)

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“Governance is meaningless if you have all these structures and processes but do not have honest people (to implement them). Public sector leaders have to be honest”

– Tan Sri Tommy Thomas –
Attorney General

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“Building a culture of integrity in society necessarily begins with the education of young people. The knowledge, skills and behaviours they acquire at a young age will shape their country’s future, and will help them uphold public integrity which is essential for preventing corruption”

– Tan Sri Dr. Madinah Mohamad –
Former Auditor General

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“MACC reforms: we are on the right track now. The public is regaining confidence in MACC; international bodies such as Global Investigations Review have recognised MACC’s achievements by nominating it as Emerging Enforcer of the Year (in 2018 and 2019). This is the first time MACC has been recognised in this way. Misconduct in public office is a serious offence”

– Dato’ Seri Mohd Shukri Abdull –
Chief Commissioner, Malaysian Anti-Corruption Commission (MACC)

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“We need a strong communications strategy for our initiatives. When we move fast with this Plan, we cannot assume civil servants or the general public understand what we are doing; the onus is on us to create clear messaging. That’s one of the challenges. We have developed what we think is a realistic enough plan with detailed breakdown that can be effectively implemented over a defined time frame”

– Datuk Dr. Anis Yusal Yusoff –
Deputy Director General, National Centre for Governance, Integrity and Anti-Corruption (GIACC)

“External interference can happen in our electoral system, such as with the alleged Russian interference in the US presidential elections and Cambridge Analytica in the Brexit referendum. An election involves the exercise of free will; how free is that will? If there is a section of a society who have always been told they are useless and need crutches to stand, and this crutch can only be given to them by a certain entity, just at this stage alone, how free is their will? To me, it is not free in its true sense (because it has been preconditioned).

The exercise of free will requires voter education and awareness, and it is a long process because it involves one’s mentality. Section 9 of the Election Offences Act, on undue influence, is an attempt to address how voters can truly be said to have exercised their free will”

– Datuk Azhar Harun –
Election Commission Chair

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“We are drafting a Government Procurement Act to ensure government contracts are not subverted by direct negotiations with vendors. All our tenders are open tenders. We aim to submit the bill to Parliament by the end of 2020”

– Tan Sri Badri b. Mohd Zahir –
Secretary General, Ministry of Finance

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“We must have SOPs in place and then governance and the rule of law will fall into place. Some ministers are still using their discretionary powers to create exemptions to SOPs. We should consider reforming these discretionary powers. This requires a change in law and is not an easy process”

– Tan Sri Dr. Ismail Bakar –
Chief Secretary to the Government of Malaysia

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“Many of us need to better understand the role of social media. In a democracy you need to be prepared to accept all points of view, even those not in line with our thinking. We need to accept differences, and if that is the view of the majority we need to stop and take these views into account. This is another area of reform needed in the new administration. This area is so dynamic, and we need to respond fast to enhance existing skill sets”

– Tan Sri Muhyiddin Yassin –
Minister of Home Affairs

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“We have to now start again, from ground zero. The government has to find and appoint people of unimpeachable integrity to the boards of GLCs. If it can get this right, then everything else will fall into place. Having board members of integrity will ensure the right kinds of CEOs and chairmen are appointed, and the highest standards of corporate governance. They will make sure procurement is done properly and people are held accountable. This was not the case in FGV, for example, despite the existence of codes of conduct”

– Dato’ Yusli Yusof –
President, Malaysian Institute of Corporate Governance

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“About Disclosure of Performance Information, which has been proposed in response to the new premier’s pledge to create a more accountable and transparent government: the system will be handicapped if the KPI results are kept from public view”

– Tan Sri Dr. Madinah Mohamad –
Former Auditor General

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“Ministers set a clear direction for civil servants or they may be confused and continue operating as before. This may be misconstrued as sabotage. There needs to be clarity of vision, open communication of expectations and leadership in ministries to resolve this”

– Tan Sri Dr. Ismail Bakar –
Chief Secretary to the Government of Malaysia

“The anti-corruption work (set out in the NACP) should be dealt with by respective ministries and agencies. This should not be MACC’s function going forward. We can appoint MACC officers to the ministries and agencies to help oversee this”

– Dato’ Seri Mohd Shukri Abdull –
*Chief Commissioner,
Malaysian Anti-Corruption
Commission (MACC)*

“Provided the Special Cabinet Committee on Anti-Corruption (JKKMAR) continues to be comprised of all six senior ministers and all the secretaries general, Auditor General and Attorney General, and is chaired by the Prime Minister or Deputy Prime Minister, the discussion on corruption will continue. Then integrity will become institutionalised in government as part of a well-structured plan”

– Tan Sri Abu Kassim Mohamed –
*Director General,
National Centre for Governance,
Integrity and Anti-Corruption
(GIACC)*

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“To inspire public trust and confidence in who the government is appointing to run GLCs (government-linked companies), the appointment process must be done more transparently. There must be more focus on meritocracy (but) I agree that the push for GLC bosses to have pay as attractive as the private sector was wrong. You cannot expect that, as it’s a kind of national service”

– Tan Sri Tommy Thomas –
Attorney General

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“We are therefore focusing on low-hanging fruit i.e. cost of living and bread and butter issues, whilst setting the house back in order from the wreck of the previous administration. The immediate concern is income has not increased much; many live on borderline (earnings) while inflation, cost of food and services have gone up”

– Tan Sri Muhyiddin Yassin –
Minister of Home Affairs

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“Unnecessary and wasteful overlaps between departments and insufficient coordination have rendered many anti-corruption measures inefficient at best and, at worst, counterproductive. There is no doubt Malaysia has sufficient and quite comprehensive legislation. Unfortunately, the enforcement of the legislation is below expectations and it is reflected in the low CPI score”

– Tan Sri Dr. Madinah Mohamad –
Former Auditor General

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“Witness protection is currently under JPM (Prime Minister’s Department). This needs to also be reviewed as a lot of cases involve the leaders of enforcement agencies, and there is a risk of witnesses’ identities being revealed when the people managing their protection are also from the enforcement agencies under investigation. Under Promise 14 of the Pakatan Harapan manifesto, the government has made a commitment to review whistleblower and witness protection. This needs to be looked into holistically as it involves multiple jurisdictions”

– Dato’ Seri Mohd Shukri Abdull –
Chief Commissioner, Malaysian Anti-Corruption Commission (MACC) ”

“We have created a society where we always need to see the top people to get things done: for overseas scholarships, to go to boarding school, to get contracts, to settle fines. We have lost the culture of responsibility and accountability. In western societies, if children do wrong, they are grounded; children respect this basic rule”

– Tan Sri Dr. Ismail Bakar –
Chief Secretary to the Government of Malaysia ”

“Ultimately, the upholding of right from wrong depends on an individual’s integrity. My role now is to ensure there are systems and processes that will enable my staff to uphold right from wrong. If I do not put these in place, I would have failed”

– Datuk Azhar Harun –
Election Commission Chair ”

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“The political neutrality expected of a non-politicised, professional public service requires more than just abstention from partisan party politics or from identification with a particular political party. It also includes the capacity to give loyal service to governments of different political hues. Political neutrality, or the need to be ‘apolitical’, does not, of course, imply a literal abstention from politics or policy-making, a requirement that would be impossible”

– Tan Sri Dr. Madinah Mohamad –
Former Auditor General

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“There are so many corporate governance studies but their findings need to start being implemented. Nobody is implementing these studies and their recommended models; their key themes would be the same; choose one and implement it. A corporate governance role model would be Warren Buffett (of Berkshire Hathaway) because of the disclosures he gives to shareholders, co-written by him in folksie style with his chairman, Charlie Munger. They attend the AGM and field questions the whole day”

– Tan Sri Tommy Thomas –
Attorney General

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“The reason people don’t see what we are doing is that we are not on a common platform. We are also not communicating our good policies”

– Tan Sri Muhyiddin Yassin –
Minister of Home Affairs

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“In my opinion, Malaysia is not overly deferential to higher authorities, or that protocol and formalities affect productivity and effectiveness.

The culture seems to be changing now as there is more freedom to ‘speak’, especially on social media. What better way to avoid being overly deferential than being honest with your opinion and views”

– Tan Sri Dr. Madinah Mohamad –
Former Auditor General

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“Case precedents must be taken from our Commonwealth brothers. Look at how dynamic India’s laws on election offences are. Britain has hundreds of examples of case law we can draw on, as its election laws have existed for a long time”

– Datuk Azhar Harun –
Election Commission Chair

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“As it evolves, MACC will need to involve itself in the rebuilding and rehabilitation of public integrity. But we are not there yet, as the damage (caused by the previous administration) has been severe. We need time to emulate New Zealand, Japan and Norway”

– Dato’ Seri Mohd Shukri Abdull –
*Chief Commissioner,
Malaysian Anti-Corruption
Commission (MACC)*

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“This transformation of public leadership requires many types of leaders; not only effective organisational leaders in the traditional sense, but also effective collaborative, inter-organisational leaders”

– Tan Sri Dr. Madinah Mohamad –
Former Auditor General

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PART 5

LAUNCHING CEREMONY OF THE NATIONAL ANTI-CORRUPTION PLAN (NACP)

LAUNCHING CEREMONY OF THE NATIONAL ANTI- CORRUPTION PLAN (NACP)

**THE NATIONAL ANTI-CORRUPTION PLAN
(NACP) 2019 – 2023 WAS LAUNCHED ON
29 JANUARY 2019 AT PUTRAJAYA
INTERNATIONAL CONVENTION CENTRE
BY THE PRIME MINISTER, YAB TUN DR.
MAHATHIR MOHAMAD. THEMED 'BREAKING
THE CORRUPTION CHAIN'**









SPEECHES AT THE LAUNCH

KEYNOTE ADDRESS

**YAB TUN DR. MAHATHIR BIN MOHAMAD
PRIME MINISTER OF MALAYSIA**

**PUTRAJAYA INTERNATIONAL CONVENTION
CENTRE (PICC), PUTRAJAYA**

**LAUNCHING CEREMONY OF NATIONAL
ANTI-CORRUPTION PLAN (NACP)**

**29 JANUARY 2019 (TUESDAY)
9.00 AM**

1. Terlebih dahulu saya ingin ucap terima kasih di atas kehadiran Tuan-tuan dan Puan-puan ke majlis yang bagi saya amat bermakna di dalam kita mahu membina hala-tuju Negara dan sebagai pemegang amanah kepada generasi akan datang.
2. Hari ini adalah satu hari yang bersejarah buat Malaysia kerana buat julung-julung kalinya dalam sejarah negara, kita akan melancarkan Pelan Antirasuah Nasional ataupun National Anti-Corruption Plan yang komprehensif untuk memerangi gejala rasuah.
3. Seperti yang kita semua maklum, Kerajaan hari ini dipilih di atas kesedaran rakyat yang tidak boleh lagi menerima perbuatan rasuah yang berleluasa dan jelas merosakkan Negara.
4. Rakyat telah bangun secara kolektif dan menggunakan kuasa rakyat untuk menolak Kerajaan yang dahulu. Ianya satu pernyataan tegas bahawa rasuah di kalangan pemimpin Kerajaan dan di kalangan kakitangan awam tidak boleh lagi diterima.
5. Kerajaan yang baharu disandarkan tanggungjawab untuk memastikan rasuah ini dibendung dan pelaku-pelakunya di pertanggungjawabkan.
6. Kerana itu, walaupun Kerajaan baharu telah melakukan tindakan-tindakan untuk membawa ke pengadilan pelaku-pelaku rasuah yang lalu, langkah-langkah susulan perlu diambil untuk memastikan rasuah yang berleluasa itu tidak akan berulang.
7. Dalam konteks inilah lahirnya Pelan Antirasuah Nasional. Ianya memperlihatkan komitmen kita di dalam memerangi rasuah.
8. Pelan ini juga satu pernyataan yang tegas dari Kerajaan sekarang, iaitu pesalah yang lalu telah dan sedang kita kejar dan akan kita

hukum, manakala perasuah sekarang dan masa depan akan berdepan dengan tindakan yang lebih tegas.

9. Ia satu bukti bahawa tindakan yang kita ambil terhadap perasuah-perasuah yang lalu bukanlah satu tindakan berlandaskan dendam atau benci.
10. Ianya satu tindakan yang diambil kerana kerosakan yang mereka lakukan kepada Negara amat besar dan tidak boleh dibiarkan supaya sesiapa yang merancang untuk melakukan rasuah seperti mereka tidak akan dibiarkan terlepas dan hukumannya adalah lebih berat dan tegas.
11. Kerana itu, Pelan Antirasuah Nasional ini hadir sebagai peringatan dan amaran kepada semua pemimpin sekarang dan masa depan bahawa Malaysia dan rakyatnya tidak menerima amalan rasuah dan ianya satu amalan keji dan menjijikkan.
12. Kita sedia maklum bahawa terdahulu Pelan Integriti Nasional (PIN) telah diperkenalkan dalam tahun 2004 yang memberi fokus kepada pembudayaan integriti dalam kalangan masyarakat.
13. Malangnya Pelan tersebut tidak berupaya menyekat budaya rasuah malahan ianya semakin menjadi-jadi selepas diperkenalkan sehinggalah beberapa tahun yang lalu apabila Negara digelar sebagai sebuah kleptokrasi, satu label yang amat memalukan. Kleptokrasi bermakna sebuah kerajaan yang dipimpin oleh perasuah dan pencuri harta negara yang mengeksploitasi harta negara dan rakyat untuk kepentingan peribadi.
14. Label ini bukan dicipta oleh saya atau Kerajaan yang saya pimpin. Ianya disebar oleh media-media luar negara setelah badan-badan berkuasa dari Negara luar mendapati pemimpin yang lalu telah

terbabit di dalam pengubahan wang haram, rasuah dan penipuan secara berleluasa di satu tahap yang belum pernah terjadi sebelum itu.

15. Di atas kesedaran ini, kita berpendapat, kita tidak boleh sekadar mengingatkan rakyat mengenai kesalahan yang telah berlaku dan betapa buruknya kesan kepada Negara.
16. Kita perlu melihat ke hadapan dan mencari jalan memastikan supaya Kerajaan yang baharu dan yang akan datang tidak akan mengulangi perbuatan rasuah tersebut.
17. Adalah tidak mencukupi sekadar meletakkan kesalahan kepada Kerajaan yang dahulu dan menjadikan ia sebagai ingatan.
18. Sekadar niat tidak mahu melakukan rasuah dan janji mulut tidak memadai. Kita memerlukan pelbagai strategi, undang- undang serta sekatan-sekatan supaya ia dapat membendung rasuah dan menyukarkan mereka yang ingin melakukannya.
19. Dan jika mereka berjaya melakukannya, kita mesti berupaya mengesan perbuatan itu dengan cepat dan selepas itu memastikan mereka mendapat hukuman yang tegas dan setimpal.
20. Kerana itu, jika ada yang mengatakan bahawa Kerajaan hari ini terlalu fokus kepada salah-laku Kerajaan yang lalu, Pelan Antirasuah Nasional ini adalah gagasan masa depan. Yang perlu berhadapan dengan pelan ini adalah ahli-ahli pentadbiran dari Kerajaan sekarang.
21. Kita amat berharap Pelan ini di dalam lima tahun akan datang akan berupaya mengekang budaya rasuah di dalam negara. Kita tahu ini bukan satu usaha yang akan tercapai dengan mudah dan

cepat. Tetapi kita harus mulakan dengan meletakkan asas-asas dasar yang akan membentuk budaya dan sistem yang berteraskan governans dan integriti.

22. Pelan ini disediakan melalui satu proses yang mengambil kira aspirasi dan harapan rakyat Malaysia dalam perjalanan memerangi rasuah. Ianya bersandarkan bukti-bukti empirikal daripada hasil analisis kajian dan data tangkapan serta laporan audit yang terkini. Ianya juga mengambil semangat yang terkandung dalam manifesto kerajaan Pakatan Harapan dan laporan daripada Jawatankuasa Pembaharuan Institusi (Institutional Reforms Committee--IRC).
23. Pelan ini juga mengambil pandangan dan maklum balas daripada semua Ketua Setiausaha kementerian-kementerian, ketua-ketua Jabatan selain perbincangan dengan pelbagai pihak yang difikirkan mampu membantu kita dalam usaha ini.
24. Selain itu, penilaian dan semakan oleh kumpulan pakar daripada Pertubuhan Bangsa-bangsa Bersatu melalui UNCAC atau United Nations Convention Against Corruption juga kita perolehi.
25. Yang paling penting bagi saya ialah Pelan ini telah menilai risiko rasuah di peringkat akar umbi dan memberi fokus kepada enam (6) bidang yang dikenal pasti sebagai bidang keutamaan yang cenderung kepada rasuah.
26. Bidang-bidang tersebut adalah:
 - a. Perolehan Awam;
 - b. Penguatkuasaan undang-undang;
 - c. Tadbir urus Politik;
 - d. Tadbir urus korporat;
 - e. Pentadbiran Sektor Awam dan

- f. Yang terakhir adalah dalam bidang Perundangan dan Kehakiman.
27. Enam bidang utama ini sekiranya tidak ditangani, masalah rasuah dalam negara akan menjadi lebih parah daripada apa yang telah kita lihat sebelum ini. Kerana itu kita menekankan pelaksanaan enam strategi untuk enam bidang keutamaan ini:
- a. Pertama sekali ialah mempertingkatkan keberkesanan dan ketelusan dalam perolehan kerajaan;
 - b. Kedua, menginstitusikan kredibiliti agensi penguatkuasaan undang-undang;
 - c. Ketiga, memperkukuh akauntabiliti dan integriti politik;
 - d. Keempat, memupuk tadbir urus baik dalam entiti korporat;
 - e. Kelima, memperkukuh kecekapan penyampaian perkhidmatan dan
 - f. Yang keenam, mempertingkatkan kredibiliti sistem perundangan dan kehakiman.
28. Ini tidak bermakna perkara-perkara lain tidak penting. Kita cuma memberi keutamaan dalam usaha kita memerangi rasuah pada hari ini untuk menentukan enam bidang tumpuan ini kita perbetulkan ke peringkat akar umbinya.
29. Saya difahamkan daripada enam strategi yang telah digariskan dalam Pelan ini, terdapat 115 inisiatif yang telah dirancang dan kesemuanya berhasrat untuk menjadikan Malaysia negara bebas rasuah.
30. Kesemua inisiatif ini tidak boleh dilaksanakan oleh saya seorang diri, atau oleh Pusat Governans, Integriti dan Anti- Rasuah Nasional (GIACC) sahaja. Tidak juga ini menjadi tanggungjawab

Suruhanjaya Pencegahan Rasuah Malaysia atau agensi-agensi lain yang diberi tanggungjawab mengenai governans dan integriti. Ianya adalah tanggungjawab semua pihak. Daripada Perdana Menteri sehinggalah kepada guru-guru di Tadika terutamanya di dalam menanam nilai yang baik dan benci kepada rasuah dikalangan anak-anak kita.

32. Sudah pasti, nilai ini akan lebih bermakna jika kita dapat memperlihatkan diri kita, sebagai Menteri-Menteri Kabinet, Ketua-ketua Menteri, Menteri-Menteri Besar dan lain-lain jawatan yang diamanahkan oleh rakyat sebagai tauladan di dalam mencapai integriti, bebas rasuah, tidak menyalah guna kuasa dan beramanah.
33. Langkah pertama yang kita ambil iaitu untuk mengisytihar harta adalah amat baik kerana rakyat akan tahu berapa nilai kita sebelum memegang jawatan dan selepas dan jika tiba-tiba kekayaan meningkat secara mendadak pasti menimbulkan persoalan dan menarik minat agensi-agensi anti-rasuah.
34. Kita menang pilihanraya yang lalu kerana kita memperjuangkan governans dan integriti. Kita tidak ada pilihan lain selain mengutamakan governans dan integriti. Ini pilihan rakyat dan diamanahkan kepada kerajaan Pakatan Harapan.
35. Sebab itu dalam Pelan Antirasuah Nasional ini kita meletakkan kepentingan kepada pewujudan rang undang-undang berkaitan pembiayaan politik.
36. Dalam Pelan ini kita juga akan memperkenalkan arahan Perdana Menteri dalam pengurusan had bidang kuasa antara Menteri dengan Ketua Setiausaha. Semua ini antara usaha untuk memisahkan pentadbiran kerajaan daripada pengaruh politik. Ini

penting sebagai usaha untuk mengelakkan sebarang salah guna kuasa daripada berlaku.

37. Begitu juga saya berharap dengan penjawat awam, terutama ketua-ketua jabatan untuk menentukan apa yang terkandung dalam Pelan ini bukan sahaja dilaksanakan tetapi pastikan mencapai matlamat yang dihasratkan.
38. Semua pihak mempunyai saham dalam menentukan 115 inisiatif yang digariskan dalam pelan ini menjadi kenyataan. Masyarakat sivil khususnya harus mainkan peranan sebagai mata dan telinga kerajaan. Sila pantau dan beri maklum balas sekiranya ianya tidak mencapai seperti yang kita harapkan.
39. Pihak media juga punya tanggungjawab yang sangat besar dalam menyampaikan mesej penting kita berhubung dasar negara dalam konteks antirasuah dan membantu rakyat memahami hasrat yang terkandung dalam pelan ini.
40. Semua orang, tidak ada yang terkecuali, mempunyai peranan dalam menjayakan hasrat yang terkandung dalam Pelan Antirasuah Nasional ini.
41. Apa yang telah berlaku akan kita pastikan tidak berulang – never again.
42. Dengan lafaz Bismilahirrahmanirrahim, saya melancarkan Pelan Antirasuah Nasional.

Terima kasih.

OPENING REMARKS

TAN SRI DR. ISMAIL HAJI BAKAR
CHIEF SECRETARY TO THE GOVERNMENT OF MALAYSIA

PUTRAJAYA INTERNATIONAL CONVENTION CENTRE
(PICC), PUTRAJAYA

LAUNCHING CEREMONY OF NATIONAL
ANTI-CORRUPTION PLAN (NACP)

29 JANUARY 2019 (TUESDAY)
9.00 AM

1. Pertamanya, marilah kita panjatkan kesyukuran ke hadrat Allah S.W.T. di atas limpah dan perkenanNya, dapat kita bersama-sama dalam Majlis **MAJLIS PELANCARAN PELAN ANTI RASUAH NASIONAL (NACP)** yang akan disempurnakan oleh YAB Tun Dr. Mahathir Mohamad, Perdana Menteri yang kita kasihi sekalian.
2. Terlebih dahulu saya juga ingin mengambil kesempatan ini untuk mengucapkan ribuan terima kasih kepada YAB Tun dan seluruh anggota pentadbiran kerajaan yang sudi hadir bersama-sama dengan kita pada pagi yang berbahagia ini.
3. Tahniah dan setinggi-tinggi penghargaan kepada Pusat Governans, Integriti dan Antirasuah Nasional (GIACC) atas usaha mereka membantu kerajaan membangunkan Pelan Antirasuah Nasional (NACP), yang merupakan sebuah pelan strategi yang penting dalam melaksanakan dasar anti rasuah di Malaysia.
4. Pelaksanaan Pelan Anti Rasuah Nasional bagi tempoh lima tahun akan datang ini amat signifikan dalam mencerminkan harapan rakyat untuk membentuk sebuah negara yang bebas rasuah dengan warganya membudayakan ketelusan, akauntabiliti dan integriti.
5. Seperti semua sedia maklum, rasuah merupakan isu kritikal yang perlu ditangani secara sistematik dan menyeluruh kerana ia boleh menyebabkan berlaku peningkatan pada jumlah kos modal dan pembangunan bagi apa jua program atau projek yang dilaksanakan. Ini sudah tentu memberikan kerugian besar kepada negara. Rasuah bukan semata-mata kesalahan undang-undang. Tetapi juga kesalahan sosial dan peradaban yang boleh menjejaskan imej Malaysia di mata dunia.

6. Penjawat awam adalah golongan yang berisiko tinggi terhadap rasuah, khususnya bagi mereka yang terlibat dalam pelaksanaan keputusan dan perolehan kerajaan. Berdasarkan kajian yang telah dilaksanakan, didapati bahawa sebanyak 40 peratus daripada pesalah yang ditahan oleh SPRM dalam tempoh 2011 hingga 2015 merupakan kalangan penjawat awam.
7. Sementara itu, kajian Persepsi Integriti Nasional (KPIN) pula mendedahkan bahawa penjawat awam juga kurang kefahaman mengenai rasuah, khususnya yang berkaitan dengan 10 kesalahan rasuah seperti yang terkandung dalam akta SPRM 2009.
8. Sebab itu kita sangat alu-alukan pelancaran Pelan ini dan kita harapkan menerusi pelaksanaan pelan ini, imej dan kualiti perkhidmatan awam dapat dimantapkan ke arah memberi perkhidmatan terbaik kepada rakyat dan negara, dan seterusnya mencapai matlamat NACP yang ingin menjadikan penjawat awam efisien dan responsif dalam memberikan perkhidmatan kelas pertama. Pada masa yang sama, persepsi negatif masyarakat terhadap penjawat awam turut dapat diperbaiki.
9. Di samping itu, pelan ini juga dapat membantu menangani isu governans, integriti dan anti rasuah secara menyeluruh, khususnya dalam perkhidmatan awam selain undang-undang yang membolehkan tindakan punitif diambil terhadap pegawai-pegawai yang sengaja menyebabkan ketirisan, pemborosan atau pembaziran dana kerajaan.
10. Pembaharuan ke arah mensejahterakan perkhidmatan awam dan rakyat amnya amat perlu dilaksanakan dalam sektor awam demi menambah baik kualiti penyampaian perkhidmatan. Pemisahan kuasa antara badan pemerintah, perundangan dan kehakiman perlu diutamakan dalam memastikan integriti perkhidmatan

awam tidak dipertikaikan. Doktrin pengasingan kuasa dalam amalan demokrasi ini amat penting bagi melindungi kebebasan semua pihak dan juga untuk menghindari daripada berlaku salah guna kuasa.

11. Demi mencapai kecermerlangan di peringkat antarabangsa dan memberikan perkhidmatan terbaik kepada rakyat, perkhidmatan awam perlu bebas daripada rasuah. Penjawat awam juga akan sentiasa bersama-sama dan terus menyokong dalam menjayakan agenda anti rasuah negara ini.
12. Saya ingin menyeru kepada semua penjawat awam di dalam dewan ini dan diluar sana, agar dalam melaksanakan tugas, penjawat awam hendaklah mempamerkan sikap tegas, berani, adil dan sanggup mengambil risiko bagi menentukan integriti dan governans tidak dikompromikan.
13. Saya percaya, dengan pelaksanaan NACP dalam kalangan penjawat awam, prestasi sektor awam dan kepercayaan rakyat akan bertambah baik. Oleh itu, saya berharap agar semua penjawat awam dapat memberikan sepenuh komitmen terhadap pelan ini bagi memastikan kejayaan dan keberkesanan pelaksanaannya.
14. Sekali lagi terima kasih kepada semua pihak yang berkerjasama membantu GIACC dalam majlis pelancaran hari ini. Saya difahamkan bahwa pihak GIACC mendapat bantuan dan sokongan padu daripada pihak UKK di Jabatan Perdana Menteri, pihak Suruhanjaya Pencegahan Rasuah Malaysia (SPRM), dan daripada pihak Institut Integriti Malaysia (INTEGRITI). Terima kasih kepada semua.

Sekian, Wabillahitaufik Walhidayah

Wassalamualaikum Warahmatullahi Wabarakatuh. Terima kasih

WELCOMING REMARKS

**TAN SRI ABU KASSIM MOHAMED
DIRECTOR GENERAL,
THE NATIONAL CENTRE FOR GOVERNANCE,
INTEGRITY AND ANTI-CORRUPTION (GIACC),
PRIME MINISTER'S DEPARTMENT**

**PUTRAJAYA INTERNATIONAL CONVENTION
CENTRE (PICC), PUTRAJAYA**

**LAUNCHING CEREMONY OF NATIONAL
ANTI-CORRUPTION PLAN (NACP)**

**29 JANUARY 2019 (TUESDAY)
9.00 AM**

1. Pertamanya saya mengambil kesempatan ini untuk mengucapkan sebanyak terima kasih kepada YAB Perdana Menteri Tun Dr. Mahathir Mohamad, yang sudi hadir melancarkan Pelan Antirasuah Nasional (NACP) pada hari ini.
2. Terima kasih juga kepada YAB Timbalan Perdana Menteri, YB Menteri-Menteri Kabinet, YBhg Datuk Seri KSN, YB Timbalan-timbalan Menteri, Ketua-ketua Jabatan, Wakil Masyarakat Sivil, Wakil-wakil Media, dan semua yang hadir memberi sokongan pada majlis hari ini.
3. Sokongan padu dan komitmen yang ditunjukkan dalam konteks memerangi rasuah pada hari ini memberi indikasi penting bagaimana Malaysia sebagai sebuah negara memandang serius kepada gejala rasuah.
4. Saya harus juga mengambil kesempatan ini untuk mengucapkan sebanyak terima kasih kepada YBhg Datuk Seri Dr. Ismail Bakar, Ketua Setiausaha Negara yang banyak membantu dan menyokong kami di GIACC untuk melaksanakan amanah ini.
5. Saya juga secara khas ingin mengucapkan ribuan terima kasih kepada Ketua Pesuruhjaya SPTM, Dato' Sri Shukri Abdul dan seluruh anggota SPRM yang banyak membantu kami di GIACC dalam merangka Pelan ini. Peminjaman Pegawai SPRM ke pusat ini amat membantu pihak kami. Tidak ketinggalan juga kepada Ketua Audit Negara, Tan Sri Dr. Madinah Mohamad, dan Peguam Negara, Tuan Tommy Thomas. Ucapan terima kasih juga untuk semua ahli jawatankuasa reforms institusi (IRC) yang memberi input kepada kami.

6. Kami juga berterima kasih atas input dan maklum balas yang kami terima daripada semua KSU dalam perjumpaan dari hati ke hati yang kami adakan di GIACC dalam enam bulan yang lalu. Input dan maklum balas daripada kesemua KSU sangat membantu dalam penyediaan NACP.
7. Kami juga terhutang budi dengan banyak pihak yang tampil dalam membantu memberi input dan pandangan serta maklum balas kepada Pelan ini. Antaranya daripada Institut Integriti Malaysia, NGO seperti C4, Transparency International Malaysia (TI-M), Bar Council dan lain-lain organisasi mahupun orang perseorangan yang lain.
8. Kami amat berterima kasih kepada pihak MIGHT yang membantu dalam pelaksanaan bengkel Scenario Planning, di mana hasilnya membantu untuk kami melihat senario rasuah pada masa akan datang. Ini sangat membantu dalam konteks melihat apa yang perlu kita lakukan sekarang bagi menghalang keburukan yang rasuah dapat lakukan pada negara.
9. Terima kasih kami ini tidak terhad hanya kepada pihak-pihak dalam negara, malah kami juga mendapat bantuan dan input nasihat daripada pakar-pakar dari agensi dibawah Pertubuhan Bangsa-bangsa Bersatu (PBB) yang tidak lokek berkongsi ilmu memberi panduan dan pandangan mereka secara gratis.
10. Pelan yang dihasilkan tanpa perlu kita membayar berjuta ringgit kepada syarikat konsultan antarabangsa. NACP adalah hasil kerja kakitangan kerajaan yang mengguna kepakaran sedia ada dalam negara, mengambil kira data-data dan bukti empirikal dari kes-kes rasuah sebelum ini, yang dianalisis secara teliti dengan kaedah penilaian risiko rasuah untuk kita kenal pasti bidang keutamaan yang memerlukan perhatian serius.

11. Apa yang terkandung dalam Pelan ini bukanlah muktamad atau rancangan keramat. Daripada masa ke semasa kita akan menilai dan melihat kembali dan mungkin ada tambahan atau pengurangan dari apa yang kita rancangkan sekarang, bergantung kepada keadaan semasa. This is a living document dan milik kita semua. Ini bukan Pelan GIACC, atau JPM sahaja. Sebab itu kami amat berterima kasih dan alu-alukan kedatangan semua pihak pada hari ini dan berharap agar semua pihak akan mengambil peranan masing-masing dalam merealisasikan apa yang terkandung dalam NACP ini. Semoga usaha kita ini akan diberkati.
12. Sekali lagi saya bagi pihak majlis mengucapkan berbanyak terima kasih atas kesudian YAB Perdana Menteri hadir pada majlis ini bagi menyempurnakan upacara pelancaran Pelan Antirasuah Nasional (NACP) dan menyampaikan ucapan dasar.
13. Bagi menyampaikan keazaman sektor awam bagi melaksanakan Pelan ini, saya denga penuh hormat takzim, menjemput YBhg Datuk Seri Dr. Ismail Bakar , Ketua Setiausaha Negara untuk menyampaikan ucapan beliau.
14. Dengan segala hormatnya dipersilakan YBhg Datuk Seri.

“MALAYSIA BERSIH” SONG

Malaysia Bersih song was selected as the theme song for the National Day and Malaysia Day celebration in 2019. The spirit of this song is to stress the importance of integrity, unity and patriotism.

Composed by : **Muhammad Yuri Mohamed Idris**
Lyrics by : **Datuk Dr. Anis Yusal Yusoff**



Harapan semua moga kita berjaya
Bagai negara yang kekal merdeka
Amanah bangsa kita pikul bersama
Jadikan Malaysia bahagia

Asal budaya kita, budi pekerti indah
Amanah jujur amalan kita
Kini masanya sudah tiba untuk bina semula
Negara tercinta

Kita bina negara, perangi rasuah
Kita satukan hati, demi ibu pertiwi
Keutuhan jiwa, bina nurani
Moga kita terus disanjung

Harapan semua moga kita berjaya
Bagai negara yang kekal merdeka
Kini masanya sudah tiba untuk bina semula
Negara tercinta

Malaysia bersih harapan kita!
Malaysia bersih harapan kita!

Composed by : Muhammad Yuri Mohamed Idris
Lyrics by : Datuk Dr. Anis Yusal Yusoff



PRIME MINISTER'S DEPARTMENT



ISBN 978-967-17951-2-5



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