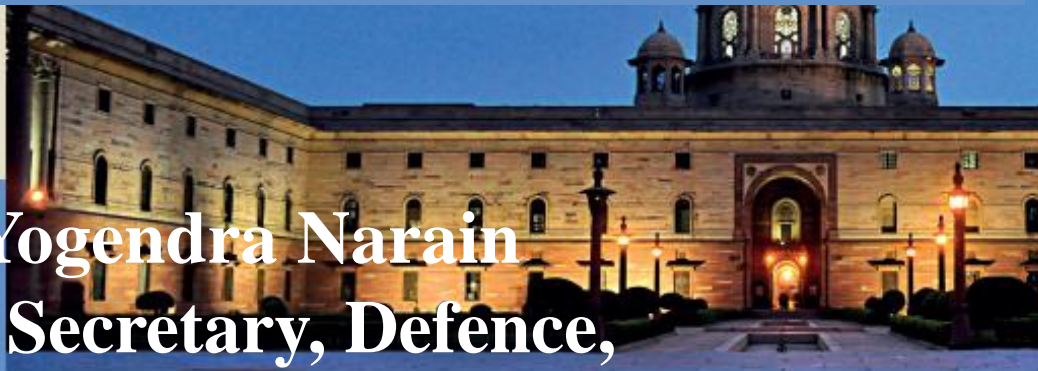


**Symposium on
International Experience with Monitoring and Evaluation (M&E) in Government**

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MALAYSIA

Presentation Outline

- 1. Brief Description of Malaysia**
- 2. The M&E System**
- 3. Similarities with Indian M&E System**
- 4. Dissimilarities with Indian M&E System**
- 5. Lessons for India**

1. Brief Description of Malaysia



1. Brief Description of Malaysia

Capital	Kuala Lumpur
Government	Federal Parliamentary Constitutional Monarchy
Population	29.72 million (2013)
Area	329,847 km ² (67 th in the world)
GDP	\$312.4 billion (2013)

1. Brief Description of Malaysia

- **Malaysia is a Parliamentary Democracy based on the British constitutional monarchy.**
- **It comprises of 13 States with one Federal territory.**
- **It has a bicameral Federal Legislature while the states have unicameral State legislatures.**
- **States are headed by hereditary Rulers or Governors appointed by the King (if no hereditary ruler).**
- **The King himself is elected for a five-year term from amongst the nine Sultans of the peninsular Malaysian states.**

2. The M&E System in Malaysia

A. What is evaluated?

B. How it is evaluated?

C. Who evaluates?

D. Has it sustained?

2. The M&E System in Malaysia

A. What is Evaluated?

- Evaluation is related to the achievement of budgetary objectives.
- Evaluation is done of the programmes and activities which are part of the outcomes. These are linked to the goals of the long term and medium term plans of the country which were spelt out in the first, second and the third Outline Perspective Plans (OPP) incorporating the National Mission and the National Transformation Policy (2011-2020) within the overarching goal of Vision 2020.
- Public sector programmes had to be better targeted to ensure value for money. Therefore evaluation is done of the key performance indicators which are an important part of the Performance Agreements.
- Evaluation is done of the Performance Agreements entered into between the Controlling Officer of the Ministries and the Budget Director, the Programme Heads and the Controlling Officer and the Activity Heads with the Programme Heads. The 24 Ministries covered collectively have 200 programmes and about 800 activities.

2. The M&E System in Malaysia

B. How is it Evaluated?

- The evaluation is done with the help of the Integrated Result Based Management Model (IRBM) or Outcome Based Budgeting (OBB) which focuses on planning and resource allocation on achieving the desired outcomes.
- Under IRBM system, every ministry is required to carry out formative evaluation of its programme on an annual basis.
- Internalised evaluations are advocated as they regard evaluation as a continuous development process and not just a report card process.
- Malaysia has adopted a scoring system based on an aggregation of outcomes and key performance indicators. The KPIs of each identified outcomes are given weightage which will provide a composite score for each outcome. Based on this principle, a composite score will also be developed for each Ministry.
- The output results are presented to Parliament which can then be assessed by the public. These are published in a single document.

2. The M&E System in Malaysia

C. Who Evaluates?

- The basic evaluation is first done by the Ministry who then submit their annual reports to the National Steering Committee.
- The National Steering Committee is chaired by the Secretary General of the Ministry of Finance and the members include the Director General of the Economic Planning Unit, the Deputy Director General of the Public Services Department, the Budget Director, the Secretary of the Macro Fiscal Division and attendees from various other support entities.
- If the performance of the Ministry is beyond the acceptable variance range specified in the Programme Agreement, the Ministry has to prepare an Exception Report to explain the variance.
- To facilitate information collection and reporting at all levels of implementation in a timely manner, a dedicated system known as My Results has been developed and deployed.

2. The M&E System in Malaysia

D. Has it Sustained?

- Malaysia had a policy-driven development right from the beginning. At first, it was Line Item Budgeting with focus on expenditure (1957-60). Then it developed into Programme Performance Budgeting System (PPBS) (1969) and later into the Modified Budgeting System in the 1990s.
- Currently, Malaysia is focusing on improving data quality as good data quality will be a pre-requisite for effective monitoring, performance reporting and decision making
- 5% of the top-performing staff is given monetary rewards and recognition through certification, each based on performance.

3. Similarities with Indian M&E System

- In India, we have Performance Agreements through the formulations of the Result Framework Document (RFDs).
- Evaluation is done on the basis of the achievements of the objectives and the key performance indicators.
- In both countries, the idea is to strive for improved performance, not punishment for poor or non performance.
- Both systems share a similar conceptual structure: focused on outcome based objectives and design of performance indicators on these objectives.

4. Dissimilarities with Indian M&E System

- Performance Agreement is signed by Secretary General of the Ministry and Head of the Budget Division unlike India where it is signed between the Minister and the Secretary of the Department
- There are specific National Priorities determined by the EPU in consultation with other key ministries in which are included in the performance contract. There is no such explicit reference to National Priorities in the RFDs prepared by ministries in India.
- None of the states has adopted the system of Performance Contracts as they have limited resources. In India 17 States have adopted the RFD process of accountability.
- There is internal evaluation of the Performance Contract by each Ministry unlike India where we have opted for external evaluation

5. Lessons for India

- India should adopt Linkage with performance of personnel in Performance Agreements in Malaysia for greater accountability of individual officers.
- RFDs in India should also be sent to the Cabinet for information and end of the year results of each Ministry should be discussed in the Cabinet. Good performers should be given citations.
- National Priorities should be fixed by the Prime Minister's office in consultation with the Planning Commission for each Ministry and included in the RFDs of each Ministry.

The background is a dark blue gradient with a field of small white stars. Overlaid on this are several technical diagrams in a lighter blue color. In the top right, there is a large circular gauge with a scale from 0 to 210 and a needle pointing to approximately 190. Below it is a smaller circular diagram with concentric circles and arrows. In the bottom left, there is a circular diagram with a dashed arrow pointing counter-clockwise. In the bottom right, there is another circular diagram with concentric circles and arrows.

Thank You!