

**MID-TERM REVIEW
OF
UNDP COUNTRY PROGRAMME ACTION PLAN
FOR MALAYSIA (2008-2012)**

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ACRONYMS AND ABBREVIATIONS

ABS	Access and Benefit Sharing	FRIM	Forest Research Institute Malaysia
ACA	Anti-Corruption Agency	FTA	Free Trade Area
ADB	Asian Development Bank	G-15	Group of Fifteen
ADO	Asian Development Outlook	G77	Group of Seventy-Seven
AEC	ASEAN Economic Community	GDP	Gross Domestic Product
AMED	Asia Middle East Dialogue	GII	Gender inequality index
APEC	Asia Pacific Economic Cooperation	GEF	Global Environment Facility
APR	Annual Progress Report	GHG	Greenhouse gasses
APSC	ASEAN Political-Security Community	GNI	Gross National Income
ASEM	Asia Europe Meeting	GOM	Government of Malaysia
ASCC	ASEAN Socio-Cultural Community	GTP	Government Transformation Programme
ASEAN	Association of Southeast Asian Nations	HCFC	Hydrochlorofluorocarbon
AWP	Annual Work Plan	HDI	Human Development Index
BPGCP	Biomass Power Generation & Co- Generation Project	HDR	Human Development Report
BIPV	Building Integrated Photovoltaic	HPMP	HCFC Phase-out Management Plan
BN	<i>Barisan Nasional</i> (National Front)	HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
BRIC	Brazil, Russia, India & China	IBC	Institutional Biosafety Committee
BSEEP	Building Sector Energy Efficiency Project	ICT	Information Communication Technology
CBD	Convention on Biological Diversity	ICU	Implementation and Coordination Unit
CDM	Clean Development Mechanism	IOR-ARC	Indian Ocean Rim Association for Regional Cooperation
CFC	Chlorofluorocarbon	IS	Institutional Strengthening
COP	Conference of Parties	ISIS	Institute of Strategic and International Studies
CPAP	Country Programme Action Plan	LID	Langkawi International Dialogue
CPD	Country Programme Document	M&E	Monitoring and evaluation
CPO	Country Programme Outline	MAC	Mobile Air Condition
CSO	Civil society organization	MACA	Malaysian Anti-Corruption Academy
CSTP	Certification Service Technician Programme	MDG	Millennium Development Goal
DGTTTF	Democratic Governance Thematic Trust Fund	MFA	Ministry of Foreign Affairs
D8	Developing Eight	MIC	Middle-income country
DSP	Development Support Programme	MITI	Ministry of International Trade and Industry
DSS	Development Support Services	MNRE	Ministry of Natural Resources and the Environment
DPKO	Department of Peace-Keeping Operations	MOH	Ministry of Health
E&E	Energy and Environment	MPI	Multidimensional Poverty Index
ECC	Economics of Climate Change	MPTC	Malaysian Peacekeeping Training Centre
EE	Energy Efficiency	MTCP	Malaysian Technical Cooperation Programme
EPU	Economic Planning Unit	MTR	Mid-term Review
ETP	Economic Transformation Programme	MWFCDD	Ministry of Women, Family and Community Development
FDI	Foreign Direct Investment	MYPR	Mid-Year Progress Report
FIT	Fit-in-Tariff		
FEALAC	Far East Asia Latin America Cooperation		

NAM	Non-Aligned Movement	UNDP	United Nations Development Programme
NAMA	Nationally Appropriate Mitigation Action	UNFCCC	United Nations Framework Convention on Climate Change
NC2	Second National Communication on Climate Change	UNICEF	United Nations Children's Fund
NDP	National Development Policy	UPEN	<i>Unit Perancang Ekonomi Negeri</i> (State Economic Planning Unit)
NEAC	National Advisory Economic Council	US	United States
NEM	New Economic Model	WHO	World Health Organization
NEP	New Economic Policy	9MP	Ninth Malaysia Plan
NEX	National Execution	10MP	Tenth Malaysia Plan
NIM	National Implementation Modality		
NGO	Non-governmental organization		
NKEA	National Key Economic Areas		
NKRA	National Key Results Area		
NPD	National Project Director		
NSC	National Steering Committee		
ODA	Official Development Assistance		
PEI	Poverty-Environment Initiative		
OIC	Organization of the Islamic Conference		
PEMANDU	Performance Management and Delivery Unit		
PIR	Project Implementation Review		
PRC	People's Republic of China		
PV	Photovoltaic		
PWD	Persons With Disabilities		
QC	Quality Control		
QPS	Quarantine and Pre-Shipment		
RBAG	Rapid Biodiversity Assessment Guideline		
RE	Renewable Energy		
REBF	Renewable Energy Business Facility		
ROAR	Results-oriented annual report		
RSS	Refrigeration Service Sector		
SEDA	Sustainable Energy Development Authority		
SEDC	Socio-Economic Development Cluster		
SME	Small- and Medium-sized Enterprise		
SPU	State Planning Unit		
SRI	Strategic Reform Initiative		
SSC	South-South Cooperation		
SUHAKAM	Malaysian Human Rights Commission (<i>Suruhanjaya Hak Asasi Manusia</i>)		
TAS	Technical Assistance Scheme		
TOR	Terms of Reference		
TPP	Trans-Pacific Partnership		
TRAC	Target for Resource Allocation for the Core		
TWC	Technical Working Committee		
UM	Universiti Malaya		
UNCT	United Nations Country Team		

EXECUTIVE SUMMARY

I. Introduction

The mid-term review of the Malaysia Country Programme Action Plan (CPAP) 2008-2012 was commissioned by the UNDP country office in Malaysia, in line with CPAP provisions for monitoring and evaluation. The review was tasked to provide (i) an assessment of progress made during the 2008-2010 period towards CPAP outcomes, (ii) an assessment of the use of core and non-core resources and (iii) an analysis of the extent to which the repositioning exercise conducted in 2009 by UNDP and the Economic Planning Unit of the Prime Minister's Department enhanced the strategic value of UNDP support, as well as recommendations on whether further adjustments to the CPAP should be considered. The present report provides a summary of the findings, conclusions and recommendations of the review. The review was carried out between January and April 2011 by a team of independent consultants, with the full cooperation of national authorities and all of UNDP's programme partners.

II. Context

The CPAP agreed by the Government of Malaysia and UNDP in December 2007 is based on the Country Programme Document for Malaysia that was approved by the UNDP Executive Board in September of that year. The programme was designed to support the implementation of the Ninth Malaysia Plan. The CPAP focused on (i) promoting the global partnership for development through South-South cooperation, (ii) addressing national human development issues going beyond the Millennium Development Goals, especially improving equity in the least developed states, and (iii) supporting environmental management and climate change mitigation and adaptive initiatives. Gender, HIV/AIDS, information and communication technology for development and partnerships with the private sector were included as cross-cutting concerns.

UNDP's contribution to Malaysia's development takes place in the context of an upper middle-income country which has made considerable progress in human development, achieved impressive rates of economic growth and poverty reduction over the past decades, and given itself the ambitious goal of reaching high-income country status by 2020. However, Malaysia is also

aware of the multiple challenges that it must address during the coming years to reach this target, including persistent social and gender disparities, pockets of poverty, and other facets of inequality. The Tenth Malaysia Plan (2011-2015) commits to allocating 30 per cent of the country's development expenditure to the social sector so as to achieve greater participation by groups that are most in need, especially the bottom 40 per cent households, and provide equitable access to basic infrastructure and services.

The global financial crisis and economic recession of 2008-2009 did not spare Malaysia. Following the economic downturn of 2009, Malaysia has made a strong recovery. Yet, it now faces the challenge of sustaining its development achievements in an ever more demanding environment and competitive global economy. In response to this situation, the Government of Malaysia has, since 2009, launched several new initiatives, including the Government Transformation Programme, the New Economic Model and the Tenth Malaysia Plan.

Given the rapidly changing context, UNDP undertook in early 2009 a review of the CPAP that aimed at aligning UNDP's support with the country's new development agenda. This process culminated in an agreement between EPU and UNDP to reposition UNDP and focus the CPAP, during the 2009-2012 period, on five priority areas: (i) National response to both the short- and long-term structural implications of the global financial and economic crisis; (2) Addressing poverty, inequality and exclusion; (3) Towards an improved quality of life through sustainable environmental management and energy security; (4) Promoting good governance with a focus on anti-corruption, human rights and the results orientation of the public sector, and (5) Promoting South-South initiatives for development. The evaluation of the 2003-2007 country programme, which was conducted during the first semester of 2009, confirmed the need for repositioning and recommended that the process be continued through the end of 2010 in order to assess the need for further alignment with government policies.

III. Approach and methodology

The mid-term review addressed all programmatic aspects and several management dimensions of the

CPAP. In line with its terms of reference, it was both results-oriented and forward-looking.

Programme performance was assessed using the four standard evaluation criteria (relevance, effectiveness, efficiency and sustainability) as well as from the perspective of programme coherence and adaptability, partnerships, and use of UNDP's assets as a global development agency. The assessment covered a portfolio of 32 projects and activities clustered around the three CPAP components: (i) South-South cooperation (3 projects), (ii) socio-economic development (15), and (iii) energy and environment (14). Thirteen of the 32 projects were activities whose implementation had begun during the previous programme cycle. Total programme expenditures for the 2008-2010 amounted to USD 11.4 million, of which the first cluster accounted for 1.9 per cent, the second for 21.8 per cent and the third for 71.6 per cent.

The methodology included a review of relevant national plans and programmes and CPAP documentation (project documents and annual and other implementation reports), and interviews of project managers, institutional partners, other stakeholders and UNDP management and staff.

IV. Main findings

Relevance

Overall the projects that were reviewed have been relevant to the country's development thrusts and have provided development support to the Government of Malaysia. The new priority areas defined through the 2009 repositioning exercise, and the improvements made in project sourcing and selection have helped to ensure that UNDP activities are relevant to Malaysia's priorities and agenda for the coming years.

Out of the 15 SEDC projects and activities reviewed, 11 focused on socio-economic inequalities, a concern that ranks high on Malaysia's policy reform agenda and in the Tenth Malaysia Plan, while the other four evidence UNDP's success at identifying strategic entry points for support to the country's challenging macro-economic and trade agendas in the aftermath of the global financial and economic crisis – a policy area from which UNDP had previously been absent.

Although GEF-funded projects are designed to meet globally defined criteria and priorities, the E&E projects reviewed are relevant to the development objectives of the country. Renewable energy was explicitly addressed in the Ninth Malaysia Plan (2006-2010) and energy security projects - the BIPV and Biogen projects - are also relevant to this theme. Both projects have also provided significant inputs to the Tenth Malaysia Plan. Given the Government's emphasis on developing a climate-resilient growth strategy and valuing the country's environmental endowments, the climate change and environmental management projects also respond to national priorities.

The projects belonging to the SS cluster capitalise on Malaysia's comparative advantages and institutional strengths, and are built around innovative approaches. The peacekeeping project, which is a good example of partnering with a bilateral donor (Japan), focuses on important new dimensions of peacekeeping, viz., gender and relationships between peacekeepers and civilians.

In general, the programme contents of CPAP 2008-2012 have been relevant and have generated strategic opportunities for future UNDP support to the Government of Malaysia towards the overarching goal of achieving high-income-country status.

Effectiveness

The move towards a more coherent programme, especially since the repositioning exercise, has helped to ensure that the projects that are carried out are effectively contributing to national policies and plans. Several of the projects reviewed have been effective in providing policy inputs to the 10th Malaysia Plan on issues of socio-economic inequalities, environmental management and challenges of climate change and to negotiating processes such as the Trans-Pacific Partnership. In addition, some projects have contributed effectively to Malaysia's fulfilling its commitments towards multilateral environmental treaties such as the Cartagena Protocol (through the Capacity Building on Biosafety project), the Montreal Protocol (through the Non-QPS Uses of Methyl Bromide and the HCFC phase-out management plan projects) and the UN Framework Convention on Climate Change (through the Second National Communication).

Securing key stakeholders' involvement early in project implementation has been critical to ensuring buy-in and support for various activities, as was the case with the poverty project in Sabah and Sarawak and the project on the National Action Plan to Empower Single Mothers. With respect to the Transport for the Disabled initiative, the project was effective in harnessing support and commitment from non-governmental stakeholders, including the disabled community and public transport providers (RapidPenang).

Media and public events, such as seminars and workshops, as well as print and audiovisual publications have been effective in increasing public awareness of issues addressed through UNDP's activities and projects, especially those dealing with marginalized communities like the disabled, single mothers and people living with HIV/AIDS.

The above notwithstanding, the MTR finds that despite the changes made after the 2009 repositioning, there is still room for harnessing important components of UNDP's mandate and global and regional comparative advantages in areas where national needs are considerable and UNDP's contribution should be much more strategic and effective. Deficiencies in the mainstreaming of cross-cutting development concerns have also limited programme effectiveness. This is especially the case with respect to gender equality which is absent from the Energy & Environment clusters.

Efficiency

The MTR found that while the implementation of most of the projects reviewed was satisfactory, the contribution to outcomes and programme efficiency could have been improved with tighter time management. With the exception of the studies that were conducted, the implementation period for most of the projects had to be extended. For some of the projects, there was a considerable time lag between the approval and commencement dates. In the case of the Orang Asli project the time lag was nine months due to UNDP's bureaucratic recruitment policies, while that for the Biogen project was 18 months.

There were also issues related to the convening of National Steering Committee meetings, thus resulting in delays in implementation and closure. Furthermore, despite the fact that all projects use the National Implementation Modality, UNDP

staff seems to spend a lot of time backstopping implementing agencies, especially in the case of projects in the SEDC and E&E cluster.

It is noted that recruitment of the right consultants and project managers tends to take longer time than allowed for in the project design, thus affecting the implementation schedule of projects. The problems identified include the inability to attract or recruit candidates with significant development experience or perceptions that the UNDP contract remuneration is unattractive.

Sustainability

In terms of sustainability, the MTR find that as the projects that have been developed are increasingly linked with the country's priorities, there is evidence that the outcomes of the projects and programmes are being used as inputs for action plans (e.g., Empowering Single Mothers), policies (e.g., Renewable energy policy) and development plans.

The MTR found that in some cases like the Transport for the Disabled Project, institutional stakeholders (in this case the State Government as well as the local government) have plans to continue the initiatives started through the project. It is also heartening to note that there are plans to share lessons with other local governments. Anchoring projects in the right institution, as was done in the case of the BIPV project with Greentech Malaysia (which was later transferred to Ministry of Energy, Green Technology and Water (MEGTW) for the preparation of the new institution named as Sustainable Energy Development Authority (SEDA)), has helped to ensure that the outcomes will be sustained after the project is completed.

Programme management

All CPAP projects have used UNDP's National Implementation Modality (NIM) and been governed by National Steering Committees and Technical Working Committees. While overall compliance with formal NIM requirements has been good, difficulties have arisen with respect to delays in convening the committees, which has resulted in slowing down decision-making and project implementation. There have been marked differences in implementing agencies' capacities and readiness to handle project management responsibilities. Where capacities and/or readiness were insufficient, a disproportionate share of

administrative backstopping has had to be borne by UNDP staff, at the expense of substantive servicing, thus affecting UNDP's value addition.

As had been recommended in the evaluation of the previous country programme, important improvements have been introduced with respect to monitoring thanks to the introduction of several new tools (mid-year and annual progress reports) and processes (project implementation reviews and annual review meetings), all of which have been used systematically since 2009 and provided opportunities for interaction with EPU and individual implementing partners on both substantive and operational matters.

Overall programme coordination has been constrained by the persistence of a project-driven approach (in GEF projects or the projects designed before the 2009 repositioning), a lack of substantive coordination among programme partners and, to some extent, by the fairly high proportion of projects (one-third of the total) that were carried over from the previous country programme. As a result, mainstreaming of key cross-cutting programme dimensions, such as gender and South-South cooperation, has remained below expectations, opportunities for institutional sharing have been missed and attention has tended to focus on the delivery of outputs rather than progress towards development outcomes.

Strategic repositioning

The August 2009 repositioning undertaken to align UNDP's priorities with Malaysia's reform and development agendas has made it possible to develop, over a short period of time, a series of new initiatives through which UNDP's contribution is increasing in relevance and strategic value. Especially noteworthy are the activities launched with respect to the structural implications of the global financial and economic crisis (an area from which UNDP had been totally absent), governance (which the first time appears as a separate programme priority for UNDP in Malaysia) and South-South cooperation (which although one of the three CPAP components had remained vacant).

Repositioning has provided significant new impetus to the programme since three-quarters of all the projects launched since the start of the CPAP came into being after August 2009. New tools developed for project sourcing and selection have been used effectively to ensure that new

initiatives address both national development and UNDP priorities. However, enhancing the strategic value of UNDP's work requires not only being identified with the strategic themes and policy challenges but also with being able to deliver consistently high performance programme-wise. Feedback from partners and stakeholders indicates that perceptions, which in their majority are positive, also point to instances of UNDP's making suboptimal use of its comparative advantages.

V Conclusions

Conclusion 1: *The 2009 repositioning has responded to the need to adjust UNDP's priorities to Malaysia's current and future challenges and provided a strong basis for enhancing UNDP's strategic value as a development partner in an upper middle-income country.*

1. The repositioning exercise was timely. The fact that it was conducted before major national agenda-setting processes were concluded (in particular the elaboration of the Tenth Malaysia Plan and of the New Economic Model) enabled UNDP to play a proactive role when the country's new development priorities were announced.
2. The five priority areas that were jointly agreed by UNDP and EPU in August 2009 are aligned with the country's development agenda, have been adequately reflected in the modified CPAP architecture, and offer good potential for accelerating progress towards CPAP outcomes.
3. Implementation of the repositioning decisions has been effective. All the programme initiatives launched since August 2009, including those already agreed or under consideration for the last two years of the present cycle, are aligned with the five priority areas and fully relevant to the three CPAP outcomes.
4. Programme dynamics since the 2009 repositioning provide strong evidence of the potential for growth in new areas such as economic development and expansion in older ones like inequality. Also noteworthy is the launch of several new projects in two thematic areas, South-South cooperation and governance, that have been important

dimensions of the CPAP since the beginning but which remained vacant before the repositioning process.

5. Repositioning has opened up new avenues for cross-cutting approaches and cross-fertilisation both within and between programme components. South-South cooperation has been mainstreamed in all three programme components and the two projects launched since 2009 reflect this new orientation: the peacekeeping project addresses crisis prevention and recovery as well as gender, while the capacity development project with OIC member countries addresses governance issues. The cross-cutting approach to governance should enable UNDP and its partners to derive additional results from the many portfolio initiatives that include governance dimensions which had hitherto been considered only a project-by-project basis.
6. Repositioning implementation has been made effective thanks to significant improvements in programme coordination and coherence, especially through the adoption of clear guidelines for project sourcing, selection and monitoring and the strengthening of mechanisms for project and programme review, with a view to improving accountability and learning.
7. The new focus on assisting upstream policy processes, improved programme coherence and clearer priorities for the allocation of financial resources should contribute to strengthening overall programme impact.
8. Repositioning has enabled UNDP to define more clearly its role within the UN Country Team and to enhance the substantive value of its participation in country team processes. This has been illustrated in the case of Malaysia's second National Report on the Millennium Development Goals to which UNDP made significant contributions, especially with respect to Goals 1 (poverty), 7 (environment) and 8 (global development partnership).

Conclusion 2: *However, additional efforts will be needed in 2011-2012 to remove existing obstacles and consolidate progress in UNDP's overall contribution to Malaysia's development.*

1. Core UNDP concepts and approaches that are essential components of its comparative advantages have not been sufficiently or evenly utilised to guide programme implementation. This is true, in particular, of human development which, although present in the objectives pursued by a number of projects, especially in the Socio-Economic Development cluster, has not been systematically applied to the definition of project outputs in the other clusters or to provide an overarching framework for the programme as a whole. Gender analysis has not been used at the design stage of a majority of projects, in spite of its relevance to the issues addressed by them.
2. The decision to address South-South cooperation and governance as cross-cutting themes has not been backed up by the elaboration of programme frameworks to guide UNDP and its partners in the implementation of this decision. Such frameworks are needed not only to avoid the repetition of earlier project-driven trends but also to affirm the strategic nature of UNDP's involvement in these practice areas. This is particularly important in the case of governance if future initiatives are to transcend the present dominant focus on public-administration reform and enable UNDP to contribute to some of the broader challenges on Malaysia's development and transformation agenda, of which governance is an intrinsic dimension.
3. With respect to South-South cooperation, an area in which Malaysia was an internationally recognised pioneer, the main obstacle seems to be the absence of a strategic vision of how the country wishes to harness its considerable assets to assist regional and other partners in critical economic, social and environmental fields. Filling this vacuum seems all the more important and urgent as important members of the Southern community, among which the BRICs, now regard South-South cooperation as a core component of their foreign policy and strategies with respect to globalisation.
4. The new focus on upstream policy support has opened up opportunities for UNDP inputs to processes in the form of studies and policy dialogues, but thus far these have seldom been used as entry points for longer-term programme support, thus creating a danger of

UNDP's contribution being limited to the front end of transformation processes and not encompassing the cycle that moves from policy development to implementation, monitoring and impact assessment. The need to make the fullest use possible of UNDP's broad mandate and types of programme support is all the greater in a highly competitive policy- advice market like Malaysia's, in which global consultancy firms and other actors have established a solid presence.

Substantive programme coordination and monitoring, uniform and adequate application of implementation modalities, and focus on development outcomes, all require strong leadership by government authorities and a clear understanding by all programme partners that the initiatives implemented within the framework of the CPAP have been agreed by the government and are placed under its responsibility. The difficulties identified by the evaluation of the previous country programme with respect to lack of clarity on ownership have also been observed in several instances by this MTR. If not addressed promptly, existing misunderstandings and doubts about ownership of the projects and the responsibilities involved in their implementation will limit the gains that both national authorities and UNDP expect to be made thanks to the repositioning decisions they took jointly.

VI Recommendations

Recommendation 1: *Corporate UNDP should provide greater support to the efforts made to enhance UNDP's strategic value to Malaysia.*

In his 2009 report on cooperation with middle-income countries, the UN Secretary-General stated that "at present, the United Nations system has no well-defined agenda that guides its substantive programme content towards the priorities of middle-income countries. Several United Nations country teams have been redefining their agendas; however, a clear approach that defines guidelines and sets priorities in middle-income countries is needed, rather than to proceed on an ad hoc

basis."¹ The process that has been undertaken by UNDP-Malaysia to reposition the organization can be seen as yet another example of redefinition of the agenda on an ad hoc basis. While significant progress has been made within a relatively short period of time, corporate UNDP should provide support during the remainder of this programme cycle in at least the three following areas:

1. General policy guidance with respect to the evolution of UNDP's role and activities in upper middle-income countries in the different regions, and regular feedback on the orientations taken by UNDP-Malaysia in its repositioning efforts;
2. Specific support for upstream policy work: (a) global expertise available at UNDP and/or available through its specialist networks, communities of practice, etc.; (b) evidence-based policy advice for the five priority areas defined by the 2009 repositioning, and (c) examples of good practice in South-South cooperation applicable to the areas of focus of UNDP-Malaysia.
3. Options for strengthening UNDP-Malaysia's substantive and managerial capacity to respond better to government expectations.

Recommendation 2: *EPU should step up its support strengthen its leadership role in programme coordination and implementation.*

In particular, EPU should:

1. Use existing mechanisms for programme coordination and review to (a) ensure maximum alignment of new initiatives with countries needs and priorities; (b) promote programme coherence and complementarity within and across practice areas; (c) resolve with programme partners, with UNDP's support, any outstanding problems with respect to programme and project ownership, and (d) ensure, with UNDP's support, uniform application of the National Implementation Modality by programme partners, especially with regard to the discharge, by implementing

¹ United Nations. (2009). Report of the Secretary-General on cooperation with middle-income countries. Document A/64/253, paragraph 57.

agencies, of their administrative and financial responsibilities, so as to enable UNDP assistance to focus on substantive services and monitoring.

2. Promote, among all programme partners, a full understanding of the repositioning decisions made in August 2009, especially with respect to UNDP support to upstream policy work in the five priority areas.

Recommendation 3: *In line with the 2009 repositioning, EPU and UNDP should undertake joint efforts to improve further programme coherence, quality and impact.*

In particular, they should:

1. Evaluate comprehensively, in light of the five priority areas, the relevance of the outputs listed under each of the three CPAP outcomes, and recommend the deletion of those outputs which fall outside the new CPAP architecture.
2. Develop medium-term conceptual and programming frameworks for each of the five priority areas, with a mapping of the entry points, results and partnerships that would seem most adequate to ensure progress towards national objectives and CPAP outcomes. Such frameworks should identify opportunities for UNDP support in the full spectrum of its development mandate, i.e. policy analysis, development, impact assessment, capacity development, partnership development and advocacy. Precedence should be given to the two new priorities (National response to both the short- and long-term structural implications of the global economic and financial crisis, and Promoting good governance with a focus on anti-corruption, human rights and the results orientation of the public sector).
3. Set in motion and support the elaboration of Malaysia's first National Human Development Report, with a view to its publication before the end of the current cycle (December 2012) and to its inclusion as a regular activity under the successor country programme. To this end, a review of best practices in other upper middle-income countries should be undertaken, with the assistance of UNDP's Human Development Report Office and other relevant headquarters units, with a view to defining adequate modalities for Malaysia (composition of report team, partnerships with government, academic and other institutions, establishment of an advisory council, publishing and dissemination, etc.).
4. Identify opportunities for new partnerships with civil-society organizations and the private sector, with a view to promoting multi-stakeholder involvement in CPAP implementation and programme outreach, impact and sustainability in relevant areas. In this context, options for involving such entities as implementing agencies should be analysed, taking into account UNDP's existing implementation modalities for such cases.

Chapter 1- INTRODUCTION

1.1. Rationale and context of mid-term review

This report sets out the findings of an independent mid-term review (MTR) of UNDP's Country Programme Action Plan (CPAP) for Malaysia, 2008-2012.² The CPAP is based on the Country Programme Document which was approved by the Executive Board of UNDP at its second regular session 2007.³ The findings are intended to assess CPAP performance from 2008-10, as well as provide lessons learned and recommendations for the remainder of the programme cycle.

The MTR was carried out in line with the provision made in the CPAP for a review of its priorities and direction "in the light of new national priorities that may emerge from the 10th Malaysia Plan 2011-2015".⁴

The objectives of the MTR, as defined in the Terms of Reference (Annex 1) prepared by UNDP's country office in Malaysia (hereinafter referred to as UNDP-Malaysia), emphasise the importance of determining the extent to which programming is "aligned with the Government of Malaysia's development plans and programmes as outlined in recently announced national development strategies and priorities". The MTR should be results-oriented and provide:

- a results assessment of progress made towards CPAP 2008-12 outcomes,
- an assessment on the use of core and non-core resources, and
- an analysis and recommendations on whether further adjustments of the CPAP should be considered".

The audience for this report includes the management and staff of UNDP-Malaysia, senior officials of the Economic Planning Unit of the Prime Minister's Department and other ministries and agencies that are partners of UNDP in Malaysia, other CPAP stakeholders, other UN system agencies operating in Malaysia, as well as UNDP's Senior Management, Regional Bureau for Asia & the Pacific, and Evaluation Office.

Implementation of the CPAP from 2008-10 took place within a context characterized by a worldwide financial and economic crisis with far-reaching consequences and implications for all countries, and major policy initiatives and innovations by the Government of Malaysia (see Chapter 2).

United Nations member States have maintained the focus on achieving the Millennium Development Goals (MDGs) by 2015 and at the September 2010 Millennium Summit agreed on additional efforts to accelerate progress on women's and children's health.⁵ Aid effectiveness concerns have continued to rank high in the ongoing dialogue between donors and recipients, based on the principles of the 2005 Paris Declaration and the 2008 Accra Agenda for Action.

From a UNDP perspective, the period coincides with the organization's Strategic Plan 2008-2011 which emphasizes, *inter alia*, the need for inclusive and sustainable growth, reduction of countries' internal disparities and strengthening of their strategic capacities –all of which concerns acquire special relevance in upper middle-income countries (MICs).⁶ Increasingly higher levels of priority have been given to results-

²"Country Programme Action Plan between the Government of Malaysia and United Nations Development Programme 2008-2012", Kuala Lumpur, December 2007 (http://www.undp.org.my/uploads/CPAP_MYS_2008-2012.pdf)

³ "Draft country programme document for Malaysia (2008-12)", document DP/DCP/MYS/1, 1 May 2007 (http://www.undp.org.my/uploads/CP_MAL_2008-2012.pdf)

⁴ CPAP, op.cit., sections 4.4 and 4.5, page 9

⁵ "Keeping the promise: united to achieve the Millennium Development Goals", General Assembly draft resolution A/65/L.1 (Follow up to the outcome of the 2010 Millennium Summit)

⁶ "Revised strategic plan of UNDP for 2008-2011", document DP/2007/43/Rev.1, approved by Executive Board decision 2008/15 on 26 juin 2008

based management (with its emphasis on the achievement of outcomes rather than processes and outputs) and accountability (through monitoring, evaluation and audit).

Renewed attention has recently been paid by the international community to the role of MICs in the international development-cooperation system, about which recommendations have been adopted by several intergovernmental conferences held during the last few years, and by the United Nations General Assembly, against a background of greater concentration of official development assistance (ODA) flows to least developed and other low-income countries. Significant differences in policy and practice continue to exist among both bilateral donor and multilateral agencies, including within the UN system itself, with respect to MICs.

1.2. Scope, approach, methodology, process and limitations

Scope

The MTR covered all programmatic and operational aspects of the CPAP. It addressed CPAP performance in all three thematic clusters, i.e. a portfolio of 32 projects and sub-projects (see Section 3.1 on programme composition). With respect to projects that started during the previous cycle but continued during the present one, only those that did not have annual work plans (AWP) after 2007 were excluded. Although several of the most recent projects (whose implementation began in 2010) showed limited activities at the time of the MTR, their nature and objectives were taken into account to analyse the evolution of the programme and its likely composition during the remainder of the present cycle.

The MTR also addressed the strategic dimensions highlighted in the TORs, particularly the implementation and impact to date of the decisions taken in August 2009 by UNDP-Malaysia and its principal national counterpart, the Economic Planning Unit (EPU) of the Prime Minister's Department, to align UNDP's priority areas with those of the National Mission Thrust, as well as scope and options for further repositioning.

Approach

The MTR combined an evaluative goal (assessment of CPAP performance from 2008-10) and a forward-looking perspective (scope and options for further repositioning of UNDP in Malaysia). Although it includes a detailed review of the portfolio and addresses specific issues dealing with operationalization, the MTR was not conducted with a view to providing in-depth analysis of individual projects and initiatives. Rather, its emphasis is on the CPAP as a whole and on how to improve the "fit" between UNDP's mandate, comparative advantage and ability to leverage its assets, on the one hand, and Malaysia's medium- and long-term development priorities as defined in the Government's current strategies and plans, on the other.

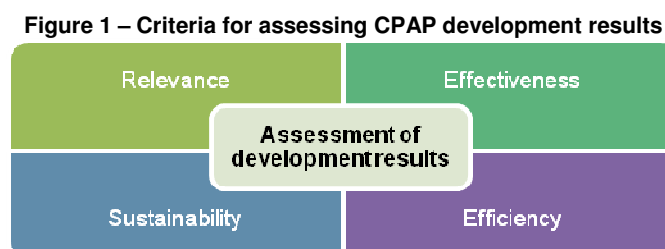
The MTR was shaped by the following main questions:

- Assessment of CPAP performance
 - What progress has UNDP made toward the CPAP outcomes?
 - What progress has UNDP made in delivering CPAP outputs?
 - To what extent are CPAP outputs clearly linked to CPAP outcomes?
 - How efficiently have core and non-core resources been used in the implementation of projects?
 - What would be appropriate indicators to measure CPAP outcomes?
- Strategic positioning
 - To what extent has the 2009 CPAP repositioning exercise enhanced the value of UNDP support to the Government?
 - Should further repositioning take place to ensure proper alignment of CPAP outcomes with the Government's development plans and programmes, and what options should be considered in this regard?

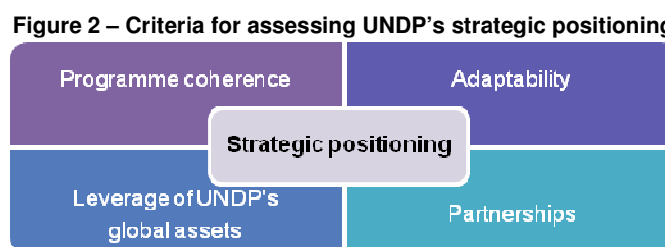
Methodology

Taking into account the MTR’s dual objectives (assessment of CPAP performance and impact of repositioning) and the recommendations from the independent evaluation of the 2003-2007 country programme (see Section 1.3), two complementary sets of criteria were used to guide the analysis.

With respect to assessing CPAP performance, the criteria were relevance, effectiveness, efficiency, and sustainability (Figure 1).



With respect to strategic positioning, the criteria were programme coherence, adaptability, partnerships and the leveraging of UNDP’s global assets to assist Malaysia’s development efforts (Figure 2).



Based on the above criteria, the principal evaluation mentioned above were broken down in sub-questions that form the matrix presented in Annex 2.

The MTR used two complementary matrices for purposes of analysis and recommendations. The first matrix (by priority area and UNDP function) is a guide to understanding how the different roles that UNDP plays in programme support are distributed across the life cycle of projects and the range of thematic/priorities areas of UNDP involvement. Such mapping helps to discern trends with respect to how UNDP uses its “programming template” to shape its contribution to each of the priority areas and at the aggregate CPAP level (Table 1).

Table 1 - Matrix by priority area and UNDP functions (as per 2009 repositioning)

UNDP functions (examples)	Responses to implications of global crisis	Poverty Inequality Exclusion	Energy & Environment	Good governance	Promoting South-South cooperation
Policy support & advocacy					
Knowledge management					
Facilitation of dialogue					
Capacity development					
Operational support					

The second matrix (by priority area and evaluation criterion) was used to verify empirically the extent to which the evaluation criteria used for the assessment of development results could be applied to each of the thematic/priority areas, and to the country programme as a whole, as well as the availability of monitoring and

evaluation data, without which it is practically impossible to formulate opinions regarding efficiency and sustainability (Table 2).

Table 2 - Matrix by priority area and performance-assessment criterion (as per 2009 repositioning)

Evaluation Criterion	Responses to implications of global crisis	Poverty Inequality Exclusion	Energy & Environment	Good governance	Promoting South-South cooperation	CPAP as a whole
Relevance						
Effectiveness						
Efficiency						
Sustainability						

Used in combination, these two templates facilitated the identification of instances of good (and not so good) practice, as well as understanding their underlying factors.

With respect to sources of data, the MTR approach sought to optimise data quality and reliability through the standard practice of “triangulation”. The methods used for the analytical part of the MTR included:

- A desk study of documents elaborated or commissioned by:

the Government of Malaysia and other relevant national institutions (9th and 10th Malaysia Plans, The National Mission Thrust, Economic Transformation Programme, Government Transformation Programme and NKRA, New Economic Model, etc.);

UNDP-Malaysia (CPD, CPAP, report of the external evaluation of the country programme 2003-2007, 2009 re-positioning process, mid-year, end-year and terminal project reports, project evaluation reports, country office results-oriented annual reports (ROARs), Atlas data, etc.);

the Malaysia UN country team (2010 draft MDG report, reports on theme group activities, etc.) , and other relevant national, international and multi-lateral sources.

- Individual and group semi-structured interviews of individuals belonging to the following categories:
 - national authorities (Economic Planning Unit of the Prime Minister’s Department and relevant ministries and public institutions);
 - programme partners: project implementing agencies, civil-society organizations (CSOs), research institutions and bilateral donors;
 - other stakeholders, including UN system agencies and CSOs;
 - National Project Directors (NPDs) and project managers, and
 - UNDP management and staff.

Process

The MTR was conducted by a team of two external consultants (one international, one national) who were recruited by UNDP-Malaysia in December 2010. The fact-finding mission, during which the interviews with Government officials, programme partners, other stakeholders and UNDP management and staff took place, took place from 6 January–1 February, 2011. Preliminary findings were shared with the International Cooperation Section of the EPU on 17 January and with the UNDP Resident Representative and his staff the following day.

The first draft of the report was completed in early April 2011, reviewed by UNDP-Malaysia and subsequently revised by the consultants. The revised draft was presented to EPU on 13 April 2011. Feedback from this presentation and discussions with UNDP-Malaysia management was taken into account in the finalization of the report.

Annex 3 contains the list of the persons interviewed by the MTR team. Annex 4 contains a list of the main documents consulted.

Limitations

With some exceptions, interviews of government officials and programme partners tended to focus on project implementation (output level) rather than development results (outcome level). The MTR team wishes it had had more opportunities to meet with senior officials to discuss matters pertaining to UNDP's role and relevance in Malaysia.

Due to time and other constraints, all meetings took place in Kuala Lumpur except for those with the State Economic Planning Unit (UPEN) of Penang and the Socio-Economic Research Institute (SERI).

The MTR team had few opportunities to verify the existence, use and dissemination of project products --a task not explicitly foreseen in the TOR. However, account was taken of the information contained in the project monitoring and annual country-office reports.

1.3. Past UNDP cooperation in Malaysia and lessons learned

UNDP (which was established in 1965 from the merger of the United Nations Special Fund and the United Nations Technical Assistance Fund) has been a development partner of Malaysia since the country's independence in 1957.⁷ Cooperation was initially shaped by UNDP's technical-assistance mandate. Since 1972, UNDP has used various iterations of the country programme concept for multi-year programming frameworks and financial allocations. In the case of Malaysia, after the experience gained through five successive country programmes, the first five-year Country Programme Framework (CCF) was implemented from 1997-2002. This was followed by a Country Programme Outline (CPO) for 2003-2007. For the current cycle (2008-2012), the operative documents are the Country Programme Document (CPD) and the more detailed CPAP. The evolution of UNDP's country-programme formats and requirements reflects the organization's increasing emphasis, since 1997, on the application of results-based management tools, including monitoring and evaluation. Evaluation plans, which focus on development outcomes and no longer on individual project results, now are an integral part of CPDs and CPAPs.

Country Programme Outline 2003-2007

Like its predecessor, the CPO 2003-2007 focused on two main areas: (1) human development and (2) energy and the environment, to which was added the sharing of best practices in these areas through South-South cooperation. The intended development outcomes and strategic areas of the CPO came under the following four headings:

- *Sustainable human development*: National policies more effectively address the social impact of economic liberalization; increased regional and sub-regional economic and political cooperation;
- *Poverty*: Institutional capacity built to plan and implement multi-sectoral strategies at both national and sub-national levels to limit the spread of HIV/AIDS and mitigate its social and economic impact on poor people and women; an enabling environment created for the use of Information Communication Technology (ICT) in small- and medium-sized enterprise (SME) development, or creation of internet-focused firms; expanded collaboration between the public and private sectors to

⁷ The agreement on which cooperation between UNDP and Malaysia is based was signed on 3 August 1961 by the Government of the Federation of Malaya and the United Nations Special Fund (UN document SF/Agreement/R.65). This and the subsequent Technical Assistance Agreement signed on 1 March 1962 form the basis and legal framework for all cooperation between UNDP and the Government of Malaysia.

provide poor communities/underserved groups (e.g., women, people with disabilities, elderly, minorities, etc) with access to and training to use ICT;

- *Environment*: Environmental and energy sustainability objectives integrated in macroeconomic and sector policies; improved capacity of national/sectoral authorities to plan and implement integrated approaches to environmental management and energy development that respond to the needs of the poor; improved capacity of local authorities, community-based groups, and private sector in environmental management and sustainable energy development; global environmental concerns and commitments integrated in national development planning and policy;
- *Gender*: Policy statements and strategies incorporate gender equality as a specific objective; periodic reports on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women prepared by Government and reviewed by Parliament.⁸

Lessons learned

An independent evaluation of the CPO 2003-2007, conducted in the first semester of 2009, concluded that most UNDP-supported projects had been relevant to Malaysia's development, well aligned with national priorities and well synchronised with the country's long-term development goals. The only exceptions were some of the projects funded by the Global Environment Facility (GEF) whose own priorities, defined at the global level, did not necessarily match those of the national agenda.

The evaluation also found that although projects had been effective in various ways (significant inputs to policies and plans, generation of public awareness, advocacy, etc.), several factors had limited overall effectiveness, including: the fragmentation of efforts due to a widely scattered portfolio, ad hoc rather than strategic selection of projects, lack of involvement of non-governmental organizations (NGOs) in project execution, and limited leveraging of global and regional funding windows –with the exception of the GEF.

With respect to sustainability, in spite of instances of good practice (projects whose results led to follow up and scaling up), the picture was seen as mixed due to the fact that several projects had been designed as one-off activities, without possibilities for follow up or institutional learning. Determinants of good practices included strong political support, high profile and value addition of projects, and robust monitoring and reporting systems.

Overall, CPO impact was rated positively thanks to good design and competent management, although success applied more to individual projects than to the programme as a whole, due to insufficient programme coherence. In addition to the factors that had impeded effectiveness, the evaluation drew attention to: (1) the need for UNDP-Malaysia's to seek proactively opportunities to support upstream policy formulation, especially in areas of UNDP competencies acknowledged by the Government, and (2) the lack of UNDP clarity, at the corporate level, with respect to its role in MICs and in the promotion of South-South cooperation.

Recommendations focussed on the need to (1) enhance programme impact and (2) reposition UNDP in Malaysia. To improve impact, the evaluation recommended the following four-step approach:

- Articulating clearly UNDP's role in a MIC like Malaysia;
- Leveraging UNDP's global assets and cooperating with all national actors to position Malaysia as a leader in South-South cooperation;
- Focusing the programme on fewer and more strategic activities with strong potential for knowledge and policy analysis and advocacy, and
- Building partnerships with research and academic institutions and civil-society movements.

To reposition UNDP in Malaysia, the following measures were recommended:

⁸ "Country Programme Outline for Malaysia (2003-2007)", document DP/CPO/MAL/1, 24 April 2002

- Developing a strategic response to stakeholder demands using criteria such as greater selectivity of interventions, identification of high-impact areas, and potential for policy change;
- Generating greater value addition through improved UN system coordination and international expertise;
- Institutionalising reporting, monitoring and evaluation;
- Improving staff and consultant skill mix to engage better in policy dialogue, quality monitoring and technical backstopping, and
- Raising UNDP visibility through communications and partnership building.

Finally, the evaluation recommended that implementation of the 2008-2012 CPAP should focus thematically on:

- Short- and long-term implications of the global economic and financial crisis;
- Human security challenges, especially protection against down-side risks arising from the 2007-2009 financial and economic crisis;
- Strategic capacity development in the fields of the environment and energy, including climate change;
- Improving government functioning, and
- Malaysia's role in, and efforts to promote, South-South cooperation.⁹

1.4. Summary of the Country Programme Action Plan for Malaysia 2008-2012

The CPAP was developed through a broad, multi-stakeholder consultative process to complement the Ninth Malaysia plan (2006-2010) which outlined five strategic action areas essential for continued national development:

- Move the economy up the value chain;
- Raise capacity for knowledge and innovation;
- Address persistent socio-economic inequalities constructively and productively;
- Improve the standard and sustainability of quality of life; and
- Strengthen institutional and implementation capacity.

The CPAP focuses on promoting the global partnership for development through South-South cooperation, on national human development issues going beyond the MDGs, especially improving equity in the least developed states, and on environmental management and climate change mitigation and adaptation initiatives.

With respect to the cross-cutting areas, the CPAP emphasises:

- Supporting capacity development in macro and micro modelling, implementation and delivery, private finance initiatives and policy and programme implementation in the areas of environment and energy;
- Promoting gender equality in three areas: female-headed households, women's participation in the labour force and capacity development for women entrepreneurs;
- Supporting the implementation of the National Strategic Plan on HIV/AIDS;
- Strengthening partnerships with the private sector and encouraging corporate social responsibility.

The CPAP recognises the importance of strategic partnerships to maximise impact and foresees close collaboration with the Government, multi- and bi-lateral partners, academia, NGOs and the private sector. Cooperation with other UN agencies through joint programmes is to be further developed.¹⁰

Table 3 presents the CPD/CPAP programme components, programme outcomes and outputs.

⁹ Kumar, Shiva A. K. and Lim, P. L., "UNDP in Malaysia: An evaluation", July 2009

¹⁰ CPAP, op. cit., pages 9-14

Table 3 – CPD/CPAP outcomes, components and outputs¹¹

INTENDED CPD OUTCOMES				
Malaysia has increased its engagement in the global partnership for development	Effectively responded to human development challenges & reduced inequalities	Malaysia has improved environmental stewardship through sustainable energy development & environmental management		
PROGRAMME COMPONENTS				
Contribution of Malaysia to the global partnership for development	Fostering inclusive globalization and promoting inclusive growth	Towards improved quality of life through sustainable environmental approaches/management		
EXPECTED PROGRAMME OUTCOMES				
Malaysia to have contributed to the capacity development of Southern & developing countries	Malaysia's priority human development challenges, including growing inequality, addressed	Enhancing environmental management of biodiversity & natural resources, including water resource management	Climate change mitigation and adaptive initiatives implemented	Incorporation of environmental considerations into planning & development of non-environmental agencies
EXPECTED PROGRAMME OUTPUTS				
<ol style="list-style-type: none"> 1. Policies and strategies on achieving the MDGs shared with countries of the South & other developing countries 2. Public-private partnerships in Malaysia strengthened and technology, knowledge & skills transferred to countries of the South 3. Sub-regional cooperation enhanced 4. Malaysia's capacity to support crisis prevention & management enhanced 	<ol style="list-style-type: none"> 1. Progress made towards the K-economy that enhances Malaysia's competitiveness 2. Spatial and sub-population socio-economic inequalities & disadvantages, including the digital divide, reduced 3. Progress made towards women's empowerment in decision-making positions & increased labour participation 4. Enhanced public administration reform, especially service delivery, & corruption levels reduced 5. Strengthened current institutional capacity as the country progresses towards Vision 2020 6. Support & create strategic partnership with the Government towards the implementation of the National Strategy on HIV/AIDS 2006-2010 7. Enhanced role of the private sector in support of national development priorities 	<ol style="list-style-type: none"> 1. Malaysian Sustainable Development Indicators (SDI) developed 2. Improved capacity of stakeholders in environmental management, including water management, planning & implementing integrated approaches that also respond to the needs of the poor 3. Established protocol for traditional biodiversity knowledge 	<ol style="list-style-type: none"> 1. Improving data management of GHG emissions & ODS consumption 2. Barrier removal for extension of EE and RE implementation, including water management, planning & implementing integrated approaches that also respond to the needs of the poor 3. Extension of rural electrification utilising RE sources 	<ol style="list-style-type: none"> 1. Capacity building to implement National Physical Plan at state & local levels 2. Environmental services support incorporated into industrial development

¹¹ Compiled from the CPD/CPAP results and resources frameworks

The resource plan for the five-year duration of the CPAP foresaw a total of USD38.54 million, of which UNDP core resources would account for USD 2.03 million, or 5.3 per cent, and non-core resources (Government of Malaysia project cost-sharing, GEF, Montreal Protocol, UNDP thematic trust funds, bilateral donors, private sector) for USD36.51 million, or 94.7 per cent (Table 4). Government cost-sharing was initially projected at USD5.9 million (15.3 per cent of total resources) and GEF support at USD25.18 million (65.3 per cent), thus leaving a resource-mobilization gap of USD5.43 million (14.1 per cent).

Table 4 – Initial CPAP resource plan for 2008-12 (in USD '000)¹²

Programme component	Core Resources		Non-core resources		Total	
	Amount	%	Amount	%	Amount	%
1. Contribution of Malaysia to the global partnership for development	670	33.0	3,270	9.0	3,940	10.2
2. Fostering inclusive globalization and promoting inclusive growth	1,000	49.3	4,000	11.0	5,000	13.0
3. Towards improved quality of life through sustainable environmental management	360	17.7	29,240	80.0	29,600	76.8
Total	2,030	100.0	36,510	100.0	38,540	100.0

In 2009, a review of the CPAP was initiated to take into account the significant changes that had taken place in Malaysia's development context and the response from the Government. The purpose of the review was to ensure optimum effectiveness and focus for UNDP's programming support. Consistent with one of the principal recommendations made by the CPO evaluation, this repositioning exercise was conducted through consultations with the EPU and culminated in a joint UNDP-EPU decision, taken in August 2009, to focus the CPAP on the following five priority areas during the remainder of the cycle:

1. National response to both the short-term and longer-term structural implications of the global economic and financial crisis;
2. Addressing poverty, inequality and exclusion;
3. Towards an improved quality of life through sustainable environmental management and energy security;
4. Promoting good governance with a focus on anti-corruption, human rights and the results orientation of the public sector, and
5. Promoting South-South cooperation initiatives for development.

1.5. Structure of the report

This report is organised in seven chapters. Following this introduction, Chapter 2 briefly reviews Malaysia's development context, both domestic and international. Chapter 3 describes the overall composition of the UNDP country programme and evolution since the start of the CPAP in 2008, and provides an overview of programme funding, budget, expenditure and financial delivery. Chapter 4 analyses CPAP performance by programme component as well specific dimensions of programme management. Chapter 5 looks into the implementation to date of the 2009 repositioning exercise and its impact on the strategic value of UNDP's contribution. Chapter 6 summarises this review's main findings with respect to the evaluation criteria. Chapter 7 presents the conclusions and recommendations.

¹² CPAP, op. cit., page 14

Chapter 2 – DEVELOPMENT CONTEXT

2.1 Overview of Malaysia's development situation

Malaysia is an upper middle-income Southeast Asian country with a multiethnic, multicultural and multilinguistic population of 27.9 million and 330,000 square km of land area. The country comprises two principal areas, Peninsular Malaysia, which accounts for 79 per cent of the population, and Sabah and Sarawak, and is made up of 13 states and three federal territories, including the nation's capital, Kuala Lumpur.

Malaysia has been ruled by a multi-ethnic coalition government, *Barisan Nasional* (BN) or National Front since independence in 1957. Policies of affirmative action in favour of the Bumiputera, have been promoted by the BN government through the New Economic Policy (NEP), launched in 1970. The NEP was replaced in 1990 by the National Development Policy (NDP) with the goal of reducing ethnic tensions through improvements in the economic welfare of the Bumiputera and their share of national wealth.

Since 1991, policies have been shaped by "Vision 2020", whose overarching objective is the transformation of Malaysia into a fully developed country by 2020. Vision 2020 is based on achieving a 7 per cent annual growth average and defines significant objectives in the economic field, including industrial restructuring, technological upgrading, human resource development and improved intrasectoral linkages, and in the realm of national unity.

Malaysia's development achievements are impressive and have been recognised internationally. A country that essentially relied on rubber and tin at the time of independence in 1957, Malaysia has built a broad-based and diversified economy in which services and industry (currently 55 and 33 per cent of GDP, respectively) have been the key drivers of its export-led growth strategy, while the share of agriculture has declined to 8 per cent from 22 per cent in 1970.

Malaysia's development policy is framed by five-year plans that provide strong guidance, in particular, for public investment. At the core of the Ninth Malaysia Plan 2006-10 (9MP) lay the "National Mission 2006-20" which comprised five thrusts: (1) to move the economy up the value chain; (2) to raise the country's capacity for knowledge, creativity and innovation and nurture "first class mentality"; (3) to address persistent socio-economic inequalities constructively and productively; (4) to improve the standard and sustainability of our quality of life, and (5) to strengthen the institutional capacity of the country.¹³

The mid-term review of the 9MP, conducted in 2008, looked positively on the results achieved during the first half but contained warning signals about the likely global impact of the financial crisis that begun to spread beyond the United States. With respect to the remainder of the plan, the review stated that priority should go to "people-centred projects that bring tangible benefits and improve the quality of life of the people". Strong emphasis was placed on poverty and inequality reduction and improved access to, and quality of, basic social services. Based on the review's recommendations, the development expenditure ceiling authorised under 9MP was raised by 15%.¹⁴

Official development assistance (ODA) flows to Malaysia have sharply declined in the last decade, as would be expected in the case of an upper MIC. Receipts for the two years 2008 and 2009 amounted to just under USD 300 million (equivalent to 0.1 per cent of gross national income), two-thirds of which were contributed

¹³ See detailed content of the five thrusts at <http://www3.pmo.gov.my/RancanganWeb/Rancangan1.nsf/MisiNasionalEng?openForm>

¹⁴ EPU, 2008, "Mid Term Review of the Ninth Malaysia Plan 2006-2010": http://www.btimes.com.my/Current_News/BTIMES/Econ2007_pdf/Mid-term%20Review%20of%20the%20Ninth%20Malaysia%20Plan%202006-2010

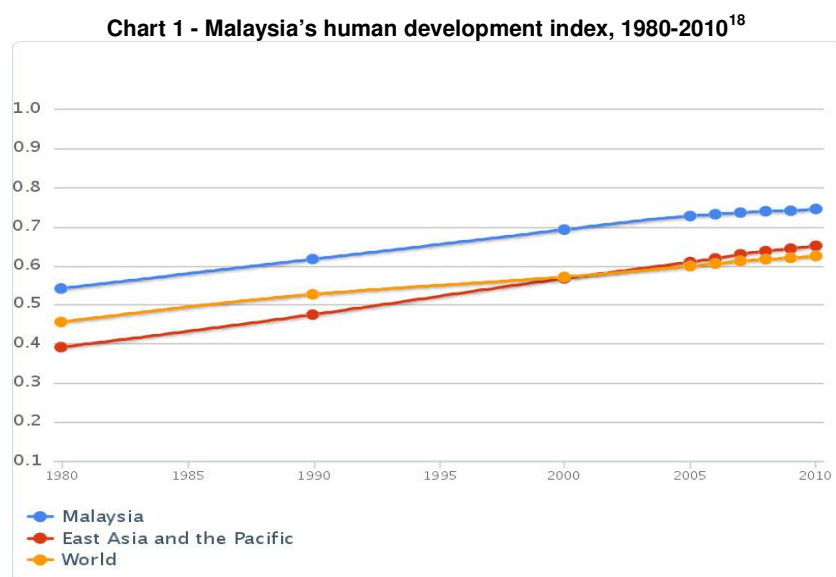
by Japan, and have been applied chiefly to economic infrastructure and services (50 per cent) and education (20 per cent).¹⁵

2.1.1 Human development and the Millennium Development Goals

In UNDP's 2010 Human Development Report (HDR), Malaysia's human development index (HDI) stood at 0.744 (i.e., 57th of 169 countries), above the average (0.650) for the East Asia region and with a gain of 19 places since 1980 (Chart 1). The country is in the top half of the high human-development group (which it joined in 2004).

Life expectancy at birth is 74.7 years (8 years more than in 1980) and adults have 9.5 years of schooling (an increase of eight years since 1980). As of 2009, over two-thirds of households were headed by persons who had at least secondary education, and 20 per cent by persons who had at least a post-secondary qualification. However, Malaysia ranks higher (50th) in the HDR's gender inequality index (GII) than in the HDI, its GII level (0.493) being slightly better than the average for the high human-development group but also a notch below the average for East Asia and the Pacific (0.467).¹⁶

Malaysia's sustained high-growth performance (8 per cent annual average from 1970 to 2008) is reflected in its ranking as the 5th top mover worldwide in GDP per capita increase from 1970-2010. Malaysia's GNI per capita increased by 173 per cent from 1980-2010 and reached USD 7,350 (USD 13,710 in purchasing power parity, a figure similar to those of countries like Chile, Mexico, Romania and Turkey).¹⁷



At the national aggregate level, Malaysia has already achieved or is on track to reach many of the Millennium Development Goals (MDGs) and targets by 2015, except MDG5 and possibly MDG6. One of Malaysia's most heralded successes is that the proportion of people living with less than USD 1 a day was halved

¹⁵ Source: OECD/DAC aid statistics: <http://www.oecd.org/dataoecd/18/58/42090926.gif>

¹⁶ HDI and related statistics are quoted from UNDP's 2010 *Human Development* in which a refined HDI was introduced based on a revised set of statistical proxies for each of the variables of the composite index. For detailed information on HDI composition and measurement, see <http://hdr.undp.org/en/statistics/hdi/>.

¹⁷ World Development Indicators database, World Bank, 15 December 2010.

See <http://siteresources.worldbank.org/DATASTATISTICS/Resources/GNIPC.pdf>

¹⁸ Source: UNDP, International Human Development Indicators: <http://hdrstats.undp.org/en/countries/profiles/MYS.html>

between 1990 and 2000 (down from 17 to 8 per cent), and then halved again between 2000 and 2009 (from 8 to less than 4 per cent), significantly beyond the main target adopted for the first goal.

Yet, not unlike most other upper MICs, Malaysia's report card shows that the country still faces some challenges, especially when MDG achievement is disaggregated by state, ethnic, gender and other criteria. At national level, issues requiring additional efforts include income inequality, maternal mortality, crisis prevention and recovery, gender equality (especially with respect to women's participation in the labour force, access to managerial positions and representation in political structures), HIV/AIDS and tuberculosis. At the disaggregated level, additional policy focus is needed to reduce existing disparities with respect to access to, and the quality of, social services, and to fight back rural poverty in the state of Sabah. Overall, comprehensive achievement of the MDGs requires strengthening the participation of the bottom 40 per cent of household in the economy and ensuring more equitable access to basic services and infrastructure. The government's commitment to an "MDG+" agenda, which is part of the 10th Malaysia Plan, provides a good basis for action on these issues through 2015.

2.1.2 The global financial and economic crisis

Since the last 1990s, Malaysia has been through two episodes of significant economic turmoil. As a result of the 1997-98 Asian financial crisis, its economy contracted but recovered soon after, thanks to the stabilization measures adopted by the government (in particular by limiting exposure to foreign loans) and the weight and dynamics of the export-oriented electronics sector which played a significant role in the containment of the contraction and subsequent recovery. Nevertheless, the shock of the late 90s was a point of inflexion for the Malaysian economy since the country never returned to pre-crisis growth levels.

As was the case with most of the East and Southeast Asian economies, the global financial and economic crisis of 2008-09 resulted in a contraction of aggregate demand caused by a collapse in manufacturing exports and a sharp decline in foreign direct investment (FDI). The brunt of the contraction, which began during the second half of 2008 and lasted until the end of the first semester of 2009, was borne by the manufacturing sector and, in particular, by Malaysia's largest industry, electrical and electronics. This happened on top of a decade of gradual reduction in average annual manufacturing value-added growth.¹⁹ Overall, growth fell by 1.7 per cent in 2009.

With the help of the government's two successive fiscal stimulus packages amounting to approximately USD 20 billion and the gradual return to global stability, Malaysia experienced a strong rebound during the first semester of 2010 and is estimated to have achieved a 7.2 per cent growth rate for the entire year. However, based on the deceleration observed during the latter part of 2010, a number of estimates foresee a growth rate of slightly above 5 per cent for 2011 and continuing through 2015, i.e. less than the annual average of 6 per cent required to reach both the Tenth Malaysia Plan and Vision 2020 GDP per capita targets.

2.1.3 Challenges ahead and new directions

Achieving high-income country status by 2020 is the government's central objective and the policy agenda has recently been refined through the launching of a series of new initiatives. Their common premise is that in spite of its considerable results, Malaysia stands at a crossroads and that to reach its central goal it must boldly depart from past approaches and strategies and undertake a profound structural transformation. In addition to

¹⁹ Mahani Zainal Abidin and Rajah Rasiah, 2009, "The Global Financial Crisis and the Malaysian Economy: Impact and responses". A joint report by the Institute of Strategic and International Studies Malaysia (ISIS) and the Faculty of Economics and Administration, Universiti Malaya (UM). Commissioned by UNDP-Malaysia. The study can be downloaded from the UNDP-Malaysia website: <http://www.undp.org.my/uploads/UNDP%20Report%20-The%20Global%20Financial%20Crisis%20and%20the%20Malaysian%20Economy.pdf>

having lost economic momentum since the Asian financial crisis, Malaysia has fallen behind not only in growth performance but also in areas such as corruption, education and income distribution.

Failure to implement the step changes identified in the new strategies would be tantamount to risking being caught in what has been described by the government's highest authorities as a "middle-income trap". While their focus is on reaching economic goals, the priorities also require far-reaching changes in governance, social and sustainable development, culture, religious affairs and nation-building, with greater inclusion and sustainability as cross-cutting concerns.

Under the Government Transformation Programme (GTP) issued in July 2009, six "National Key Results Areas" (NKRAs) have been identified as critical to improving government effectiveness: reducing crime, fighting corruption, improving educational outcomes, raising the living standards of low-income households, improving rural basic infrastructure and improving urban public transport. Implementation of the GTP is overseen and supported by a new structure within the Prime Minister's Department, the Performance Management and Delivery Unit (PEMANDU).²⁰

The Economic Transformation Programme (ETP), launched in September 2010 and managed by PEMANDU, identifies 12 National Key Economic Activities (NKEAs) seen as the "drivers of economic activity" that can generate the growth path and improvements in income per capita required to reach high-income status by the target date of 2020. While involving close coordination with government, their implementation relies primarily on private investment which is expected to provide 92 per cent of the resources.²¹

Elaborated under the auspices of the National Economic Advisory Council (NEAC), the New Economic Model (NEM), whose publication was completed in December 2010, provides another facet of the ETP. The product of a series of consultations with businesses, government, trade unions, academia and other stakeholders, the NEM identifies eight "Strategic Reform Initiatives" (SRIs) that are necessary to the implementation of the NKEAs.²² The NEM represents a shift in emphasis in several areas, including greater reliance on private-sector initiative (and a re-dimensioning of the State's presence and involvement in economic production), fostering local autonomy, accountability and bottom-up decision-making processes, the re-orientation of incentives to encourage innovation, and a more positive attitude to foreign workers while efforts to improve domestic human-resource development are under way. A central goal of these initiatives is to improve the positioning and performance of national producers within both Malaysia's and the global value chain, which requires both the creation of a much more competitive environment within Malaysia and the strengthening of linkages within the economy, within and across sectors.

The Tenth Malaysia Plan 2011-2015 (10MP), launched by the Prime Minister in June 2010, draws extensively from the above policy exercises and organises the new development thrust around 10 "big ideas" (Box 1). To reach the objective of a GDP per capita of USD 12,140 by 2015, the Malaysian economy is expected to grow by 6 per cent annually, and private investment by close to 13 per cent. Another government objective is to reduce the fiscal deficit from 5.3 per cent, its level in 2010, to 3 per cent in 2015.

²⁰ The GTP "road map" was issued on 28 January 2010 –see details at http://www.pemandu.gov.my/gtp/?page_id=20

²¹ The twelve NKEAs are: Greater Kuala Lumpur/Klang Valley; Oil, gas and energy; Financial services; Wholesale and retail; Palm oil; Tourism; Electronic and electrical; Business services; Communication content and infrastructure; Education; Agriculture, and Health care. See http://etp.pemandu.gov.my/News_-%E2%97%98- Events-@-Malaysian Economic Transformation-; Pemandu National Key Economic Areas Explained.aspx.

²² The eight SRIs are: 1. Re-energising the private sector; 2. Developing a quality workforce and reducing dependency on foreign labour; 3. Creating a competitive domestic economy; 4. Strengthening the public sector; 5. Transparent and market-friendly affirmative action; 6. Building the knowledge base infrastructure; 7. Enhancing the sources of growth, and 8. Ensuring sustainability of growth. See NEAC, 2010, "New Economic Model for Malaysia".

Box 1 – Tenth Malaysia Plan’s 10 “Big Ideas”²³

1	Internally driven, externally aware
2	Leveraging on our diversity internationally
3	Transforming to high income through specialisation
4	Unleashing productivity-led growth and innovation
5	Nurturing, attracting and retaining top talent
6	Ensuring equality of opportunities and safeguarding the vulnerable
7	Concentrated growth, inclusive development
8	Supporting effective and smart partnerships
9	Valuing our environmental endowments
10	Government as a competitive corporation

The directions set in the recent policy initiatives have been subsumed in the 10MP under five “strategic thrusts”: (1) Designing government philosophy and approach to transform Malaysia using the NKRA methodology; (2) Creating a conducive environment for unleashing economic growth; (3) Moving towards inclusive socio-economic development; (4) Developing and retaining a first-world talent base; and (5) Building an environment that enhances quality of life. The total development expenditure allocation to the 10MP is RM 230 billion (approx. USD 77 billion) of which 55 per cent is earmarked for the economic sector and 30 per cent for the social sector.²⁴

2.2 Regional and international dimensions

2.2.1 Overview of regional and international developments

In 2009, the world economy went through a serious financial crisis brought about by the 2008 sub-prime crisis in the United States (US). As the US plunged into its worst recession since the Great Depression, due to the interconnectedness of the global economy, the US crisis quickly spread to other economies including the major emerging economies like the People’s Republic of China (PRC). In step with the global economic contraction, global trade fell from USD 32.6 trillion in 2008 to USD 25.1 trillion in 2009, a 23 per cent decline in dollar value. The decline in global trade had a serious impact on developing countries’ exports and economic well-being. Malaysia, being a very open economy, was also affected as its exports dropped by 16.6 from RM 663.5 billion in 2008 to RM 521.6 billion in 2009.²⁵ But overall, the emerging and developing economies proved to be more resilient. Countries like Brazil and India which have been less dependent on exports were less affected while the PRC stepped in with large monetary and fiscal stimuli to boost domestic consumption.

Despite the challenges of slowing growth and tentative recovery of the US, the euro zone, and Japan, the economies in developing Asia, including Malaysia, have also been showing their resilience. The lessons learned and the extensive reforms during the 1997/98 Asian financial crisis have well prepared the Asian economies for the recent round of challenges. The decisive expansionary fiscal and monetary policies adopted by the regional economies have helped to cushion the impact of the crisis on the region and to boost business and consumer confidence. All these have resulted in greater buoyant exports, strong private demand, and have enabled the regional economies to lift the sluggish global recovery.

²³ Source: EPU, 2010: Tenth Malaysia Plan document. <http://www.epu.gov.my/rmkeseperuluh>

²⁴ Source: Prime Minister’s speech to Parliament to the House of Representatives (*Dewan Rakyat*) introducing the motion to table the Tenth Malaysia Plan, 10 June 2010: http://www.pmo.gov.my/dokumenattached/speech/files/RMK10_Speech.pdf

²⁵ Source: MITI Annual Report, 2009.

In fact, for 2010, the Asian Development Bank (ADB) has revised the growth forecast from 8.2 per cent to 8.6 per cent on the back of the third quarter results for the year. The improved outlook is broad-based and applies to all the sub-regions in Asia with the East Asian economies of the PRC, Hong Kong (Special Administrative Region of China) and Taiwan, Province of China, taking the lead with the strong rebound in exports and resilient domestic demand. In Southeast Asia, higher consumer spending, low inflation and robust investments in the Philippines and the revival in private investment in Thailand have also contributed to the upward revision of growth forecasts for the region.

According to the Asian Development Outlook (ADO) 2010, the PRC, India, the Republic of Korea, and Indonesia have all joined the world's top 20 producers. Furthermore, in 2010, the PRC has overtaken Japan to become the second largest economy in the world after the US²⁶. With prospects of overall growth for the region, the Asian economies are expected to play a more active role in the global recovery. For 2011, ADB has maintained that the Asian region should deliver a healthy 7.3 per cent expansion²⁷ even though global recovery is very vulnerable to downside risks especially with rising commodity and food prices due to weather abnormalities and natural calamities.

Developing Asia is attracting more investment from the rest of the world. Led by the PRC, Asia has increased its share of global FDI inflows from 16 per cent in 2007 to 27 per cent in 2009²⁸. The challenge now is to sustain its recovery as countries within the region begin to normalize their macroeconomic policies.

Despite the fact that developing Asia has quickly recovered from the global crisis, the region accounts for two thirds of the world's poor. And as Asia continues to recover and grow there is a need for attention to shift from managing short-term macroeconomic policies to ensuring strong and sustained medium- and long-term growth to ensure sustained poverty reduction. The ADO 2010 Update cautioned that policies that were effective in earlier years' low-income, capital-scarce Asia are likely to be less effective in today's middle-income, capital-abundant Asia, as a whole. This caution is especially applicable to Malaysia as it strives to move forward to become a high income country.

2.2.2 Regional and international cooperation

Malaysia is a member of a number of multilateral organisations including the United Nations (UN), Organisation of the Islamic Conference (OIC), Non-Aligned Movement (NAM), Commonwealth, Association of Southeast Nations (ASEAN), Group of Seventy Seven (G77), Developing Eight (D8), Asia-Middle East Dialogue (AMED), Far East Asia-Latin America Cooperation (FEALAC), Indian Ocean Rim Association for Regional Cooperation (IOR-ARC), Asia-Europe Meeting (ASEM), Asia-Pacific Economic Cooperation (APEC).

Malaysia's participation in the multilateral fora has enabled her to voice the belief that resolution of international conflict should be peaceful and in accordance with United Nations principles and international law. Malaysia has played a prominent role in advancing the development agenda of the South through its leadership roles in the NAM and OIC.

As a founding member of the Association of Southeast Asian Nations (ASEAN), Malaysia emphasises the relevance and importance of ASEAN as the forum and catalyst for regional dialogue. The ASEAN Dialogue Partnerships, ASEAN Regional Forum, ASEAN Plus Three and East Asia Summit have allowed its members to engage leading powers on issues of global and regional importance.

²⁶ 2010 GDP (Nominal) – USA: USD14,624; China: USD5,745 billion; Japan: USD5,391 billion. Source: IMF

²⁷ Source: <http://www.adb.org/Documents/Books/ADO/2010/ado-special-note-dec2010.pdf> downloaded on February 21, 2010.

²⁸ Source: Calculated from Annex 1, World Investment Report 2010.

Furthermore, Malaysia is committed to work towards the establishment of an ASEAN Community by 2015. The ASEAN Community is premised on the three pillars of cooperation: the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC) and the ASEAN Socio-Cultural Community (ASCC)²⁹. By 2015, it is envisaged that the ASEAN Community will have a population of 550 million and a combined GDP of USD1 trillion.

Bilaterally, Malaysia has established relations with many countries. According to the Ministry of Foreign Affairs, Malaysia has a network of 105 missions worldwide. This includes 66 Embassies, 16 High Commissions, two Permanent Representatives to the UN and one to ASEAN, a Malaysian Friendship and Trade Centre as well as 19 Consulate offices. Malaysia participated in the G-15 which has a membership that truly represents developing countries. Malaysia sponsored the Langkawi International Dialogue (LID) which was a forum for fostering common stands and views on global issues that have impact on Southern countries.

Malaysia has stated that she would like to share her development experience and expertise with other developing countries in line with the policy of “prosper thy neighbour”. This policy is the philosophical basis of Malaysia’s South-South cooperation (SSC). As a recipient of technical cooperation, Malaysia has a wealth of development experience to share with other developing countries, especially in specific areas in which Malaysia has strengths and expertise.

As a strong proponent of SSC, through the Malaysian Technical Cooperation Programme (MTCP), Malaysia has been contributing extensively to the capacity development of Southern countries in Africa and Asia in different areas including public administration, development planning and humanitarian disaster response and recovery. Since its first peacekeeping mission to the Republic of Congo in 1960, Malaysia has provided critical support to the United Nations mission of maintaining international peace and security. More than 25,000 Malaysian military personnel and 3,000 police personnel have participated in UN peacekeeping operations in over 20 countries. Malaysia has continued to support the central role of the UN in the maintenance of international peace and security.

2.2.3 Global environmental challenges

The rapid pace of global economic development has exerted enormous stress on nature and the environment. It is already acknowledged that climate change is a transnational issue that requires a global response. The rise in temperature due to trapped carbon dioxide and greenhouse gases has affected the global climate; and this in turn will affect the lives of people around the world - access to potable water, health, food and the well-being of the environment.

To face these challenges, Malaysia recognises the need to ensure a balance between development and the environment and to play her role in regional and international fora. The National Policy on the Environment states that Malaysia adopts a proactive approach to regional and global environmental issues³⁰. In addition to cooperating actively with other countries on global environmental concerns, the policy states that Malaysia will adopt a proactive approach in addressing global environmental issues such as the depletion of the ozone layer, climate change, trans-boundary pollution, hazardous chemicals and toxic wastes management, marine quality and resource conservation, biological resources conservation and trade in endangered species. Furthermore, Malaysia is committed to play an active part in developing regional and international agreements and initiatives to address global environmental problems and will honour the commitments entered into with Agenda 21 at the national level, and support international cooperation with regard to its implementation.

²⁹ Source: Ministry of Foreign Affairs website: <http://www.kln.gov.my/web/guest/md-strengthening> downloaded on February 21, 2011.

³⁰ Source: Ministry of Science, Technology and the Environment, National Policy on the Environment, 2002

In response to these commitments, Malaysia signed and ratified the Convention on Biological Diversity (CBD) on 12 June 1992 and 24 June 1994 respectively. Since 2 December 2003, Malaysia is also a party to the Cartagena Protocol on Biosafety.

On 9 June 1993 Malaysia signed the United Nations Framework Convention on Climate Change (UNFCCC). Subsequently Malaysia became a party of the Convention by ratification on 13 July 1994. Under UNFCCC, member countries decided that the Convention had to be augmented by an agreement with stricter demands for reducing greenhouse-gas emissions. The resulting agreement, the Kyoto Protocol, was adopted unanimously in 1997 and entered into force on 16 February 2005. Malaysia signed and ratified the Kyoto Protocol to the UNFCCC on 12 March 1999 and 4 September 2002, respectively. As Malaysia is a Non-Annex I Party to the UNFCCC, it has no obligations towards reducing emissions of green house gases (GHGs) under the Kyoto Protocol. However, as a party to the UNFCCC, the main obligations of Malaysia include the following:

- Preparing inventories of GHG emissions and sources and reporting to UNFCCC;
- Formulating programmes containing measures to mitigate climate change and promote sustainable management, conservation and enhancement of sinks;
- Preparing for and develop plans for adaptation to impacts of climate change; and
- Promoting research, cooperation, information, training and awareness activities.

In July 2000, Malaysia submitted its Initial National Communication (INC) to the UNFCCC Secretariat in compliance with Article 12 of the Convention.

At the 2009 United Nations' Climate Change Conference at Copenhagen (COP-15), the Malaysian Prime Minister announced Malaysia's commitment to a voluntary reduction of up to 40 per cent in terms of emissions intensity of GDP by the year 2020 compared to 2005 levels conditional on receiving the transfer of technology and financial contributions from the Annex 1 partners. Furthermore, at the Conference of Parties (COP) in Cancun in 2010, a new regime for mitigation actions and reporting was created. This has many implications for developing countries, including Malaysia as it "encourages governments to prepare low-carbon development strategies in the context of sustainable development" and undertake nationally appropriate mitigation actions (NAMAs).

Chapter 3 – PROGRAMME COMPOSITION & RESOURCES

3.1 Programme composition

The portfolio analysis presented in Chapter 4 covers a total of 32 projects distributed across the three clusters that accommodate the programme components identified with the CPD/CPAP outcomes. Projects related to Component 1 (Contribution of Malaysia to the global partnership for development) form the South-South cluster (SS). Those related to Component 2 (Fostering inclusive globalization and promoting inclusive growth) form the Socio-economic development cluster (SEDC). Those related to Component 3 (Towards improved quality of life through sustainable environmental management) make up the Energy & Environment cluster (E&E).

As Table 5 shows, one-third of the projects were carried forward from the previous cycle while two-thirds were generated during the present one. Not surprisingly given their average length, the E&E cluster is where the largest number of “old” projects and the smallest number of projects completed during 2008-10 is found. Of the three clusters, SS is not only the smallest but also the newest since both “full” projects started in 2010 and the sub-project was completed during 2010.

Table 5 – Portfolio 2008-10 analysed by MTR

CPAP component & programme cluster	Number of projects (i)	Started before Jan 2008	Started after Jan 2008	Started in 2010 (ii)	Completed in 2010 or earlier (iii)	Evaluation reports available (iv)
Component 1 South-South Cooperation cluster	3	0	3	2	1	0
Component 2 Socio-Economic Development cluster	15	5	11	4	11	0
Component 3 Energy & Environment cluster	14	8	6	4	2	3
Total	32	13	20	10	14	3

Notes:

- (i) Included in this table are 25 “full” projects, six sub-projects generated by the Development Support Programme and one activity funded from the Development Support Services (DSS) line of the country office administrative budget. Not included are projects financially closed after 01.01.08 but whose implementation was effectively completed before the current CPAP cycle began.
- (ii) Also included are two ongoing projects that were signed in 2010 but whose implementation, at the time this review was conducted, was too incipient for purposes of programme performance analysis.
- (iii) Seven of the 14 projects completed during 2008-10 were signed/ developed during the previous (2003-07) cycle.
- (iv) UNDP’s evaluation policy no longer requires project-level evaluations (except for GEF-funded projects) and focuses on outcome evaluations. These are scheduled to be conducted during the cycle’s final year, 2012.

Of the three years under review, 2010 was the most productive in terms of new projects (10 out of a total of 20). Three-quarters of all the projects launched since January 2008 come into being after the August 2009 repositioning exercise (14 out of 20).

Information on the funding sources, budget, duration and principal outputs of each project is presented in Chapter 4.

3.2 Financial overview

Total programme allocations for the 2008-2010 period amounted to USD 17,312,000, and total programme expenditures to USD 11,397,000.³¹ Tables 6 and 7 provide a breakdown of these figures by thematic cluster and calendar year, with the E&E cluster by far the largest in both allocations and expenditures (63.7 per cent and 71.6 per cent respectively), as it already was in the previous programme cycle.³² Taken together, the E&E cluster and SEDC accounted for 92.5 per cent and 93.4 per cent respectively of total budgetary allocations and expenditures, and the SS cluster for 2.9 per cent and 1.9 per cent.

Table 6 – Annual budgetary allocations by thematic cluster (in USD ‘000)

Thematic cluster	2008		2009		2010		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
SS	84	1.0	5	0.1	419	9.4	508	2.9
SEDC	3,167	39.1	1,224	25.8	601	13.4	4,992	28.8
E&E	4,617	57.0	3,315	69.9	3,097	69.3	11,029	63.7
DSS	55	0.7	55	1.2	55	1.2	165	1.0
Sub-total	7,923	97.8	4,599	97.0	4,172	93.3	16,694	96.4
Other	178	2.2	142	3.0	298	6.7	618	3.6
Total	8,101	100.0	4,741	100.0	4,470	100.0	17,312	100.0

Table 7 – Annual expenditures by thematic cluster (in USD ‘000)

Thematic cluster	2008		2009		2010		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
SS	47	1.0	-2	-0.1	174	6.3	219	1.9
SEDC	1,105	22.7	891	23.7	485	17.6	2,481	21.8
E&E	3,570	73.1	2,687	71.3	1,900	69.0	8,157	71.6
DSS	38	0.8	55	1.5	0	0.0	93	0.8
Sub-total	4,760	97.6	3,631	96.4	2,559	93.0	10,950	96.1
Other	118	2.4	136	3.6	193	7.0	447	3.9
Total	4,878	100.0	3,767	100.0	2,752	100.0	11,397	100.0

Development Support Services (DSS) is a UNDP funding modality used for substantive advice on programme priority areas or for the development of programme initiatives and can be applied to any and all of the practice areas in which UNDP is working. The amounts identified as “Other” (respectively 3.6 and 3.9 per cent of total allocations and expenditures) relate to resources administered by UNDP to implement UN interagency activities.

³¹ Except where specifically mentioned, all programme-related financial data in this report is based on UNDP’s Atlas data management system. The Atlas data used by this MTR was generated by UNDP-Malaysia in January and February 2011.

³² During the 2003-07 programme cycle, allocations of funds to the SEDC, E&E and SS clusters accounted respectively for 16%, 77% and 7% of the total (“UNDP in Malaysia: An evaluation”, op. cit., page 23). Expenditure percentages were respectively 22.6%, 70.7% and 6.6% (source: ROAR).

The average annual ratio of financial delivery for 2008-10 stands at 65.8 per cent, with significant variations across the period (Table 8). Except for 2009, levels are low, especially if account is taken of the fact that project budgets are open to revisions at any point in time to reflect realistic expectations of implementation and expenditure in any given year.

Table 8 – Aggregate annual financial delivery rates (in USD ‘000)

Year	Budgetary allocations	Expenditures	% Expenditures/Budget
2008	8,101	4,878	60.2
2009	4,741	3,767	79.5
2010	4,470	2,752	61.6
Total	17,312	11,397	65.8

2008 was marked by the closure of several projects from the previous cycle and the signing of new ones whose first year of implementation was, in several instances, slower than anticipated. In 2009, with budgetary allocations down by 42 per cent compared to the previous year, financial delivery stood at a robust 80 per cent. In 2010, the ratio returned to a level marginally higher than in 2008. Delivery seems to have been affected by the combination of several “old” projects entering their final year and the launch of new activities whose upstream policy content required long discussions with partners at the front-end. The high number of new initiatives launched in 2010, together with the growing involvement in shared activities with other members of the UN Country Team, was a factor. So were demands made on implementing partners for the preparation of the Tenth Malaysia Plan and practical difficulties encountered with the scheduling of meetings of several projects’ National Steering Committee (NSC).

A comparison between budgetary allocations and expenditures by thematic cluster across the three years points to marked differences between practice areas (Table 9). The E&E cluster shows the highest rate at 74.0 per cent while both SEDC and SS remain below 50 per cent. Although financial delivery rates are the product of multiple factors, the E&E rate owes in good part to the fact that in a cluster where Global Environment Facility (GEF) resources account for over 80 per cent of both total allocations and expenditures, compliance with GEF financial schedules and norms is a requirement. Similar situations have been observed in many other countries.

Table 9 – Financial delivery rates by thematic cluster 2008-10 (amounts in USD ‘000)

Thematic pillar	Budgetary allocation	Expenditures	% Expenditures/Budget
South-South Cooperation	508	219	43.1
Socio-Economic Development	4,992	2,481	49.7
Energy & Environment	11,029	8,157	74.0
DSS	165	93	56.4
Other	618	447	72.3
Total	17,312	11,397	65.8%

With respect to sources of funds (Tables 10 and 11), for 2008-10 non-core resources accounted for 88.7 per cent of both total allocations and expenditures, respectively, while UNDP core resources (TRAC) accounted for 11.3 per cent.³³ High non-core-to-core ratios characterise CPAP funding in all upper middle-income

³³ TRAC stands for Target for Resource Allocation for the Core; for each programming cycle, a specific amount of TRAC resources is allocated by UNDP’s Executive Board to each programme country. For information on UNDP’s current programming arrangements, see <http://www.undp.org/execbrd/pdf/dp07-44.pdf>.

countries, and in a good many cases, that ratio is significantly higher than Malaysia's current 8:1 figure (the initial CPAP resource plan foresaw an 18:1 ratio –see Table 4).

Table 10 – Budgetary allocations by thematic cluster and source of fund 2008-10 (in USD '000)

Source of fund	SS	SEDC	E&E	DSS	Total by source	% of total resources	Other	Total by source	% of total resources
UNDP core resources (TRAC)	95	1,536	325		1,956	11.7		1,956	11.3
GOM cost-sharing	2	3,455	686		4,143	24.8	200	4,343	25.1
Other cost-sharing									
Japanese Gvt.	377				377	2.3		377	2.2
Dutch Gvt.					0	0.0	30	30	0.2
DGTTF (*)	34				34	0.2		34	0.2
Other Non-Core resources									
GEF			9,058		9,058	54.3		9,058	52.3
Montreal Protocol			929		929	5.6		929	5.4
UN agencies		1	31		32	0.2	100	132	0.8
Other resources				165	165	1.0	288	453	2.6
TOTAL	508	4,992	11,029	165	16,694	100.0	618	17,312	100.0

(*) Democratic Governance Thematic Trust Fund (non-core UNDP resources)

Table 11 – Expenditures by thematic cluster and source of fund 2008-10 (in USD '000)

Source of fund	SS	SEDC	E&E	DSS	Total by source	% of total resources	Other	Total by source	% of total resources
UNDP core resources (TRAC)	65	970	250		1,285	11.7		1,285	11.3
GOM cost-sharing		1,511	568		2,079	19.0	91	2,170	19.0
Other cost-sharing									
Japanese Gvt.	199				199	1.8		199	1.7
Dutch Gvt.							26	26	0.2
DGTTF	20				20	0.2		20	0.2
Other Non-Core resources									
GEF			6,639		6,639	60.6		6,639	58.3
Montreal Protocol			685		685	6.3		685	6.0
UN agencies			15		15	0.1	70	85	0.7
Other resources	-65			93	28	0.3	260	288	2.5
TOTAL	219	2,481	8,157	93	10,950	100.0	447	11,397	100.0

The financial delivery ratios for core and non-core resources are almost identical (65.7 and 65.9 per cent, respectively). However, within the non-core category, there is a strong difference the two largest sources of funds since the ratio for GEF resources stands at 73.3 per cent, while that of Government of Malaysia cost-sharing stands at 50 per cent.

Comparison between initial CPAP resource plan for 2008-12, resource allocations from 2008-10 and projections for 2011-12

Table 12 provides a comparison between the resource allocations and requirements initially foreseen in the CPAP for the 2008-12 cycle and actual 2008-2010 programme allocations.³⁴ The main difference between initial and actual figures are with respect to the SEDC and SS clusters, the first one having been assigned a significantly larger share of total resources than planned, and the SS cluster an almost negligible one (especially as regards core resources). Differences with respect to the E&E cluster, of which GEF is the principal source of fund, are much narrower.

Table 12 – Comparison between initial CPAP resource plan 2008-12 and actual programme allocations 2008-10 (in USD ‘000)

Programme component	Core resources				Non-core resources				Total			
	Initial resource plan 2008-12		Actual allocations 2008-10		Initial resource plan 2008-12		Actual allocations 2008-10		Initial resource plan 2008-12		Actual allocations 2008-10	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Component 1 (SS cluster)	670	33.0	95	4.9	3,270	9.0	413	2.8	3,940	10.2	508	3.1
Component 2 (SEDC)	1,000	49.3	1,536	78.5	4,000	11.0	3,456	23.7	5,000	13.0	4,992	30.2
Component 3 (E&E cluster)	360	17.7	325	16.6	29,240	80.0	10,704	73.5	29,600	76.8	11,029	66.7
Total	2,030	100.0	1,956	100.0	36,510	100.0	14,573	100.0	38,540	100.0	16,529	100.0

Table 13 compares initial CPAP resource allocations and requirements with actual 2008-10 expenditures and confirms the observations made with respect to the previous table. Given actual expenditures during 2008-10, 40 per cent of the CPAP’s core resources remain available for the last two years of the cycle (see projections for 2011-12 in Table 14 on next page).

Table 13 – Comparison between initial CPAP resource plan 2008-12 and actual programme expenditures 2008-10 (in USD ‘000)

Programme component	Core resources				Non-core resources				Total			
	Initial resource plan 2008-12		Actual expenditures 2008-10		Initial resource plan 2008-12		Actual expenditures 2008-10		Initial resource plan 2008-12		Actual expenditures 2008-10	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Component 1 (SS cluster)	670	33.0	65	5.1	3,270	9.0	154	1.6	3,940	10.2	219	2.0
Component 2 (SEDC)	1,000	49.3	970	75.5	4,000	11.0	1,511	15.8	5,000	13.0	2,481	22.9
Component 3 (E&E cluster)	360	17.7	250	19.5	29,240	80.0	7,907	82.6	29,600	76.8	8,157	75.1
Total	2,030	100.0	1,285	100.0	36,510	100.0	9,572	100.0	38,540	100.0	10,857	100.0

³⁴ The figures presented in this table do not take into account the resources included in either the DSS or Other category that are included in earlier tables but represent only a very small percentage of the total.

Projections for 2011-12

Table 14 indicates the volume of programme resources currently projected to be assigned to each thematic cluster during the remainder of the cycle (2011-2012), with a total of USD 5.85 million for 2011 and USD 4.2 million for 2012. Assuming this volume of resources is actually spent, total expenditures for the full cycle would amount to USD 21.6 million (i.e. 56 per cent of the amount in the initial CPAP resource plan).

Table 14 – Resource projections for 2011-12 by thematic cluster and source of fund (in USD)

Source of fund	SS	SEDC	E&E	Total by SOF
2011				
Core resources				
TRAC	80,000	421,865	258,000	759,865
DSS		50,000		50,000
Non-core resources				
Government Cost Sharing	105,000	637,560	400,640	1,143,200
Government of Japan	932,632			932,632
GEF			2,650,907	2,650,907
Montreal Protocol			272,750	272,750
DGTTF	170,500			170,500
UNICEF		66,725		66,725
Total 2011	1,288,132	1,176,150	3,382,297	5,846,579
2012				
Core resources				
TRAC	80,000	460,000	228,000	768,500
DSS		50,000		50,000
Non-core resources				
Government Cost Sharing	120,000	980,800	400,480	1,561,280
Government of Japan	250,000			250,000
GEF			1,048,000	1,048,000
Montreal Protocol			510,000	510,000
DGTTF				
UNICEF				
Total 2012	450,000	1,490,800	2,247,380	4,188,180
Total 2011-12	1,738,132	2,666,950	5,829,677	10,234,759
Percentage 2011-12	17.0	26.0	57.0	100.0

Source: UNDP-Malaysia, April 2011

Summary:

While average annual expenditures level for the previous cycle stood at USD 6.1 million³⁵, the average for 2008-2010 was USD 3.8 million. Based on UNDP-Malaysia's own projections for 2011-12, the annual average for the full CPAP period would be close to USD 5.4 million, i.e. 70 per cent of the initial CPAP scenario of USD 7.7 million (which was based on an ambitious resource-mobilization scenario and pre-dated the new orientations of the 2009 repositioning exercise).

³⁵ "UNDP in Malaysia: An evaluation", op. cit., page 21

- Compared with the thematic breakdown contained in the initial CPAP resource plan, actual expenditures for 2008-10 were almost identical to the original target with respect to the E&E cluster (75.1 per cent compared to 76.8 per cent), above target for the SEDC (22.9 per cent compared with 13.0 per cent) and below target for the SS cluster (2.0 per cent compared with 10.2 per cent). Projections for 2011-12 reflect UNDP-Malaysia's goal to increase further the proportion of resources allocated to the SEDC (to 26 per cent) and quite significantly the SS proportion (to 17 per cent) while reducing the relative share of the E&E cluster (to 57 per cent).
- Given the new directions agreed during the 2009 repositioning exercise, in particular the greater emphasis placed on upstream policy support, a quantitatively smaller programme is not, in and of itself, a cause for concern. Since mid-2009 onwards, new criteria (see Section 5.1) have been used for project sourcing and selection with a view to improving the qualitative characteristics of projects and the CPAP as a whole. A more compact programme designed to address critical areas of development policy may well achieve more significant and sustainable development results.
- On the basis of the 2011-12 projections, which take into account the resource requirements of both the remaining "old" projects and those signed since the 2009 repositioning exercise, UNDP-Malaysia aims to reach a programme "cruising speed" of slightly more than USD 5 million per annum.
- Overall delivery, which stood at 66 per cent overall during the 2008-10 period, needs to improve in 2011 and 2012. Since project outputs were, on the whole, delivered according to plans, low delivery rates seem attributable to a large extent to over-budgeting and/or insufficient use of budget revision mechanisms as the year progresses. This applies in particular to SECD and the SS cluster whose aggregate delivery ratio for 2008-10 was below 50 per cent. However, account is taken of the overriding priority which UNDP's programme partners had to give, during the first semester of 2010, to preparations of the Tenth Malaysia Plan, which slowed down the pace of implementation of many projects.
- Efforts are required to raise ratios of financial delivery. Improvements are expected with regard to project cost-sharing resources from the Government of Malaysia, whose ratio for the 2008-10 period stands at 50 per cent. It can safely be assumed that improvements in this respect will bring similar gains in the delivery ratio of core resources since a majority of projects use both.

Chapter 4 – ASSESSMENT OF PROGRAMME PERFORMANCE

This chapter provides an assessment of CPAP performance at mid-term. The first section examines performance for each of the three programme components: South-South cooperation, socio-economic development, and energy and environment. Following a brief presentation of the composition of the portfolio, an analysis is made of the extent to which outputs have been delivered and of the progress made to date towards CPAP outcomes. Observations are made on instances of good (and not so good) practice, lessons learned and perspectives for the remainder of the CPAP cycle. The second section looks at specific aspects of programme management which were brought to the MTR’s attention through the review of programme documents and interviews with programme partners and stakeholders.

4.1 Programme results by CPAP component

4.1.1. South-South cooperation

Composition and main features

The South-South cooperation (SS) cluster was the smallest portfolio both in terms of number of projects and resources, accounting for only 2.0 per cent of expenditures during the period under review --and virtually none in 2008 and 2009 (Table 15). The resources used were non-core: (1) cost-sharing from the Government of Japan (90.5 per cent) and (2) an allocation from UNDP’s Thematic Trust Fund for Democratic Governance (9.5 per cent). The TRAC resources initially allocated to this cluster remained unutilised.

To the two “full” projects belonging to this cluster must be added the study, undertaken as a sub-project of the Development Support Project, on “Renewing and Strengthening Malaysia’s Contribution to South-South Cooperation”, which was carried out for EPU between September 2009 and June 2010 and funded from TRAC and Government of Malaysia cost-sharing. The study is based on a review of Malaysia’s policies and achievements in SSC and proposes a series of strategic directions for the coming years, covering such dimensions as institutional strengthening, resource allocations and geographic and substantive focus, with a view to making optimum use of Malaysia’s comparative advantage in areas like development planning and health management.

Table 15 – SS portfolio (budget figures in USD '000)

Project	Date approved	Effective start date	End date (planned)	End date (effective)	Initial duration (in months)	Effective duration (in months)	UNDP-administered budget
Study on Renewing and Strengthening Malaysia’s contribution to SSC	N/A	Sep-09	Jun-10	Jun-10	10	10	TRAC/ GOM 77
Capacity bldg support for Malaysia’s role in multi-dimensional peace-keeping training	Apr-10	Aug-10	Dec-11	N/A	21	N/A	Govt of Japan 1,000
Strengthening anti-corruption agencies of OIC countries	Apr-10	May-10	Dec-11	N/A	20	N/A	TRAC/ GOM & DGTTF 312

Both full projects build on specific dimensions of Malaysia’s “comparative advantage” for South-South cooperation (SSC).

The project on capacity-building support for Malaysia’s role in peacekeeping training takes as its starting point the experience accumulated thanks to the country’s extensive participation in more than 25 UN peacekeeping operations in 20 countries over the last 50 years, and the know-how built in the specific field of peacekeeping training thanks to the existence and activities, since 1996, of the Malaysian Peacekeeping Training Centre (MPTC). Through substantive innovation in peacekeeping training (elaboration and use of

training modules on two new dimensions of peacekeeping: gender and civil-military relations), the project aims to strengthen Malaysia's own peacekeeping capacity and that of the Asian and African countries that are invited to participate in the courses MPTC is currently developing and will organise in the coming months on these two new dimensions.

The project is funded by the Government of Japan which has made peacekeeping training –which it regards as an important dimension of the “new diplomacy” of conflict prevention-- one of the priorities of its development cooperation policy. In addition to financial support, Japan hopes to contribute through the participation of instructors.

The other project, on the strengthening of anti-corruption agencies in countries that are members of the Organization of the Islamic Conference (OIC), takes advantage of the establishment, in 2005, of the Malaysian Anti-Corruption Academy (MACA), Malaysia's ratification, in 2008, of the UN Convention against corruption, its extensive track record of cooperation with OIC countries in a variety of areas, and its prior experience of collaboration (in Afghanistan) with the United Nations Office on Drugs and Crime. Malaysia's interest in collaboration with OIC country anti-corruption agencies was first announced in 2006. Since its creation, MACA has built credentials for its explicit objective of becoming a regional hub in its field, having offered 22 courses in which anti-corruption officers from 50 countries have taken part. It is hoped that some 25 countries will send participants to the courses being developed by the project.

Results achieved

Both projects started in 2010 and are thus still at an early stage of implementation and any assessment of progress made against outcomes or likelihood of delivery of outputs is very tentative.

Delivery of outputs

Significant outputs of relevance to the intended and programme outcomes can be expected from both projects, although they will unavoidably differ from those indicated in the CPAP since the two projects that are under way follow different substantive directions and address issues related to capacity development for governance, as opposed to MDG achievement, public-private partnerships, poverty reduction and humanitarian challenges.

Although the project document was signed in April 2010, the implementation of the peacekeeping training project did not begin until August 2010 and the project will need to ramp up on its implementation to ensure all outputs are completed by December 2011 as agreed with the Government of Japan. Just as the project moved into implementation, the NPD was reassigned within the Ministry of Defence and a new director had to be appointed. The main activity undertaken in 2010 was the organisation of an international round-table, held in October 2010, whose purposes were to identify the training needs of Asian and African peacekeepers, assess MPTC's capacity development needs as a possible regional centre of excellence for peacekeeping training, and provide recommendations on the content of the training modules.

The main problem experienced by the anti-corruption capacity development project during its first months of implementation resulted from difficulties in obtaining feedback from OIC countries with respect to their needs. In spite of this, those training needs were assessed in 2010 and the guiding parameters for the drafting of the training modules were defined. The development of these modules, originally planned for 2010, had to be moved to early 2011 (Table 16).

Table 16 – SS cluster results

	Project/sub-project title	Status	Relevant tangible outputs
1	Study on Renewing and Strengthening Malaysia's contribution to South-South Cooperation	Completed: Sep 09 - Jun 10	<ul style="list-style-type: none"> • Study completed, follow-up being discussed between EPU, MFA and UNDP-Malaysia
2	Strengthening the Institutional Capacity of Anti-Corruption Agencies from the Organisation of Islamic Conference Countries (OIC) to Ensure an Efficient Public Delivery System	On Going: Apr 10 - Dec 11	<ul style="list-style-type: none"> • Training needs of OIC countries' Anti-Corruption Agencies (ACAs) identified through Training Needs Analysis deployed in 3 languages (English, Arabic and French) • Guiding parameters for the teaching modules developed. • Report completed on the institutional profile of ACA and /or relevant agencies in the 56 OIC member states. Information includes (where possible) - Anti corruption agencies/bodies, other key institutions/ Law enforcement agencies, national court systems and national strategies. • Anti-Corruption competency framework for ACA officers and managers as building block for the identified module topics developed. • Disseminated information on the pilot programme to obtain buy-in and to build interest in the programme in the Middle East and Southeast Asia regions.
3	Capacity Building Support for Malaysia's Role In Peacekeeping Training	On Going: Apr 10 - Dec 11	<ul style="list-style-type: none"> • Draft report on capacity of MPTC to conduct multi-dimensional peacekeeping training

Progress towards CPAP outcome

Many roads can lead to the intended and programme outcomes identified in the CPAP. Although the one currently being followed departs from the original script, progress towards the outcome could be significant by the end of the cycle and pave the way for future new SSC initiatives (Table 17).

Table 17 – SS cluster: progress towards outcomes and delivery of outputs

Intended outcome	Programme outcome	Progress towards outcome	Delivery of outputs
Outcome 1: Malaysia to increase its engagement in the global partnership for development	Malaysia to have contributed to the capacity development of Southern and developing countries	Progressing along relevant path although start of projects has been slower than planned	1.1 Outputs expected, relevant to intended outcome and programme outcome, although unrelated to area identified in CPAP (MDGs)
			1.2 Output not considered in existing projects
			1.3 Likelihood of output delivery under existing projects but not related to poverty reduction as was considered in CPAP
			1.4 Some outputs expected under peacekeeping training project, although not those considered in CPAP

Lessons learned and perspectives

Both UNDP-Malaysia and the Government are highly conscious of the fact that, given the country's history and assets, and UNDP's own global knowledge and networks, SSC should become a much larger dimension of the programme than has hitherto been the case. It is worth noting that with only two projects in the portfolio, this cluster, by virtue of most of its activities being programmed for 2011, is projected to account for 17.3 per cent of total expenditures during the last two years of the cycle, an 8.5-fold increase over the 2008-10 period (Table 14). However, such growth will be the result of implementing stand-alone projects rather than the kind of cross-cutting approach to SSC recommended in both the 2009 CPO evaluation and in the 2010 "Renewing" study.³⁶ In this respect, the MTR notes that as from February 2011, the South-South Cooperation for Development agenda has been mainstreamed into all three programme clusters and is now reflected in the Terms of Reference of all UNDP Programme staff. While account must be taken of the fact that the Malaysian Technical Cooperation Programme (MTCP) -which is under the purview of the Ministry of Foreign Affairs (MFA) - has suffered significant cuts in recent years, discussions held between UNDP-Malaysia and the Government in early 2011 seem to have led to an understanding that a strategic dialogue between the Government, UNDP and donors should be organised with a view to designing a well-targeted SSC programme for the coming years.

4.1.2 Socio-economic development cluster

During the period under review, the Socio-Economic Development cluster (SEDC) was the second largest in financial terms, accounting for 23.2 per cent of total programme expenditure. As Table 11 shows, the sources of fund for cluster projects were a mix of core (TRAC, 39.2 per cent) and non-core (cost-sharing from the Government of Malaysia, 60.8 per cent).

Cluster projects addressed two sets of thematic concerns: (i) economic development and (ii) poverty/exclusion/inequality, the latter with projects focusing on issues of poverty, gender, marginalised communities and reform of the health sector. The third leg of the SEDC cluster, democratic governance, which has since the 2009 repositioning become one of the five programme priorities, did not have any dedicated project during the period under review but is a tangible dimension of several projects that come under thematic headings such as gender and marginalised communities, and is the main practice theme of projects that are part of the SS cluster (anti-corruption, peace-keeping).

In total, 15 projects/activities were implemented, of which five were sub-projects under the umbrella of the Development Support Programme (DSP) and one was implemented using DSS resources (Table 18).

This list also includes a project (Study on the Socio-economic Status of Orang Asli) which is being implemented in cooperation with UNICEF (currently the only "joint project" of the UN system) and another (Development of the National Strategy on HIV/AIDS) undertaken under the aegis, and with the participation of members, of the UN Theme Group on HIV/AIDS.

³⁶ The CPO evaluation recommended that "UNDP should pro-actively support Malaysia's efforts at promoting South-South Cooperation by capitalizing on its role as a middle-income country. It should establish new programmes of exchange with Africa, poorer countries within the OIC, the Non-Aligned Movement and ASEAN that are more development-oriented rather than investment-driven. This alone will enable Malaysia to play a leadership role in the world in promoting SSC." ("UNDP in Malaysia: An evaluation", op. cit., page 48).

Table 18 – SEDC portfolio (budget figures rounded to nearest USD '000)

Project/ sub-project	Date approved	Effective start date	End date (planned)	End date (effective)	Initial duration (in mths)	Effective duration (in mths)	UNDP-administered budget		
							Source	Amount	
Poverty – Gender – Marginalised Communities – Health									
1	Poverty in Sabah & Sarawak	Oct-05	Jan-06	Jun-08	Extended Feb-11	30	62	TRAC/ GOM	367
2	Socio-economic status of Orang Asli	May-10	Feb-11	Dec-11	N/A	9	N/A	TRAC/ GOM, UNICEF	134
3	Capacity Development in poverty monitoring & policy	Sep-04	Sep-04	Jun-08	Extended Dec-10	45	75	TRAC/ GOM	721
4	DSP: Capacity Bldg in Multi-Dimensional Poverty Index	Dec 10	Dec-10	Dec-10	Dec-10	4 days	4 days	TRAC/ GOM	11
5	Women's participation in decision-making	Jun-07	Sep-07	Jun-08	Extended Jun-10	12	36	TRAC/ GOM	309
6	National action plan for single mothers	Dec-07	Mar-08	Jun-09	Extended Dec-10	18	36	TRAC/ GOM	490
7	Participation of PWDs in workforce, Johor	Jan-08	Apr-08	Jun-09	Extended Jun-10	18	30	TRAC/ GOM	329
8	Accessible transport for PWDs, Penang	Jan-08	Mar-08	Dec-09	Extended Jun-11	24	42	TRAC/ GOM	481
9	National HIV/AIDS strategy	Oct-10	Oct-10	Dec-11	N/A	15	N/A	TRAC/ GOM	120
10	DSP: Review of health-related laws	Nov-09	Nov-09	Feb-10	N/A	4	4	TRAC/ GOM	22
Economic development									
11	DSP: Impact of Trans-Pacific Partnership on Malaysian economy	July-10	Jul-10	Dec-10	N/A	6	6	TRAC/ GOM	195
12	DSS: Study on Impact of Global Financial Crisis on Malaysian Economy	N/A	May-09	Aug-09	N/A	3	N/A	DSS	32
13	DSP: Brainstorming on Developing & Liberalization of the Services Sector	N/A	Jun-09	Jun-09	N/A	9 days	N/A	TRAC/ GOM	30
14	DSP: New Approach to Inclusive Growth & Development	N/A	Nov-10	Dec-10	N/A	1	N/A	TRAC/ GOM	12
Development support									
15	Development support programme	Jan-00	Jan-00	Dec-01	Extended Dec-10	24	121	TRAC/ GOM	406

Note: Sub-projects under the Development Support Programme and activities funded from DSS resources are identified by the corresponding acronym.

Results achieved

Delivery of outputs

Numerous significant outputs have been generated by SEDC projects. With respect to *economic development*, it is worth noting that although no “full” project has yet been developed in this area (all the activities have been undertaken as part of a development support programme or been funded from DSS resources), outputs relate to strategic issues that form part of Malaysia’s core economic agenda post-global financial crisis and in which UNDP-Malaysia had hitherto not been invited by national authorities to play a role. They must be seen as a first crop of a new line of policy research and analysis products in line with the greater emphasis placed

on economic policy in the 2009 repositioning exercise, one of UNDP-Malaysia's five priority areas now being "National response to both the short-term and longer-term structural implications of the global economic and financial crisis". Fittingly, the series was inaugurated with a joint report of ISIS and the Faculty of Economic and Administration of University Malaya on this theme.³⁷

Outputs were generated within short time frames (a few months at the most) as substantive contributions to specific moments of ongoing policy decision-making (e.g. the elaboration of the New Economic Model and the 10MP and the strengthening of the knowledge economy) and with the involvement of senior national and international policy experts. Another innovative facet was the organization of high-level consultations and policy dialogue with key decision-makers and stakeholders (e.g., the consultations on the Trans-Pacific Partnership and the brainstorming session on the development and liberalisation of the services sector, organised in June 2009).³⁸

Initiated during the previous cycle and completed in 2010, the two projects on *poverty reduction* implemented with EPU provided responses to important policy questions, whether it was the definition and subsequent application of a new poverty-line income (essential to the design, resourcing and implementation of anti-poverty programmes country-wide), the gradual shift from income-based to multi-dimensional poverty measurement (which has been promoted by UNDP and adopted by an increasingly large number of countries), or understanding differences in the determinants of poverty in the States of Sabah and Sarawak (critical to re-orienting anti-poverty strategies and programme coverage in these two states). Each one of these activities has brought about methodological innovations (use of new data sources, introduction of new forms of data triangulation between government officials, experts and focus groups of beneficiaries, and improvements in data management systems). In addition to these substantive outputs, significant capacity-development results have also been achieved in the area of poverty measurements and poverty monitoring, including improvements and training in data software.

In the area of *gender*, all the main outputs were delivered according to plans. Under the project on women's participation in decision-making, the main output was the Plan of Action for Achieving At Least 30% Participation of Women at Decision Making Levels in Malaysia which is scheduled to be presented to the Cabinet. The report of the seminar on equal opportunities for women in high-level decision-making positions has been submitted to the Cabinet but is already being used in the PEMANDU labs on gender issues. The Ministry of Women, Family and Community Development (MWFC), UNDP's implementing partners for both projects, believes that significant mainstreaming has been achieved with respect to the 30 per cent women's participation concept, and specific capacity-development needs have been identified, e.g., the training of women that are members of boards of directors. Under the project on single motherhood, the principal outputs were the analysis of single-mother issues, which was followed by an evaluation of the effectiveness of existing policies and programmes in this area and by the elaboration of a national action plan to empower single mothers which is scheduled to be presented to the Cabinet. There again, follow-up

³⁷ Mahani Zainal Abidin and Rajah Rasiah, 2009, "The Global Financial Crisis and the Malaysian Economy: Impact and Responses" (A joint report by the Institute of Strategic and International Studies (ISIS) Malaysia and the Faculty of Economics & Administration, Universiti Malaya (UM)). Commissioned by UNDP-Malaysia in August 2009.

³⁸ Mention must also be made of the publication on Knowledge Content in Key Economic Sectors in Malaysia Phase 2 (MyKe II) which encompasses an independent assessment of Malaysia's knowledge and technology readiness, particularly in science, technology and innovation, as well as the two policy dialogue sessions held in collaboration with EPU, highlighted the country's leading and lagging industries in terms of knowledge content in agriculture, manufacturing, services, and construction, as well as the constraints faced by these industries. The seminars provided a platform for international experts, private-sector representatives and policy-makers to share best practices on how to design policies in order to increase the knowledge content of the industries. Discussions also focused on how knowledge and innovation could help Malaysia as it aims to move up the value chain towards becoming a high-income economy. Efforts have been initiated with the Northern Corridor Implementation Agency to explore the possibility of implementing a project on issues related to the manufacturing sector, innovation and research and development.

opportunities have been identified, in particular with respect to data sources and management as tools for policy-making and programme design.

With respect to *persons with disabilities (PWDs)*, the project in Penang led to the elaboration of the Universal Access Transportation Masterplan which has been approved by the government of the State of Penang. Cooperation with other states is under way (particularly through the Northern Regional Corridor Authority) to encourage the adoption of similar initiatives. In the case of the project on PWD employment in the State of Johor, the main outputs have been in the area of data collection and dissemination, capacity creation (the establishment of a special unit in the state government) and advocacy and awareness-raising, with the involvement of state government agencies, employers and NGOs. Multi-stakeholder dialogue and participation were key dimensions in the implementation of both PWD projects. Their results have been taken to the National Disability Council for their possible application/replication at the national level.³⁹

On the issue of *HIV/AIDS*, in which UNDP is involved together with the other members of the UN Theme Group on HIV/AIDS, the first principal output –the draft of Malaysia’s new five-year national strategy for 2011-2015—was being reviewed by the Ministry of Health at the time of this MTR, following a series of stakeholder workshops organised in the latter part of 2010 with CSOs, the private sector and relevant government institutions with a view to generating inter-sectoral ownership and additional capacity. Thanks to these consultations, the draft strategy effectively addresses the needs of groups considered most at-risk in Malaysia (men having sex with men, sex workers, transgender and HIV-positive).

Within the context of governance and human rights, UNDP-Malaysia collaborated extensively with the UNDP Regional Centre in Bangkok, the UN Office of the High Commissioner for Human Rights (OHCHR) and the Asia Pacific Forum to undertake a capacity assessment of the National Human Rights Institution (SUHAKAM) in 2008. Following its completion in 2009, an analytical report of the self-assessment containing strategies to address identified priority capacity development needs was produced, presented to the SUHAKAM Commissioners, and adopted by the Commission in March 2009. Based on the recommendations, SUHAKAM has produced its own strategic plan for 2010-2013, which was finalised in January 2010 and has been put into action. It is also noted that as UNDP support in the field of human rights is operationalised via the UN Country Theme Group on Human Rights for Development through which follow-up support to SUHAKAM is now channelled.

As Table 18 shows, the effective duration of several projects went significantly beyond the original schedule, in good part, it seems, due to the fact that the timelines set in most projects’ work plans were unrealistic. However, other factors, specific to each project, account for the delays. In the case of the poverty-reduction project for Sabah and Sarawak, whose implementation lasted 62 months instead of 30, a key factor was the lack of analytical clarity, on the consultants’ part, on the determinants of poverty in the two states and on the strengths and weaknesses of existing policies and programmes, which made it necessary to redesign the research methodology and appoint a new team of consultants in 2009.

Progress towards outcome

The programme initiatives carried out in the areas of poverty reduction, gender and marginalised communities –which constitute the majority of the projects in this programme component - have contributed tangibly to this outcome in the sense that their outputs have effectively contributed to national and local policy and programme reform processes aimed at addressing various dimensions of inequality.

³⁹ To support the dissemination and implementation of the Penang project, UNDP and the Ministry of Women, Family and Community Development jointly organised, in March 2010, a two-day conference on “Accessibility and universal design: Implications for public transport and the built environment” which was attended by policymakers, local government representatives, urban planners, architects and civil society groups.

It is legitimate to ask whether the use of a human-development analytical framework at the start of the CPAP could have helped to approach this outcome more forcefully and take advantage of potential synergies between the various themes and projects (Table 20).

Table 19 – SEDC results

Project/sub-project title	Status	Relevant tangible outputs	
Poverty – Gender – Marginalised Communities – Health			
1	Study to Identify Strategies to Eradicate Poverty and Improve Employment & Equity Restructuring in Sabah and Sarawak	On Going: Oct 05 - Feb 11	<ul style="list-style-type: none"> Analytical reports leading to one consolidated report for each state
2	Study on the Socio-Economic Status of Aborigines (Orang Asli) in Peninsular Malaysia	On Going: May 10 - Dec 11	<ul style="list-style-type: none"> None yet
3	Strengthening Capacity in Poverty Monitoring, Policy Formulation & Evaluation	Completed: Sep 04 - Dec 10	<ul style="list-style-type: none"> Formulation of new poverty-line income Capacity development workshop to train Government officials from EPU, ICU, PEMANDU, UPEN Sabah, SPU Sarawak and relevant agencies
4	DSP: Capacity Development in Multi-dimensional Poverty Index (MPI)	Completed: Dec 10 (4 days)	<ul style="list-style-type: none"> Policy dialogue with EPU and relevant ministries, and public lecture
5	Towards achieving at least 30% participation of women at decision-making levels in Malaysia	Completed: Jun 07 - Jul 10	<ul style="list-style-type: none"> Plan of Action for Women's Development ready Seminar on "Paving The Way Forward For Equal Opportunities In High-Level Decision Making Positions" and seminar report presented to Malaysian Cabinet
6	Towards a National Action Plan to Empower Single Mothers	Completed: Dec 07 - Dec 10	<ul style="list-style-type: none"> Comprehensive analysis of stock and flow data of single mothers in Malaysia Report on the effectiveness of existing policies and programmes targeted at single mothers National action plan and policy dialogue with ministries & CSOs
7	Encouraging Increased Participation by Persons With Disabilities in The Workforce in the State Of Johor	Completed: Dec 07 - Jun 10	<ul style="list-style-type: none"> Baseline data on PWDs in Johor and baseline report of available vocational and employment-related services available to PWDs in Johor Government Job Coaches and project staff trained in Malaysian sign language 'Open Employment' video in English and <i>Bahasa Malaysia</i> with subtitles for the hearing-impaired developed and disseminated Booklet detailing state-related resources available to employers when employing PWDs Employment Model developed to integrate disabled employees
8	Transport for the Disabled: Support of the Development of Accessible Transport In Penang	On-going: Jan 08 - Jun 11	<ul style="list-style-type: none"> Report towards the development of a transport improvement strategy participatory stakeholder workshops, 2 workshops on current Malaysian International conference on Accessibility and Universal design building regulations on accessibility and universal design Awareness activities - TV and radio interviews; photo exhibitions Publication: "A Review of International Best Practices in Accessible Public Transport for Persons with Disabilities"
9	Development of the Overall National Strategy on HIV and AIDs 2011-2015	On Going: Oct 10 - Dec 11	<ul style="list-style-type: none"> Draft national strategy under review by Government ; draft action plan and M&E framework in progress
10	Review of Health Related Laws and Their Implications on the Health Restructuring Project and Its Impact on the Poor	Completed: Nov 09 - Feb 10	<ul style="list-style-type: none"> Report on governance framework of proposed health care reforms submitted to MOH
Economic development			
11	DSP: Study to Analyse the Potential Impact on the Malaysian Economy from Malaysia's Participation in the Trans-Pacific Strategic Economic Partnership (TPP)	Completed: Jul 10 - Dec 10	<ul style="list-style-type: none"> Independent report submitted to MITI
12	DSS: Impact of the global financial and economic crisis on the Malaysian economy	Completed: May 09 - Aug 09	<ul style="list-style-type: none"> Publication: The Global Financial Crisis and the Malaysian Economy: Impact and Responses

Project/sub-project title		Status	Relevant tangible outputs
13	DSP: High-Level Brainstorming with the Government of Malaysia on Developing and Liberalization of the Services Sector Action Plan	Completed: Jun 09 (9 days)	<ul style="list-style-type: none"> Synthesis report to EPU and MITI Half-day public seminar on global and regional trends and developments in the services sector
14	DSP: Assessment of Malaysia's New Approach to Inclusive Growth And Development towards Achieving Advanced Economy Status	Completed: Nov 10 - Dec 10 (1 month)	<ul style="list-style-type: none"> Public lecture Closed-door round-table discussions with EPU, other government departments & think-tanks
Development support			
15	Development Support Programme	Completed: Jan 00 - Dec 10	<ul style="list-style-type: none"> 3 sub-projects developed from 2008-10, of which two (nos. 10 & 11 in this table) belong to this cluster (the third one, on South-South cooperation, is listed in the Table 16 on SS cluster results).

Note: Sub-projects under the Development Support Programme and activities funded from DSS resources are identified by the corresponding acronym.

Table 20 – SEDC: Progress towards outcome and delivery of outputs

Intended outcome	Programme outcome	Progress towards outcome	Delivery of outputs
Outcome 2: Effective response to human development challenges and reduction of inequalities	Priority human development challenges of Malaysia, including growing inequality, addressed	Below expectations due to slow or no progress on some outputs	2.1 Partial delivery
			2.2 Several relevant outputs delivered
			2.3 On track with respect to empowerment, incipient with respect to labour force participation
			2.4 Progress incipient in anti-corruption
			2.5 On track
			2.6 Implementation in progress, outputs expected in 2011
			2.7 None

Public-administration reform in the areas of service delivery and anti-corruption was included as an important “entry point” for this outcome. No relevant activity was conducted during 2008-10.

The new initiatives launched to support the national response to the global financial and economic crisis, which is one of the new UNDP priorities and which this MTR considers a critical addition to UNDP’s contribution in Malaysia, fall reasonably well under this programme component of the CPAP (Fostering inclusive globalisation and promoting inclusive growth) but their relevance to either the intended or the programme outcome is tenuous.

This issue arises from the new CPAP architecture adopted to accommodate the decisions reached by the 2009 repositioning process and is discussed in Chapter 5.

Documenting good (and not so good) practice

Despite the delay experienced in the case of the Sabah and Sarawak project, the two poverty-reduction projects implemented by the EPU point to several elements of good practice, among which:

- Conceptual innovation (in the field of multidimensional poverty measurement); clarity of project objectives and methodology;
- Good sourcing of expertise, including from the point of view of cultural sensitivity (especially important for the Sabah and Sarawak project);
- The use of South-South cooperation to facilitate access to relevant cases of good practice at the international level (through the organization, in Malaysia, of a regional conference on poverty and income);
- Effective support on how research could be converted into policy, as was the case with the use of the findings and recommendations on Sabah and Sarawak for the elaboration of the Tenth Malaysia Plan;⁴⁰
- Results that combine value addition in the analytical and policy fields with tangible capacity-development improvements;
- Contribution to greater clarity, within EPU itself, with respect to the management of its extensive poverty-reduction mandate (planning, monitoring and programme implementation).

Lessons learned and perspectives

SEDC has been by far the most thematically and operationally diverse of the three programme clusters. The inclusion in the original CPAP design of seven widely different outputs under a single outcome conveyed a very high risk of not only programme dilution but also tensions between projects following disparate logical strategies. While the outputs identified in the social development area had clear links to human development outcomes, others, such as the strengthening of institutional capacity and the enhanced role of the private sector, showed no direct relationship with the overall goal of responding to human development challenges and reducing inequalities.

Part of that risk has been avoided thanks to the concentration of projects in the Poverty, Exclusion and Marginalised Communities sub-cluster. On the other hand, much of the feedback received by this MTR indicates that in spite of strong potential linkages across the cluster's various thematic branches, each area was, until the repositioning decisions went into implementation, allowed to follow its own separate road, thus limiting complementarity of purpose (in terms of national development priorities) at the design stage, cross-fertilization of knowledge and experience at the implementation stage, and, most importantly, capitalisation on outputs and outcomes (especially those relevant to public policy) when projects end.

Numerous opportunities for greater progress towards the CPAP outcome exist as a result of the dual momentum created by the country's new development agenda and the corresponding realignment of the CPAP architecture. The inclusion of the new priority area on National response to both the short-term and long-term structural implications of the global economic and financial crisis opens up important avenues for support in policy areas at the interface between economic and social policy, notably with respect to the public policies needed to foster inclusive growth and reduce deep-seated inequalities. The cross-cutting approach to governance, which has been applied since 2009, should make it possible henceforth to harness the untapped potential of many projects to contribute to some of the country's principal policy reforms and lead to a new generation of projects beyond the realm of public-administration-reform. Gender equality, which has been and continues to be a dimension of a number of projects, could gain considerably from the systematic use of gender-analysis tools at the design stage of new projects.

⁴⁰ Another substantive UNDP input to the 10MP in the area of poverty reduction was the chapter on MDG 1 (of which UNDP was the lead UN agency) of the second national MDG report, prepared jointly by the Government of Malaysia and the UN country team in 2010.

4.1.3 Energy & Environment

Composition and main features

The Energy and Environment (E&E) cluster was the largest portfolio in terms of financial resources. For the period 2008-2010, the E&E cluster accounted for 74 per cent of total programme expenditures. To implement the projects belonging to this cluster, four sources of funds were utilized: TRAC (3.7 per cent), Government of Malaysia cost-sharing (6.6 per cent), GEF (81.6 per cent) and the Montreal Protocol (7.9 per cent).

Projects in the E&E cluster focus on (i) climate change and environmental management; and (ii) energy and energy security. This focus reflects the current environmental concerns of the Government of Malaysia. During the period under review, a total of 14 projects were implemented: 10 under the climate change and environmental management programme; three under the energy security programme; and one project as programme support (see Table 21 below).

Table 21 – E&E portfolio (budget figures rounded to nearest USD '000)

Project	Date approved	Effective start date	End date (planned)	End date (effective)	Initial duration (in mths)	Effective Duration (in mths)	UNDP-administered budget	
							Source	Amount
GEF programme support project	Jun-06	Jun-06	Feb-07	Extended Dec-10	9	55	TRAC GOM	50 126
Renewing of institutional strengthening (IS7)	Jun-08	Sep-08	Jun-09 Ext. Dec-10	Extended Dec-10	12	30	MP	279
Second National Communication on CC (NC2)	May-06	Jan-07	May-09	Extended Dec-11	36	67	GEF	405
Phase-out non-QPS uses of methyl-bromide	Oct-05	Mar-06	Dec-10	Jun-11	57	63	MP	200
Bio-D – Forest planning tools	Sep-06	Apr-07	Mar-12	N/A	66	N/A	GEF	2,261
Bio-D – Marine park management	Aug-06	Aug-06	Feb-12	Dec-12	66	N/A	GEF	1,952
Bio-safety: Capacity building (Cartagena Protocol)	Oct-06	Jun-07	Oct-10	Extended Dec-11	48	62	GEF	911
Economics of Climate Change	Feb-10	Jul-10	Jun-12	N/A	24	N/A	TRAC/ GOM	350
HPMP (HCFC phase-out management plan)	Nov-09	Jan-10	Dec-12	N/A	24	N/A	MP	174
Institutional strengthening Phase 8	Mar-10	Jun-10	Dec-12	N/A	12	N/A	MP	140
Access & benefit sharing	Mar-10	Jun-10	Dec-12	N/A	31	N/A	TRAC/ GOM	400
Biomass-based power generation	Jul-02	Jan-04	Dec-05	Extended Dec-06 Dec-07 Jun-11	24	126	GEF	4,000
BIPV (Photovoltaic technology application)	May-05	Jan-06	Dec-10	Jun-11	60	63	GEF	4,699
BSEEP (Building sector energy efficiency)	Jul-10	Jan-11	Dec-15	N/A	60	N/A	GEF	5,000

Results achieved

Delivery of outputs

On the whole, the projects under the E&E cluster programmes have contributed significantly to the strengthening of Malaysia's energy security agenda through project initiatives, among others, the UNFCCC National Communication (NC2), Building Integrated Photovoltaic Project (BIPV) and Biomass Power Generation & Co-Generation (BPGCP) projects. All these have contributed towards Malaysia's affirmation of

renewable energy through adoption of the National Green Technology Policy and the National Climate Change Policy. In the 10th Malaysia Plan (10MP), the UNDP’s Human Development Report was also cited to underscore the government’s commitment to reduce emissions intensity as Malaysia moves towards a high income economy. The Economics of Climate Change (ECC) project which focuses on analytical modelling and analysis of the economic implications of climate change is also tailored to develop policy options for the government for the medium and long term.

More specifically, the BIPV project has led directly to the introduction of Feed-in-Tariff (FIT) to promote greater adoption of renewable energy by the residential community and Independent Power Producers. As a result of the Marine Park project, the Marine Park Management Plan for Peninsular Malaysia and Marine Park Policies are currently being reviewed to further enhance the management of marine biodiversity in the country, as emphasised in the 10MP.

Although project results have been variable in terms of effectiveness, in general the E&E Cluster projects have facilitated the participation of multiple stakeholders – the private sector, civil society – together with the relevant government agencies. In the case of projects like the Marine Park project and the Preparation of HCFC Phase-Out Management Plan (HPMP), local populations have been engaged and several consultative workshops were included as key activities. Stakeholder participation at various stages of implementation has contributed to ensuring sustainability of results, especially post-project completion.

The E&E cluster projects also have a strong focus on capacity development and knowledge sharing through training workshops (e.g., the Marine Park and Biosafety projects) and newsletters, documentary films/videos and web-based information and database (e.g. BioD, HPMP, Marine Park and Institutional Strengthening projects).

All 14 E&E cluster projects reviewed have made significant contributions to policies and strategies at the national level. In addition, some of the projects have enabled Malaysia to fulfil its obligations and commitments to international protocols as in the case of the Biosafety and HPMP projects.

Implementation-wise, it is noted that the schedule of many of the projects had to be extended. While most of the extension was for a year or less, the extreme situation was in the case of the BPGCP. The original project calendar for the BPGCP Project was two years; however, it was extended three times, thus dragging what was originally a two-year activity into a six-year one. Delays were mainly caused by poor project design, frequent turnovers of project managers and difficulties in securing the necessary buy-in support from industry including the necessary site selection. On the other hand, the BIPV project strictly followed its schedule (Table 21).

Progress towards CPAP outcomes

Overall, E&E Project cluster activities are progressing well and are on track for the programmes for enhancing environmental management of biodiversity and natural resources as well as for climate change mitigation and adaptive initiatives (Table 22). However, progress with respect to mainstreaming environmental concerns into planning and development of non-environmental agencies is below expectations. Despite being three years into the current CPAP, UNDP-Malaysia has not made any headway due either to changes in the priorities of the Malaysian Government regarding environmental mainstreaming or to resource mobilization problems. Although several initiatives were proposed, as was the case with a proposed project on Strengthening the National Physical Plan, they were declined by the GEF.

Table 22 - E&E cluster: Progress towards outcomes and delivery of outputs

Intended outcome	Programme outcomes	Progress towards outcomes	Delivery of outputs
Outcome 3: Improved environmental stewardship through sustainable energy development and environmental	Enhancing environmental management of biodiversity and natural resources, including water resource management	Below expectations	3.1 None
		Progressing well	3.2 On track
	Climate change mitigation and initiatives	Progressing well	3.3 On track
		Progressing well	3.4 On track

Intended outcome	Programme outcomes	Progress towards outcomes	Delivery of outputs
management	implemented	Progressing well	3.5 On track
		Below expectations	3.6 None
	Incorporation of environmental considerations into planning and development of non-environmental agencies	Below expectations	3.7 None
		Below expectations	3.8 None

Table 23 summarises the results observed for this cluster.

Table 23 - Energy & Environment cluster results

	Project Title	Status	Relevant Tangible Outputs
Climate Change & Environmental Management			
1	TAS to install alternatives and phase out all remaining non-QPS uses of Methyl Bromide	On-going: Jan 05-Dec 11	<ul style="list-style-type: none"> Technical report on three alternatives to methyl bromide use in soil treatment
2	2nd National Communication to the UNFCCC	On-going: Jun 05-Mar 11	<ul style="list-style-type: none"> Baseline studies on mitigation, vulnerability and assessment and GHG inventory Institutional framework for national climate change developed NC2 report (forthcoming in early 2011)
3	Conserving Marine Biodiversity through Enhanced Marine Park Management and Inclusive Sustainable Island Development	On-going: Sep 06-Dec 11	<ul style="list-style-type: none"> Information database on marine parks Marine Park Act drafted Marine Park Policy drafted Business Development Training for local communities at three project sites Tourism Operators Best Practices training held at 3 project sites Best Practices tourism manual drafted Two documentary films
4	Conservation of Biological Diversity through Improved Forest Planning Tools	On-going: Oct 06-Jun 12	<ul style="list-style-type: none"> Draft Rapid Biodiversity Assessment Guideline (RBAG) BioD database established at FRIM Survey instrument for recreation and passive-use values developed
5	Support to Capacity Building Activities on Implementing the Cartagena Protocol on Biosafety	On-going: Dec 06-Jun 12	<ul style="list-style-type: none"> Draft Regulations and Guidelines for Biosafety SOPs for all the units in Biosafety Core Team National Biosafety Board Training Workshops Public awareness workshops Biosafety newsletters
6	Access & Benefit Sharing of Biological Resources	On-going: Jan 10-Dec 12	<ul style="list-style-type: none"> Inception workshop conducted One awareness forum on ABS Preliminary draft of ABS Bill
7	Economics of Climate Change (ECC)	On-going: Jan 10-Dec 11	<ul style="list-style-type: none"> Stocktaking exercise One stakeholders workshop Six persons trained at technical training on PAGE 2009 model
8	Preparation of HCFC Phase-Out Management Plan (HPMP) for Malaysia	On-going: Jan 10-Dec 12	<ul style="list-style-type: none"> HCFC survey Two consultative workshops and one HPMP seminar
9	Institutional Strengthening Phase 7	Completed: Jun 08-Dec 10	<ul style="list-style-type: none"> Awareness activities including publications, VCDs and billboard advertisements Enforcement and verification visits to Mobile Aircondition (MAC) Servicing workshops and to Refrigeration Servicing Sector (RSS) premises to monitor the uses of CFC 35 Certification Service Technician Programme (CSTP) sessions Meeting of 'Methyl Bromide Phase-Out Programme Implementation'
10	Institutional Strengthening Phase 8	On-going: Jan 10-Dec 11	<ul style="list-style-type: none"> See item 9

	Project Title	Status	Relevant Tangible Outputs
Energy Security			
11	Biomass Power Generation & Co-Generation in the Malaysian Palm Oil Industry Phase 1 (BPGCP)	On-going: Jul 02-Jun 11	<ul style="list-style-type: none"> Two demonstration projects utilising biomass and biogas sources Various awareness raising through Biomass Information Services and Awareness Enhancement Programme Establishment of Renewable Energy Business Facility (REBF) to fund biogas power generation projects Provided inputs for the finalization of the RE policy.
12	Building Integrated Photovoltaic (BIPV) Technology Application Project	On-going: Jan 05-Jun 11	<ul style="list-style-type: none"> Collaboration and technology transfer between local and international parties Policy on Feed-in-Tariff adopted Nine FDIs established solar manufacturing facilities BIPV QC Centre established National BIPV database established and utilized Incentives awarded to 177 applicants under Suria 1000 programme.
13	Building Sector Energy Efficiency Project (BSEEP)	On-going: Apr 10-Dec 14	<ul style="list-style-type: none"> None yet
Programme Support			
14	Support to Prepare the UNDP-GEF and GOM Programme for 2006-2010 under GEF Resources Framework Allocation	Completed: Jul 06-Dec 10	<ul style="list-style-type: none"> ABS Project Document

Documenting good (and not so good) practice

Out of the 14 E&E projects reviewed, the one that stands out as a good practice is the BIPV project. The project was well designed to strengthen the country's long-term energy security and contribute towards mitigating and reducing greenhouse gasses (GHG). The implementing agency was fully committed to the project agenda and the good teamwork of the project management team ensured that the project was implemented according to its original schedule. Although completed, these initiatives are being sustained through a new entity called Sustainable Energy Development Authority (SEDA) under the ambit of the Ministry of Energy, Green Technology and Water (Box 2).

Box 2 – Example of good practice: The BIPV project

The success of BIPV Project has been attributed to a good team work and management. There was regular engagement with relevant government agencies and politicians as well as close working relationship with the media to disseminate information and to create public confidence and commitment. As such, there was political willingness to introduce and implement the renewable energy law with Feed-in Tariff and RE Fund (FIT) mechanism. The recommended policies from the project have been included in the 10MP and the introduction of the FIT will ensure that the efforts and accomplishments of the project are continued and expanded. The project also led to the introduction of financial incentives for an increased emphasis on renewable energy by independent power producers. This is reflected in the 2011 national budget.

Over the five-year period, the project team consisted of the same people who dedicated themselves with passion to make the project a success. This is possible to achieve when the project team structure and remunerations have been secured and designed to reward high performance throughout the project period. Having a strong champion and cooperation from the Ministry of Energy, Green Technology and Water has been a critical factor and the establishment of Sustainable Energy Development Authority (SEDA) to move forward the RE agenda has been crucial to ensure the sustainability of the project.

The Institutional Strengthening projects have enabled the Department of Environment to conduct a series of awareness activities and engagements with stakeholders on issues on the use of CFCs. The efforts have paid off and have contributed towards the smooth implementation of the HPMP which is still on-going. Likewise, awareness-raising training workshops on the importance of marine parks for the local community have led to increased understanding of the issues and solutions and facilitated the drafting of the various tools to support the Marine Park policy.

Successful and smooth implementation of projects hinges upon good project management as in the BIPV, Marine Park and HPMP projects. While finding the right candidates for the project team can take time, it is essential that this be addressed rightly from the start lest it result in project delays and impediments to the implementation of the whole project. The experience of the BPGCP project, with five changes in project managers (excluding the interim managers who were assigned during the time when there was no project manager), as well as the high turnover of project staff, was one of the challenges that delayed progress.⁴¹

Lessons learned and perspectives

Intensive resource mobilization efforts (especially with respect to GEF-funded projects), portfolio management and support to implementation agencies were ongoing dimensions of the E&E cluster. These demands distracted staff from the environmental mainstreaming agenda which in future needs to be given greater priority and financial support from TRAC and Government cost-sharing resources, as is being done for the Economics of Climate Change (ECC) and Access to Benefit Sharing (ABS) projects.

The expected CPAP programme outputs for environmental mainstreaming may be too rigid and will need to be reviewed accordingly. Furthermore, obtaining institutional commitment to environmental mainstreaming continues to be a challenge. While partner line agencies related to E&E appear effective and efficient for energy security and environmental management projects, the same cannot be said for the mainstreaming agenda. Given its more encompassing nature, environmental mainstreaming requires a higher level of partnership to ensure that the agenda takes off, as is the case with the EPU for the ECC project.

To ensure buy-in from the stakeholders, it is essential to engage agencies that have key roles as well as the local community right from the early stages of the project as shown in the case of the Marine Park, BIPV and the HPMP projects. When effective cooperation and support from primary stakeholders (including private sector partners) are lacking, as in the case of the BioGen project, it is difficult to achieve the outcomes and outputs of the project.

The case of the BPGCP project shows that if there is a need for policy intervention for projects, it has to be carried out early on during the project and not towards the end, which by that time, will be too late for policy makers to understand the subject matter. The lessons learned from the BPGCP project show that for practical implementation, pilot projects must be identified early and remain within scope of the project.

4.2 Programme management

4.2.1 Programme coordination

This MTR has brought to light some deficiencies and missed opportunities with respect to interaction between projects, practice areas and partners. Some may have caused by unavoidable constraints, such as the fact that a CPAP portfolio is always a mix of projects carried over from the previous cycle (or cycles) and projects conceived to fulfil the specific objectives of the current programme, which often bears negatively on programme coherence and limits the scope of programme coordination. With one-third of the active 2008-2010 portfolio “inherited” from the 2003-07 country programme, Malaysia’s current CPAP has been no exception.

Yet, the weaknesses observed seem to have caused mainly by other factors and in particular by:

⁴¹ Source: BioGen PIR 2010 Final

- A very strong focus, until the 2009 repositioning exercise, on individual projects, as opposed to programmatic approaches within and across practices. Coordination was not featured as an explicit goal and was used as an “ex-post” management tool, rather than as an outcome-driven approach.
- A resulting lack of opportunities, during the first eighteen months of CPAP implementation, for interaction between projects and programme partners: Except when an implementing agency was in charge of more than one project (e.g. the EPU in the case of the two poverty-reduction projects and the Ministry of Women, Family and Community Development in the case of the gender projects), this MTR could not identify instances of ongoing cross-project or cross-practice interaction, not even in the case of the E&E cluster whose projects share not only a range of thematic concerns, but also common management responsibilities due to their being funded by the GEF (or the Montreal Protocol). This deficiency is due in part to the absence of substantive coordination by EPU to promote, among programme partners and project managers an outcome-driven approach to CPAP implementation.
- Opportunities for the mainstreaming of cross-cutting dimensions, such as governance, gender or South-South cooperation remained few and far between during 2008 and the first half of 2009, thus limiting the overall value of the programme in critical areas such as knowledge generation and sharing and the replication or adaptation of successful innovations, increasing the risk of unnecessary project proliferation.

The changes that have taken place since mid-2009 (and that are presented in detail in Section 5.1) have made it possible to improve programme coherence both within and across practice areas, strengthen institutional learning and draw lessons that have been used to improve project design, implementation and monitoring.

4.2.2 Use of execution modalities

Without exception, CPAP projects use the National Implementation Modality (NIM, formerly National Execution, NEX), which is the modality of choice in countries which like Malaysia have strong national institutions with solid management capacities.

All “full” projects are governed by (1) a National Steering Committee (NSC) which provides overall implementation guidance and whose membership includes, in addition to the EPU, the project’s implementing agency and UNDP-Malaysia, representatives of key project stakeholders, and (2) a Technical Working Committee (TWC) whose members are drawn from the same institutions and which handles technical matters and provides ongoing management support. The Project Manager handles day-to-day management and decision-making on behalf of the NSC and TWC, in cooperation with the implementing agency’s designated official.

Overall, compliance with the formal requirements of NIM is excellent. Nevertheless, this MTR has observed recurrent difficulties in the workings of NIM arrangements. In particular:

- Delays in convening NSCs and TWCs, which not only slow or impede implementation but may jeopardize the overall governance of projects. Delays in convening NSCs tend to shift the burden of governance to TWCs (which is neither desirable nor, in many cases, realistic) and distract TWCs from their own responsibilities.
- Significant differences in the capacities and institutional behaviour of implementing agencies, the consequence of which is that there are wide variations, from one implementing agency to another, in the application of NIM norms. While some agencies have shown their willingness and capacity to handle project management responsibilities, others expect and rely on extensive administrative support services from UNDP-Malaysia. In the latter case, administrative backstopping by UNDP staff is provided at the expense of substantive support, which in turn generates bottlenecks in the implementation of project work plans and, more generally, can jeopardise UNDP’s own efforts to provide greater value addition to Malaysia’s development. Additionally, such reliance on full UNDP support services quickly becomes an obstacle to project ownership on the implementing agency’s part.

This MTR is aware that these difficulties have already been discussed between UNDP-Malaysia, most recently at the February 2011 Annual Review Meeting. In a meeting between the MTR team and the EPU, the latter's representatives indicated their readiness to solve these problems through dialogue with all the implementing agencies concerned.

4.2.3 Monitoring and evaluation

Currently, the monitoring and evaluation (M&E) function of UNDP-Malaysia is being performed by the senior programme staff from the SEDC and E&E clusters as additional responsibilities.

M&E exercises can be divided into three categories: (1) as a corporate requirement; (2) as a project requirement; and (3) as part of overall governance.

As a corporate requirement, UNDP-Malaysia has to carry out independent evaluations of its country programme as well as a mid-term review of its programme. To comply with this, in 2009 UNDP-Malaysia commissioned an independent evaluation of the implementation of the Country Programme Outline (CPO) 2003-2007. The findings and recommendations of the CPO evaluation were shared with the Government and provided useful inputs to prioritise and restructure UNDP's partnership in Malaysia.

As project requirement, evaluations were also carried out for some of the projects that were funded out of GEF viz. the BIPV as well as two E&E projects from the previous cycle.

One of the measures that were put forth by the CPO 2003-2007 evaluation to enhance the repositioning exercise was to "institutionalise regular and periodic evaluations" so as to improve overall governance. In response, UNDP has put into place several structured processes so as to facilitate review of the progress of projects, to review the output level progress of the various implementing agencies as well as to provide a structured platform to dialogue and discuss with the various implementing agencies on the delivery of their activities and to ascertain their relevance and impact to the national development agendas.

Mid-Year Progress Reports (MYPR): Since the beginning 2009, the UNDP CO instituted a MYPR for all TRAC and cost-sharing projects. The template is filled by all Implementing Agencies and shared with the EPU for their information. In addition, since 2010, a dedicated meeting to discuss the MYPR's achievements and challenges were also held.

Project Implementation Review (PIR): Since 2010, the PIR was shared with EPU and a dedicated meeting to discuss the PIR's achievements and challenges was also held.

Annual Progress Reports (APR): Since 2008, the APRs for all projects were shared with EPU. In addition, since 2010, dedicated meetings to discuss the APR's achievements and challenges were also held. The meetings were held and chaired by EPU Corporate Services and International Section. Each Implementing Agency were required to be present at this meeting and the relevant sections in EPU were invited to attend and provide feedback if relevant.

Annual Review Meeting: Since 2008, Annual Review Meetings have been held. They have been chaired by EPU Corporate Services and International Section. Each Implementing Agency was required to present at these meetings and relevant sections of EPU were invited to attend and provide feedback.

4.2.4 Knowledge generation and sharing

To contribute towards knowledge generation and public awareness, during the period under review, the UNDP country office continued to release reports and publications both in printed form as well as in digital format through their website (Table 24). Many of the knowledge products are part of the deliverables of the projects e.g. the video series in English as well as in Bahasa Malaysia on People with Disabilities in the Workplace; and the publication on The Global Financial Crisis and the Malaysian Economy: Impact and Responses. There were also knowledge sharing through training workshops (e.g. Marine Park Project and Biosafety Project), newsletters/bulletins (e.g. Biosafety), documentary films/videos/radio broadcast (e.g. BIPV and

Marine Park Project) and web-based information and database (e.g. BioD, HPMP, Marine Parks Project, and IS projects). Knowledge sharing was also conducted at a higher level through public lectures, seminars and round-table meetings with key stakeholders.

The knowledge sharing from the programmes was also extended to countries in the region (e.g. disseminating information and lessons learned from MBIPV to regional ASEAN countries) as well as to other developing countries, especially through the SS cluster projects.

Table 24 – Examples of knowledge products, 2008-10

South-South Cooperation
<ul style="list-style-type: none"> Malaysia supports training of UN peace-keepers to enhance preparedness for 21st century peace-keeping operations (video)
SEDC
<ul style="list-style-type: none"> The global financial crisis and the Malaysian economy: Impact and responses (publication) People with disabilities in the workplace: Transitioning towards an inclusive future (video in English and Bahasa Malaysia) A review of international best practice in accessible public transportation for persons with disabilities (publication)
Energy & Environment
<ul style="list-style-type: none"> Malaysia's ambitious plan to boost renewable energy (radio broadcast) Handbook for grid connection and licensing of PV installations in Malaysia (publication) PV industry handbook (publication) Ants, water and man (publication) Terumbu (Marine Parks Department's inaugural Quarterly Bulletin) Biosafety newsletters National Biosafety Board & Genetically Modified Organisms' Advisory Council Handbook Institutional Biosafety Committee (IBC) guidelines Protokol Cartagena tentang biokeselematan Biosafety Act brochure

4.2.5 Linkages between outputs and outcomes

On the whole, the outputs identified in the CPAP results and resources framework were designed to support the programme outcomes of the respective clusters. In the case of the SS cluster, while the two projects focusing on capacity development (peacekeeping and anti-corruption) are contributing to the larger programme outcome, they show no linkage with the component's other outputs.

However, there are instances of “cross-cutting” outputs identified with one outcome that also support programme outcomes of other CPAP components. In the E&E cluster, for example, several project outputs support SS cluster programme outputs, as is the case with the sharing of technology and skills with other ASEAN countries (BIPV project – disseminating information and lessons learned to regional ASEAN countries⁴²) and with enhancing sub-regional cooperation (BSEEP and collaboration on databases and information with international/ regional organizations).⁴³ Several E&E project outputs provide linkages with social issues (e.g., the Marine Park and Access to Benefit-Sharing projects). With respect to SEDC, programme outputs are adequately addressed by the projects and relevant to the programme outcome. The SEDC programme output on enhancing public administration reform is relevant to objectives and activities of the SS cluster project on capacity development in anti-corruption in OIC countries.

The above notwithstanding, the MTR draws attention to two specific issues on the subject of CPAP outcomes and outputs which, because of their bearing on overall programme accountability, ought to be addressed without delay by UNDP-Malaysia and EPU.

⁴² Source: Project Document - Building Integrated Photovoltaic (BIPV) Technology Application Project

⁴³ Source: Project Document - Building Sector Energy Efficiency Project (BSEEP)

Firstly, it is clear that a number of outputs included in the original CPAP Results and Resources Framework (1) have not been and will not be pursued during this programme cycle and (2) are being pursued through initiatives that have a different substantive focus. Typologically, the reasons for this include the following:

- The programme followed directions distinct from those initially foreseen. This is the case, for example, with Outcome 1 (Malaysia to have contributed to the capacity development of countries of the South and other developing countries) where the original emphasis on MDGs and public-private partnerships (two of the original outputs) was dropped.
- Actual programme initiatives are related to an existing output but address it from a different development perspective, e.g., in the case of enhancing sub-regional cooperation (one of the outputs listed under Outcome 1) where projects support (and in fact go beyond) sub-regional cooperation, but not in the substantive area originally foreseen (poverty reduction).
- Projects were developed along the lines of the original output but were not launched due to a variety of factors, among which failure to mobilise the requisite non-core resources (e.g., under the outcome on Enhancing environmental management of biodiversity and natural resources, including water resource management, where projects were elaborated to support the development of the Malaysian Sustainable Development Indicators system, but lack of funds made it impossible to implement them).

Secondly, contrary to standard UNDP practice, the CPAP Results and Resources Framework does not feature outcome indicators, baseline values at the start of the programme cycle or targets to be reached, thus seriously hampering measurement of progress, whether during or at the end of the cycle.

In light of the above, advantage should be taken of this mid-term review to amend the CPAP Results and Resources Framework to eliminate those original outputs that are not being pursued and to revise those which are being pursued through thematic avenues and/or modalities that are at variance with the Framework. Once completed, this exercise will provide a basis on which UNDP and EPU could fill the gap left in the Framework regarding outcome indicators. Some suggestions on how the latter task could be approached are presented in Annex 5.

Chapter 5 - REPOSITIONING UNDP IN MALAYSIA

5.1 Context

Like all major global development agencies, UNDP is permanently and universally challenged to make a convincing case of the value that it adds to countries' own efforts and capacities to address their current and emerging needs. The test becomes more severe as countries' achievements, prospects and aspirations rise, and, symmetrically, the international development system increasingly focuses its policy priorities and financial support on poor countries. Passing the test in upper middle-income countries (MICs) has, therefore, become a priority concern.

Written at a time when UNDP was assessing the strengths and weaknesses of its cooperation with middle-income countries globally, the evaluation of the 2003-07 country programme concluded that many of the deficiencies affecting UNDP's work in other MICs had also been observed in the implementation of the Malaysia programme: absence from key areas of development policy, in particular the reform agenda on how to enable Malaysia to compete successfully in the global knowledge-based economy; insufficient involvement in upstream policy development, including in areas of UNDP competence recognised by the Government, and a multiplicity of ad hoc, often locally-based projects whose results, which were often positive, lacked linkages to national policy objectives and processes to be upscaled. With a view to enhancing the effectiveness of UNDP's contribution, the 2009 evaluation recommended a repositioning strategy which, as the report acknowledged, had already been initiated by the Resident Representative.⁴⁴

This process was undertaken in the midst of a critical global and national context in which Malaysia was simultaneously feeling the full impact of the worldwide financial and economic crisis, and its government was heavily engaged in the elaboration of several new policy agendas directed principally at the public and business sectors. At the same time, government recognition that Malaysia was at a critical juncture with respect to the 2020 high-income-country target date, and the breadth of the proposed reforms and initiatives, offered a unique opportunity to reflect on UNDP-Malaysia's work and redefine its priorities for the coming years.

5.2 Implementation and impact of 2009 repositioning on programme

Led by UNDP-Malaysia and with EPU's involvement and support, the 2009 repositioning resulted in the adoption of the following five priority areas for the remainder of the programme cycle:

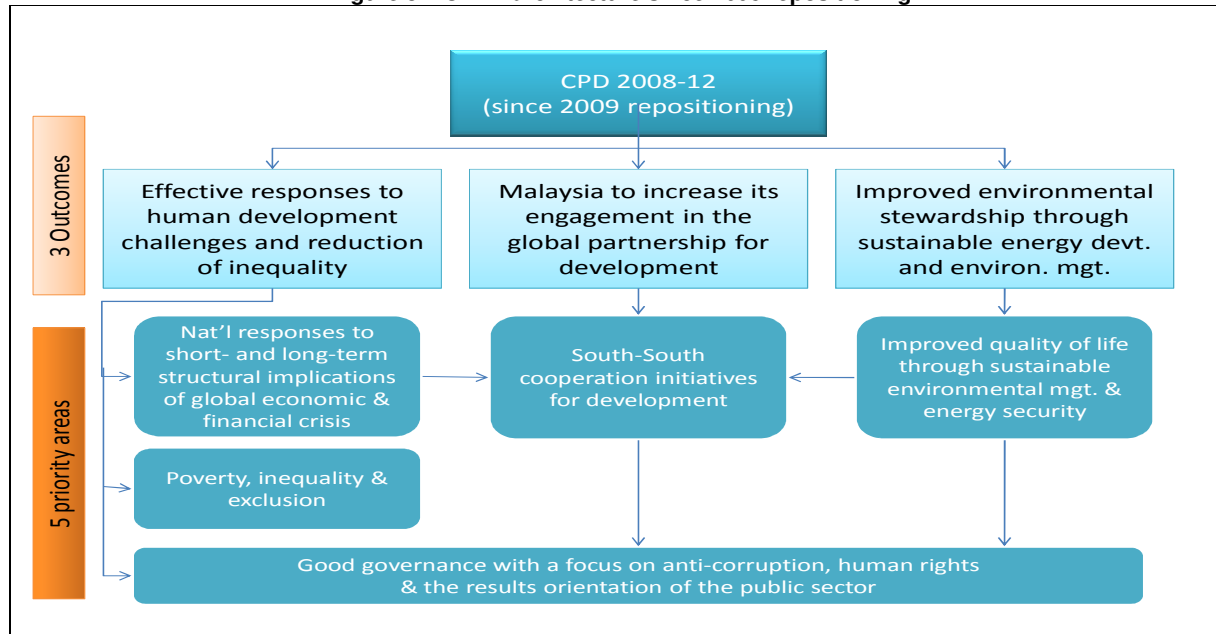
- Supporting national responses to both the short-term and longer-term structural implications of the global economic and financial crisis (P1);
- Addressing poverty, inequality and exclusion (P2);
- Improving quality of life through sustainable environmental management and energy security (P3);
- Promoting good governance with a focus on anti-corruption, human rights and the results orientation of the public sector (P4); and
- Promoting South-South cooperation initiatives for development (P5).

Figure 3 shows how the five priorities have been articulated with CPAP development outcomes and located in the overall architecture so as to promote cross-practice linkages.

Between August 2009 and December 2010, 14 new projects/activities were launched –i.e. three-quarters of all the projects born during the first three years of the CPAP (Table 25). Especially noteworthy are those projects

⁴⁴ “UNDP in Malaysia: An evaluation”, op. cit., page 42

Figure 3 – CPAP architecture since 2009 repositioning



Source: UNDP-Malaysia

Table 25 – Alignment of post-repositioning projects with new priority areas

No.	Projects/Activities	Priority areas				
		P1	P2	P3	P4	P5
Projects/Activities launched since August 2009						
1	Review of health-related laws		x			
2	Trans-Pacific Strategic Economic Partnership	x				
3	Socio-economic status of Orang Asli		x			
4	National HIV/AIDS Strategy		x			
5	Malaysia's contribution to South-South cooperation					x
6	Capacity building support for Malaysia's role in peace-keeping				x	x
7	Strengthening anti-corruption agencies of OIC countries				x	x
8	HPMP (HCFC phase-out management plan)			x		
9	Institutional strengthening Phase 8			x		
10	Economics of climate change	x		x		
11	Access & benefit-sharing		x	x		
12	BSEEP (Building sector energy efficiency)			x		
13	New approach to inclusive growth	x	x			
14	Capacity development in multidimensional poverty index		x			
New projects for 2011 and beyond						
1	Institutional strengthening and capacity development of the Malaysian public sector (*)	x	x	x	x	x
2	South-South and triangular cooperation for SME development in Asia (*)	x				x
3	Strategies to address inequality and promote inclusive growth (**)		x			
4	Blueprint development of the health sector reform and transformation (*)		x		x	
5	Increasing women's participation in the labour force (*)	x	x			
6	Results-based management framework for the implementation of the 10MP (**)				x	
7	Strategic planning and development of GEF 5 projects (*)			x		
8	Financing for Protected Area in Peninsular Malaysia (*)			x		
9	Capacity building for emissions reduction and forest degradation (**)			x		
10	Green technology roadmap (**)	x		x		
11	Feasibility study for payment for eco-systems (*)			x		
12	Conservation of biodiversity in multi-use area in Sabah (*)			x		
13	Implementation of HCFC replacement programme (*)			x		

Note: Asterisks indicate status of projects as of February 2011: (*) confirmed; (**) under consideration

which, in addition to opening new thematic avenues, also contribute to a diversification of UNDP-Malaysia's partnerships (e.g., the TPP project being implemented with MITI and the anti-corruption capacity development project with MACA). The list of new programme initiatives for 2011 and beyond includes a governance project (Institutional strengthening and capacity development of the Malaysian public sector) that is relevant to all the priority areas, and several others with good potential for cross-practice implementation and learning.

In line with the repositioning process, there has also been a shift from ad hoc and stand-alone projects and activities to initiatives that make explicit policy linkages to the national development strategies and priorities contained in the National Mission (2006-2020) and the 10th Malaysia Plan (2011-2015).

Before 2009, project proposals were received in an ad hoc fashion from line ministries, agencies and universities. Selection was based on the merit of the individual project proposals, with feedback and comments from the Economic Planning Unit. Since August 2009, an increasingly rigorous process has been put in place for project sourcing, selection, planning, monitoring and review, so as to ensure policy relevance and alignment with the new priorities. The process also provides a structured platform for implementing agencies to discuss challenges faced in operationalising projects and explore avenues for mainstreaming outputs and strengthening the contribution to the country's broader development agenda.

To guide the process, a concept note and template were designed in 2009 for requesting agencies. Project proposals must meet the following selection criteria: CPAP outcomes, National Mission Thrust, National Five-Year Plans and UNDP-Malaysia's five priority areas. As Table 25 shows, all 14 projects and activities launched between August 2009 and December 2010, and all 13 new projects already approved or under consideration for 2011 and beyond are aligned with one or more of the five priority areas.

Additionally, this MTR notes that in implementing the 2009 repositioning decisions, the country office has taken action on all of the five measures recommended by the CPO evaluation (Table 26).

Table 26 – Action taken to implement recommendation from CPO evaluation on repositioning

	Recommended Measures	Proposed Approach	Action Taken
1	Develop a strategic response to stakeholder demands	Greater selectivity of interventions, identification of high-impact areas, and potential for policy change	New projects designed with clear policy linkages; Joint initiatives by UNDP Malaysia and EPU to strengthen project sourcing, selection, planning, monitoring and review.
2	Generate greater value addition in a high MIC	Improved UN system coordination and international expertise	International experts engaged to share their expertise at several high-level fora, e.g., capacity development sessions on multi-dimensional poverty index.
3	Institutionalise reporting, monitoring and evaluation	Monitoring mechanism at all levels	Systematic monitoring process been put in place since 2009 through (1) mid-year progress reports; (2) project implementation reviews; (3) annual progress reports; and (4) annual review meetings.
4	Improve skill mix and intensity	Better skill mix of staff and consultants to engage better in policy dialogue, quality monitoring and technical backstopping	Project teams include a mix of both international and national consultants.
5	Improve UNDP visibility	Communications and partnership building	In addition to knowledge products ⁴⁵ , media releases regularly provided for events ranging from project launches to interviews and other media opportunities (e.g., participation in 2011 Budget talk show). Several new programme partnerships established (e.g., MITI, Ministry of Defence, MACA)

⁴⁵ See Section 4.2.4 for details

5.3 Repositioning and strategic value

Taking into account the changes that have taken place since mid-2009 with respect to substantive programme directions and partnership development, the MTR considers that the repositioning exercise has already contributed tangibly to improve UNDP's strategic value. Over an eighteen-month period, activities have been launched and partnership arrangements developed in three priority areas of which two are new (structural implications of the global crisis and good governance) and the third one (South-South cooperation), which is one of the original outcomes and components of the CPAP, had remained vacant.

Time and again during its discussions with partners, this MTR was told that (1) Malaysia's new development agenda –and new needs-- had opened new avenues for cooperation with UNDP, (2) UNDP was well-placed to play a role in several of the main reform areas, and (3) the new tools used for project sourcing, selection and monitoring would ensure the relevance of UNDP's contribution to key national objectives.

However, as feedback from partners also indicates clearly, perceptions are largely formed on the basis of past experience. The better the assessment of results from previous cooperation, the greater the belief that partnering with UNDP should continue and the thematic range should expand. In and of itself, repositioning does not fundamentally modify past and current partners' perceptions, but where high value is already ascribed to UNDP's contribution, repositioning provides an additional stimulus. For example, successful cooperation in the area of poverty reduction has provided a strong basis for UNDP involvement in policy work on inequality with the expectation that UNDP's conceptual framework, measurement tools and access to world-class expertise will be major assets.

With respect to new areas and partners, repositioning has been a positive factor in that it has served to project, more clearly and forcefully than hitherto, UNDP's mandate and global experience in specific fields. A case in point is the new anti-corruption project for which UNDP's mandate and track record in this area, as well as in capacity development and South-South cooperation, were deemed an excellent basis for partnership.

Another important element in the feedback received is that repositioning involves both the *what* and *how* dimensions of UNDP's action. In their perceptions of strategic value, partners –old and new—look for answers to two complementary questions: Is UNDP doing the right things in Malaysia? Is it doing things right? For example, with its focus on upstream policy work and substantive support, repositioning helps to address the criticism, heard from some interlocutors, that UNDP had been seen to place greater emphasis on implementation and management than on analysis and solutions.

The evaluation of the previous country programme, which was conducted in 2009, saw UNDP's comparative advantage in Malaysia comprising the following characteristics:

- Long-standing association and institutional identity
- Neutrality as a multilateral agency
- Compatibility between UNDP's human development approach and Malaysia's own vision and strategies
- A mandate that enables support for multisectoral interventions
- Capacity to tap a wide range of global expertise
- Platform for global showcasing of Malaysia's achievements
- Flexibility and responsiveness
- Role in coordination and mobilisation of the UN system⁴⁶

The MTR was an opportunity to revisit this discussion a year and a half after the 2009 evaluation and the repositioning exercise were completed. An attempt has been made to summarise UNDP's strengths and weaknesses as they are perceived by a broad range of partners and stakeholders. As Table 27 shows, most of

⁴⁶ “UNDP in Malaysia: An evaluation”, op. cit., pages 37-38

the elements of comparative advantage identified in 2009 are current but, as should be expected, partners' views vary as to whether UNDP has been consistent in their application.

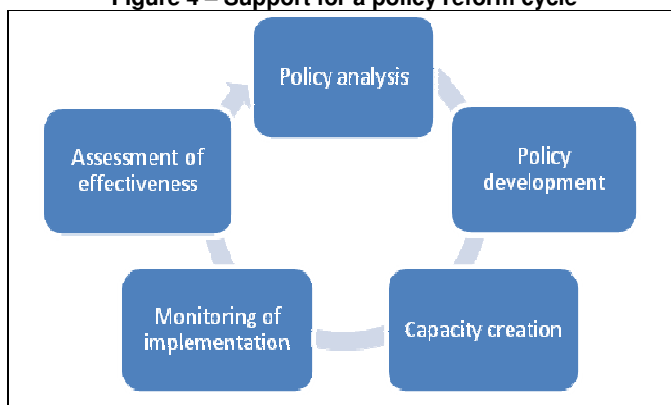
Table 27 – UNDP’s strengths and weaknesses: Views from partners and stakeholders

UNDP gets high marks when...	UNDP is criticised when...
<ul style="list-style-type: none"> • Its goal is to support and enrich the national agenda 	<ul style="list-style-type: none"> • It brings up its own separate priorities
<ul style="list-style-type: none"> • Its proposals reflect a realistic vision of its (and the UN system’s) comparative advantage 	<ul style="list-style-type: none"> • Its offer of collaboration does not clearly define additionality
<ul style="list-style-type: none"> • Its offer of technical services is robust and backed up by lessons learned globally 	<ul style="list-style-type: none"> • It seems incapable of sourcing and providing cutting-edge knowledge and expertise
<ul style="list-style-type: none"> • It helps the country to find and implement new solutions 	<ul style="list-style-type: none"> • Its contribution is confined to implementation support
<ul style="list-style-type: none"> • It makes full use of its multi-thematic and multi-sectoral mandate 	<ul style="list-style-type: none"> • Its projects and programmes are locked into silos
<ul style="list-style-type: none"> • It uses the UN’s moral authority to speak out and dialogue on sensitive issues 	<ul style="list-style-type: none"> • It shies away from controversial topics to avoid government criticism
<ul style="list-style-type: none"> • It brings the world to Malaysia and takes Malaysian good practice to the world, too 	<ul style="list-style-type: none"> • It did not use a ‘South-South lens’ at the design stage of new projects
<ul style="list-style-type: none"> • It contributes to open up space for interaction between stakeholders 	<ul style="list-style-type: none"> • Its programmes fail to involve relevant actors such as academia and civil society
<ul style="list-style-type: none"> • Its response is swift and focuses on trouble-shooting 	<ul style="list-style-type: none"> • It moves slowly and puts bureaucratic compliance above everything else
<ul style="list-style-type: none"> • Its programme support emphasises substantive dimensions such as knowledge management 	<ul style="list-style-type: none"> • Its programme support is limited to project staff and consultants’ hiring and financial management
<ul style="list-style-type: none"> • It enables local government to test out new development approaches 	<ul style="list-style-type: none"> • It is limited in supporting upscaling of local good practices

Taken together, the opinions summarised in the left column could be seen as a depiction of a “perfect” UNDP –i.e. a UNDP that, in addition to having repositioned itself thematically with the adoption of the five priority areas (the *what*), is also performing well with respect to the *how*-- while the weaknesses mentioned in the right column should be seen as obstacles to even the best substantive redeployment. Increasing strategic value is, therefore, as much about shedding perceived weaknesses as it is about asserting welcomed strengths.

These issues are seen as particularly relevant given the increasingly competitive context in which UNDP-Malaysia operates, in particular with respect to the now significant involvement of large global consultancy firms in the area of policy analysis and advice. Lessons learned from UNDP’s experience in many upper MICs show that its competitive edge depends much less on whether its mandate justifies its involvement in a given field than on how it articulates the different components of its comparative advantage. While none of the individual components is sufficient to choose UNDP over other institutions, a comprehensive leveraging of its assets makes it an attractive partner. This has been especially well verified in instances where UNDP involvement was conceived in such a way as to provide support at successive stages of a policy reform cycle – from analysis and development to capacity creation and monitoring, followed by assessment of effectiveness and feedback, as shown in Figure 4.

Figure 4 – Support for a policy reform cycle



In such cases, strategic positioning with respect to national priorities is supported by a programmatic design that enables national partners to take advantage of the various roles UNDP can play. The goal of ensuring strategic value does not imply that UNDP should be involved at all stages, but that its support, whatever the moment in the sequence in which it may initially be focussed, be made part of an integral design. Such design is essential to avoid the danger of “niche” support which, even when good results are obtained, only allows a fraction of the potential strategic value to be delivered.

This approach could be applied, in particular, to the emergent portfolio on structural economic issues which have thus far been supported exclusively by analytical work and where a more holistic form of engagement that brought together policy advice and policy implementation would ensure continuity of support over the medium-term and leverage gains through well targeted capacity-creation, monitoring of impact and feedback for course correction and additional policy reform.

Chapter 6 - SUMMARY OF MAIN FINDINGS

This chapter summarises the evaluation findings. It is structured around the usual evaluation criteria of relevance, effectiveness, efficiency and sustainability and includes sections on programme management and strategic positioning.

6.1 Relevance

Overall the projects that were reviewed have been relevant to the country's development thrusts and have provided development support to the Government of Malaysia. The new priority areas defined through the 2009 repositioning exercise, and the improvements made in project sourcing and selection have helped to ensure that UNDP activities are relevant to Malaysia's priorities and agenda for the coming years.

Out of the 15 SEDC projects and activities reviewed, 11 focused on socio-economic inequalities, a concern that ranks high on Malaysia's policy reform agenda and in the Tenth Malaysia Plan, while the other four evidence UNDP's success at identifying strategic entry points for support to the country's challenging macro-economic and trade agendas in the aftermath of the global financial and economic crisis –a policy area from which UNDP had previously been absent.

Although GEF-funded projects are designed to meet globally defined criteria and priorities, the E&E projects reviewed are relevant to the development objectives of the country. Renewable energy was explicitly addressed in the Ninth Malaysia Plan (2006-2010) and energy security projects - the BIPV and Biogen projects - are also relevant to this theme. Both projects have also provided significant inputs to the Tenth Malaysia Plan. Given the Government's emphasis on developing a climate-resilient growth strategy and valuing the country's environmental endowments, the climate change and environmental management projects also respond to national priorities.

The projects belonging to the SS cluster capitalise on Malaysia's comparative advantages and institutional strengths, and are built around innovative approaches. The peacekeeping project, which is a good example of partnering with a bilateral donor (Japan), focuses on important new dimensions of peacekeeping, viz., gender and relationships between peacekeepers and civilians.

In general, the programme contents of CPAP 2008-2012 have been relevant and have generated strategic opportunities for future UNDP support to the Government of Malaysia towards the overarching goal of achieving high-income-country status.

6.2 Effectiveness

The move towards a more coherent programme, especially since the repositioning exercise, has helped to ensure that the projects that are carried out are effectively contributing to national policies and plans. Several of the projects reviewed have been effective in providing policy inputs to the 10th Malaysia Plan on issues of socio-economic inequalities, environmental management and challenges of climate change and to negotiating processes such as the Trans-Pacific Partnership. In addition, some projects have contributed effectively to Malaysia's fulfilling its commitments towards multilateral environmental treaties such as the Cartagena Protocol (through the Capacity Building on Biosafety project), the Montreal Protocol (through the Non-QPS Uses of Methyl Bromide and the HCFC phase-out management plan projects) and the UN Framework Convention on Climate Change (through the Second National Communication).

Securing key stakeholders' involvement early in project implementation has been critical to ensuring buy-in and support for various activities, as was the case with the poverty project in Sabah and Sarawak and the project on the National Action Plan to Empower Single Mothers. With respect to the Transport for the Disabled initiative, the project was effective in harnessing support and commitment from non-governmental stakeholders, including the disabled community and public transport providers (RapidPenang).

Media and public events, such as seminars and workshops, as well as print and audiovisual publications have been effective in increasing public awareness of issues addressed through UNDP's activities and projects, especially those dealing with marginalized communities like the disabled, single mothers and people living with HIV/AIDS.

The above notwithstanding, the MTR finds that despite the changes made after the 2009 repositioning, there is still room for harnessing important components of UNDP's mandate and global and regional comparative advantages in areas where national needs are considerable and UNDP's contribution should be much more strategic and effective. Deficiencies in the mainstreaming of cross-cutting development concerns have also limited programme effectiveness. This is especially the case with respect to gender equality which is absent from the Energy & Environment clusters.⁴⁷

6.3 Efficiency

The MTR found that while the implementation of most of the projects reviewed was satisfactory, the contribution to outcomes and programme efficiency could have been improved with tighter time management. With the exception of the studies that were conducted, the implementation period for most of the projects had to be extended. For some of the projects, there was a considerable time lag between the approval and commencement dates. In the case of the Orang Asli project the time lag was 9 months due to UNDP's bureaucratic recruitment policies, while that for the Biogen project was 18 months.

There were also issues related to the convening of National Steering Committee meetings, thus resulting in delays in implementation and closure. Furthermore, despite the fact that all projects use the National Implementation Modality, UNDP staff seems to spend a lot of time backstopping implementing agencies, especially in the case of projects in the SEDC and E&E cluster.

It is noted that recruitment of the right consultants and project managers tends to take longer time than allowed for in the project design, thus affecting the implementation schedule of projects. The problems identified include the inability to attract or recruit candidates with significant development experience or perceptions that the UNDP contract remuneration is unattractive.

6.4 Sustainability

In terms of sustainability, the MTR find that as the projects that have been developed are increasingly linked with the country's priorities, there is evidence that the outcomes of the projects and programmes are being used as inputs for action plans (e.g., Empowering Single Mothers), policies (e.g., Renewable energy policy) and development plans.

The MTR found that in some cases like the Transport for the Disabled Project, institutional stakeholders (in this case the State Government as well as the local government) have plans to continue the initiatives started through the project. It is also heartening to note that there are plans to share lessons with other local governments. Anchoring projects in the right institution, as was done in the case of the BIPV project with Greentech Malaysia, (which was later transferred to Ministry of Energy, Green Technology and Water (MEGTW) for the preparation of the new institution named as Sustainable Energy Development Authority (SEDA)) has helped to ensure that the outcomes will be sustained after the project is completed.

Table 28 below captures the main points made in Sections 6.1 to 6.4.

⁴⁷ Source: ROAR 2009.

Table 28 - Matrix by priority area and performance-assessment criterion (as per 2009 repositioning)

Evaluation Criterion	Responses to implications of global crisis	Poverty Inequality Exclusion	Energy & Environment	Good governance	Promoting South-South cooperation	CPAP as a whole
Relevance	Yes, inputs made to national policy reform processes	Yes, more than half of the SEDC projects address this area	Yes, supports RE policy and provided inputs to 10MP ;	Yes, supports anti-corruption capacity development	Yes, with value added for Malaysia	Yes
Effectiveness	Yes, limited thus far through short-term studies	Yes, through policy inputs, but stronger harnessing of UNDP's comparative advantage needed.	Yes, towards meeting international obligations	Too early to assess	Yes, programme meeting SS needs	Mixed
Efficiency	Quick response	Satisfactory but needs tighter time management	Satisfactory but needs tighter time management	Too early to assess	Too early to assess	Satisfactory
Sustainability	N.A.	Yes, included in various national action plans	Yes, included in policies	Too early to assess.	Too early to assess.	Yes

6.5 Programme management

All CPAP projects have used UNDP's National Implementation Modality (NIM) and been governed by National Steering Committees and Technical Working Committees. While overall compliance with formal NIM requirements has been good, difficulties have arisen with respect to delays in convening the committees, which has resulted in slowing down decision-making and project implementation. There have been marked differences in implementing agencies' capacities and readiness to handle project management responsibilities. Where capacities and/or readiness were insufficient, a disproportionate share of administrative backstopping has had to be borne by UNDP staff, at the expense of substantive servicing, thus affecting UNDP's value addition.

As had been recommended in the evaluation of the previous country programme, important improvements have been introduced with respect to monitoring thanks to the introduction of several new tools (mid-year and annual progress reports) and processes (project implementation reviews and annual review meetings), all of which have been used systematically since 2009 and provided opportunities for interaction with EPU and individual implementing partners on both substantive and operational matters.

Overall programme coordination has been constrained by the persistence of a project-driven approach (in GEF projects or the projects designed before the 2009 repositioning), a lack of substantive coordination among programme partners and, to some extent, by the fairly high proportion of projects (one-third of the total) that were carried over from the previous country programme. As a result, mainstreaming of key cross-cutting programme dimensions, such as gender and South-South cooperation, has remained below expectations, opportunities for institutional sharing have been missed and attention has tended to focus on the delivery of outputs rather than progress towards development outcomes.

6.6 Strategic repositioning

The August 2009 repositioning undertaken to align UNDP's priorities with Malaysia's reform and development agendas has made it possible to develop, over a short period of time, a series of new initiatives through which UNDP's contribution is increasing in relevance and strategic value. Especially noteworthy are the activities launched with respect to the structural implications of the global financial and economic crisis (an area from which UNDP had been totally absent), governance (which the first time appears as a separate programme priority for UNDP in Malaysia) and South-South cooperation (which although one of the three CPAP components had remained vacant).

Repositioning has provided significant new impetus to the programme since three-quarters of all the projects launched since the start of the CPAP came into being after August 2009. New tools developed for project sourcing and selection have been used effectively to ensure that new initiatives address both national development and UNDP priorities. However, enhancing the strategic value of UNDP's work requires not only being identified with the strategic themes and policy challenges but also with being able to deliver consistently high performance programme-wise. Feedback from partners and stakeholders indicates that perceptions, which in their majority are positive, also point to instances of UNDP's making suboptimal use of its comparative advantages.

Chapter 7 - CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

Conclusion 1: *The 2009 repositioning has responded to the need to adjust UNDP's priorities to Malaysia's current and future challenges and provided a strong basis for enhancing UNDP's strategic value as a development partner in an upper middle-income country.*

1. The repositioning exercise was timely. The fact that it was conducted before major national agenda-setting processes were concluded (in particular the elaboration of the Tenth Malaysia Plan and of the New Economic Model) enabled UNDP to play a proactive role when the country's new development priorities were announced.
2. The five priority areas that were jointly agreed by UNDP and EPU in August 2009 are aligned with the country's development agenda, have been adequately reflected in the modified CPAP architecture, and offer good potential for accelerating progress towards CPAP outcomes.
3. Implementation of the repositioning decisions has been effective. All the programme initiatives launched since August 2009, including those already agreed or under consideration for the last two years of the present cycle, are aligned with the five priority areas and fully relevant to the three CPAP outcomes.
4. Programme dynamics since the 2009 repositioning provide strong evidence of the potential for growth in new areas such as economic development and expansion in older ones like inequality. Also noteworthy is the launch of several new projects in two thematic areas, South-South cooperation and governance, that have been important dimensions of the CPAP since the beginning but which remained vacant before the repositioning process.
5. Repositioning has opened up new avenues for cross-cutting approaches and cross-fertilisation both within and between programme components. South-South cooperation has been mainstreamed in all three programme components and the two projects launched since 2009 reflect this new orientation: the peacekeeping project addresses crisis prevention and recovery as well as gender, while the capacity development project with OIC member countries addresses governance issues. The cross-cutting approach to governance should enable UNDP and its partners to derive additional results from the many portfolio initiatives that include governance dimensions which had hitherto been considered only a project-by-project basis.
6. Repositioning implementation has been made effective thanks to significant improvements in programme coordination and coherence, especially through the adoption of clear guidelines for project sourcing, selection and monitoring and the strengthening of mechanisms for project and programme review, with a view to improving accountability and learning.
7. The new focus on assisting upstream policy processes, improved programme coherence and clearer priorities for the allocation of financial resources should contribute to strengthening overall programme impact.
8. Repositioning has enabled UNDP to define more clearly its role within the UN Country Team and to enhance the substantive value of its participation in country team processes. This has been illustrated in the case of Malaysia's second National Report on the Millennium Development Goals to which UNDP made significant contributions, especially with respect to Goals 1 (poverty), 7 (environment) and 8 (global development partnership).

Conclusion 2: *However, additional efforts will be needed in 2011-2012 to remove existing obstacles and consolidate progress in UNDP's overall contribution to Malaysia's development.*

1. Core UNDP concepts and approaches that are essential components of its comparative advantages have not been sufficiently or evenly utilised to guide programme implementation. This is true, in particular, of human development which, although present in the objectives pursued by a number of projects, especially in the Socio-Economic Development cluster, has not been systematically applied to the definition of project outputs in the other clusters or to provide an overarching framework for the programme as a whole. Gender analysis has not been used at the design stage of a majority of projects, in spite of its relevance to the issues addressed by them.
2. The decision to address South-South cooperation and governance as cross-cutting themes has not been backed up by the elaboration of programme frameworks to guide UNDP and its partners in the implementation of this decision. Such frameworks are needed not only to avoid the repetition of earlier project-driven trends but also to affirm the strategic nature of UNDP's involvement in these practice areas. This is particularly important in the case of governance if future initiatives are to transcend the present dominant focus on public-administration reform and enable UNDP to contribute to some of the broader challenges on Malaysia's development and transformation agenda, of which governance is an intrinsic dimension.
3. With respect to South-South cooperation, an area in which Malaysia was an internationally recognised pioneer, the main obstacle seems to be the absence of a strategic vision of how the country wishes to harness its considerable assets to assist regional and other partners in critical economic, social and environmental fields. Filling this vacuum seems all the more important and urgent as important members of the Southern community, among which the BRICs, now regard South-South cooperation as a core component of their foreign policy and strategies with respect to globalisation.
4. The new focus on upstream policy support has opened up opportunities for UNDP inputs to processes in the form of studies and policy dialogues, but thus far these have seldom been used as entry points for longer-term programme support, thus creating a danger of UNDP's contribution being limited to the front end of transformation processes and not encompassing the cycle that moves from policy development to implementation, monitoring and impact assessment. The need to make the fullest use possible of UNDP's broad mandate and types of programme support is all the greater in a highly competitive policy- advice market like Malaysia's, in which global consultancy firms and other actors have established a solid presence.

Substantive programme coordination and monitoring, uniform and adequate application of implementation modalities, and focus on development outcomes, all require strong leadership by government authorities and a clear understanding by all programme partners that the initiatives implemented within the framework of the CPAP have been agreed by the government and are placed under its responsibility. The difficulties identified by the evaluation of the previous country programme with respect to lack of clarity on ownership have also been observed in several instances by this MTR. If not addressed promptly, existing misunderstandings and doubts about ownership of the projects and the responsibilities involved in their implementation will limit the gains that both national authorities and UNDP expect to be made thanks to the repositioning decisions they took jointly.

7.2 Recommendations

Recommendation 1: *Corporate UNDP should provide greater support to the efforts made to enhance UNDP's strategic value to Malaysia.*

In his 2009 report on cooperation with middle-income countries, the UN Secretary-General stated that “at present, the United Nations system has no well-defined agenda that guides its substantive programme content towards the priorities of middle-income countries. Several United Nations country teams have been redefining their agendas; however, a clear approach that defines guidelines and sets priorities in middle-income countries is needed, rather than to proceed on an ad hoc basis.”⁴⁸ The process that has been undertaken by UNDP-Malaysia to reposition the organization can be seen as yet another example of redefinition of the agenda on an ad hoc basis. While significant progress has been made within a relatively short period of time, corporate UNDP should provide support during the remainder of this programme cycle in at least the three following areas:

1. General policy guidance with respect to the evolution of UNDP's role and activities in upper middle-income countries in the different regions, and regular feedback on the orientations taken by UNDP-Malaysia in its repositioning efforts;
2. Specific support for upstream policy work: (a) global expertise available at UNDP and/or available through its specialist networks, communities of practice, etc.; (b) evidence-based policy advice for the five priority areas defined by the 2009 repositioning, and (c) examples of good practice in South-South cooperation applicable to the areas of focus of UNDP-Malaysia.
3. Options for strengthening UNDP-Malaysia's substantive and managerial capacity to respond better to government expectations.

Recommendation 2: *EPU should step up its support strengthen its leadership role in programme coordination and implementation.*

In particular, EPU should:

1. Use existing mechanisms for programme coordination and review to (a) ensure maximum alignment of new initiatives with countries needs and priorities; (b) promote programme coherence and complementarity within and across practice areas; (c) resolve with programme partners, with UNDP's support, any outstanding problems with respect to programme and project ownership, and (d) ensure, with UNDP's support, uniform application of the National Implementation Modality by programme partners, especially with regard to the discharge, by implementing agencies, of their administrative and financial responsibilities, so as to enable UNDP assistance to focus on substantive services and monitoring.
2. Promote, among all programme partners, a full understanding of the repositioning decisions made in August 2009, especially with respect to UNDP support to upstream policy work in the five priority areas.

⁴⁸ United Nations. (2009). Report of the Secretary-General on cooperation with middle-income countries. Document A/64/253, paragraph 57.

Recommendation 3: *In line with the 2009 repositioning, EPU and UNDP should undertake joint efforts to improve further programme coherence, quality and impact.*

In particular, they should:

1. Evaluate comprehensively, in light of the five priority areas, the relevance of the outputs listed under each of the three CPAP outcomes, and recommend the deletion of those outputs which fall outside the new CPAP architecture.
2. Develop medium-term conceptual and programming frameworks for each of the five priority areas, with a mapping of the entry points, results and partnerships that would seem most adequate to ensure progress towards national objectives and CPAP outcomes. Such frameworks should identify opportunities for UNDP support in the full spectrum of its development mandate, i.e. policy analysis, development, impact assessment, capacity development, partnership development and advocacy. Precedence should be given to the two new priorities (National response to both the short- and long-term structural implications of the global economic and financial crisis, and Promoting good governance with a focus on anti-corruption, human rights and the results orientation of the public sector).
3. Set in motion and support the elaboration of Malaysia's first National Human Development Report, with a view to its publication before the end of the current cycle (December 2012) and to its inclusion as a regular activity under the successor country programme. To this end, a review of best practices in other upper middle-income countries should be undertaken, with the assistance of UNDP's Human Development Report Office and other relevant headquarters units, with a view to defining adequate modalities for Malaysia (composition of report team, partnerships with government, academic and other institutions, establishment of an advisory council, publishing and dissemination, etc.).
4. Identify opportunities for new partnerships with civil-society organizations and the private sector, with a view to promoting multi-stakeholder involvement in CPAP implementation and programme outreach, impact and sustainability in relevant areas. In this context, options for involving such entities as implementing agencies should be analysed, taking into account UNDP's existing implementation modalities for such cases.

Annex 1: TERMS OF REFERENCE

Introduction

In collaboration with the Government of Malaysia, UNDP will in the last quarter of 2010 undertake a Mid-Term Review (MTR) of the Malaysia Country Programme Action Plan (CPAP) 2008 – 2012. The MTR will be carried out in line with the objective provided within the CPAP Section 4.4 and 4.5.

The overall aim of the MTR will be to review the outcome results of the activities undertaken from 2008-2010 and also establish the extent to which UNDP programming is aligned with the development priorities of the Government of Malaysia in light of new national priorities that may emerge from the Tenth Malaysia Plan (2011-2015). The MTR will also provide an opportunity for UNDP and the Government of Malaysia to review the strategic priority areas that UNDP can best contribute to the development agenda in Malaysia in 2011-2012.

Background

The CPAP approved by the Government of Malaysia and UNDP in December, 2007, was developed based on the UNDP Country Programme Document for Malaysia approved by the UNDP Executive Board in September 2007. The Country Programme was developed through a broad, multi-stakeholder consultative process to complement the 9th Malaysia plan (2006-2010) which outlined five strategic action areas essential for continued national development: (a) move the economy up the value chain; (b) raise capacity for knowledge and innovation; (c) address persistent socio-economic inequalities constructively and productively; (d) improve the standard and sustainability of quality of life; and (e) strengthen institutional and implementation capacity.

The CPAP outlined a programmatic focus on promoting the global partnership for development through south-south cooperation, on national human development issues going beyond the MDGs, especially improving equity in the least developed states, environmental management, and climate change mitigation and adaptive initiatives. Gender, HIV/AIDS, information and communication technology for development and partnerships with the private sector would be incorporated as cross-cutting issues.

Malaysia has over the past decades sustained impressive rates of economic growth, poverty reduction and progress on human development. In the 2010 Human Development Report, Malaysia's Human Development Index was at 0.744 which places it in the high human development range—positioning the country at 57 out of 169 countries and economies. On the Millennium Development Goals (MDGs), Malaysia has achieved or is on track to attaining the MDGs at the national-aggregate level by the global target year of 2015. However at the disaggregated level, a number of challenges still remain, especially related to persistent obstacles at the 'last mile' as disparities and inequalities still persist, with pockets of hard-core poverty and gender inequality also remaining to be fully addressed.

The Government of Malaysia has indicated its commitment towards the MDG Plus agenda through its recently announced 10th Malaysia Plan (2011-2015) whereby 30 per cent of the five- year development expenditure is expected to be allocated to the social sector. Emphasis has been placed on providing focused support towards encouraging greater participation from specific groups that are most in need, especially the bottom 40 per cent household income groups as well as equitable access to basic infrastructure and services through expanding the provision of electricity services, treated water supply, road infrastructure, education and healthcare services.

The development objectives adopted by the Government are ambitious, and will require overcoming numerous challenges. The global financial crisis and worldwide recession of 2008-2009 led to a sharp economic downturn in Malaysia. And while the country is relatively well positioned to recover fully, Malaysia today faces the complex challenge of not only sustaining its development achievements in a situation of changing circumstances, but also of achieving strong economic growth throughout the coming decade in order

to meet the World Bank's high-income threshold by the year 2020.⁴⁹ Achieving this goal will require Malaysia to triple its Gross National Income in a decade.

These development objectives were established by the Government of Malaysia in 1991 in its National Mission - Malaysia's "Vision 2020" - which outlines the philosophy and policy directions driving the design and prioritization of government programmes, plans and budgets for Malaysia to achieve high-income status by the year 2020.

During the period of implementation of the CPAP, the Government has launched several new initiatives for national transformation required for Malaysia to meet its development objectives:

- **1Malaysia** - Preservation and enhancement of unity in diversity (April 2009).
- **Government Transformation Programme (GTP)** - Effective delivery of government services (January 2010).
- **New Economic Model (NEM)** - A high-income, inclusive and sustainable nation (March 2010).
- **10th Malaysia Plan** - 5 year national development plan (June 2010).

The Government is also continuing its commitment to supporting south-south cooperation, with the Malaysian Technical Cooperation Programme transferred from the Economic Planning Unit (EPU) of the Prime Minister's Department to the Ministry of Foreign Affairs.

Given the rapidly changing development context in Malaysia, a process of review of the UNDP CPAP was initiated to ensure optimum effectiveness and focus of UNDP programming support. Based on consultations with the Economic Planning Unit of the Prime Minister's Department, the UNDP Resident Representative in early 2009 initiated a repositioning of the CPAP with an aim to increase the strategic value and results orientation of UNDP programming.

The repositioning process led to an agreed CPAP focus for 2009 – 2012 on the following five priority areas:

National response to both the short-term and longer-term structural implications of the global economic and financial crisis.

Addressing poverty, inequality and exclusion.

Towards an improved quality of life through sustainable environmental management and energy security.

Promoting good governance with a focus on anti-corruption, human rights and the results orientation of the public sector.

Promoting South-South cooperation initiatives for development.

An independent evaluation of the UNDP Country Programme 2003 – 2007 in 2009 confirmed the need for this type of repositioning of UNDP in order to enhance the effectiveness of its programme outcomes. The evaluation recommended that the process of analysis and assessment initiated in 2009 be continued through the end of 2010 in order to determine whether further alignment of UNDP programming with Government development policies would be required in order to increase the organization's effectiveness and overall development impact.

Objectives of the CPAP Mid-Term Review Exercise

The CPAP 2008-2012 Mid-Term Review will offer a formal opportunity to determine the extent to which UNDP Malaysia programming is aligned with the Government of Malaysia's development plans and programmes as outlined in recently announced national development strategies and priorities.

⁴⁹ The World Bank's current high-income-country threshold is USD12,196 (Atlas method). On this basis, Malaysia's GNI per capita in 2009 was USD7,230 (USD 13,530 PPP).

The review process should be results oriented and provide: (i) a results assessment of progress made towards CPAP 2008 – 2012 outcomes, and (ii) an assessment on the use of core and non-core resources and (iii) an analysis and recommendations on whether further adjustments of the CPAP should be considered.

- i. Based on an analysis on the logical linkages between programme inputs, activities and outputs and the intended development outcomes, the results assessment will answer the following questions:
 - What progress has UNDP made toward the CPAP outcomes?
 - What progress has UNDP made in delivering CPAP outputs?
 - To what extent are CPAP outputs clearly linked to CPAP outcomes?
 - To what extent did the 2009 UNDP CPAP repositioning exercise enhance the strategic value of UNDP support to the Government?
 - What would be appropriate indicators to measure CPAP outcomes?
- ii. Provide an assessment on the use of core and non-core resources in the implementation of projects in the CPAP.
- iii. In a forward looking analysis, the mid-term review will answer the following questions:
 - Based on an analysis of the Malaysia Vision 2020 pillars, should a further repositioning of the UNDP country programme take place in order to ensure proper alignment of CPAP outcomes with the Government's development plans and programmes?
 - What are options for a further repositioning of the UNDP country programme that should be considered?

Outputs:

Expected outputs of the Malaysia CPAP 2008 – 2012 Mid-Term Review will be the following:

- Note on Methodology
- Malaysia CPAP 2008 – 2012 Mid-Term Review Report
- Presentation of Mid-Term Review findings to EPU and UNDP

Process and Management

Under the overall guidance of the UNDP Resident Representative, the UNDP Senior Programme Management Advisor will lead the CPAP Mid-Term Review process. A UNDP CPAP Mid-Term Review Task-Force will provide substantive and logistical support.

A Mid-Term Review Team comprised of two external consultants will undertake the mid-term review under the supervision of the Senior Programme Management Advisor, in close coordination with the Economic Planning Unit of the Prime Minister's Department. A series of multi-stakeholder discussions will also be organized to obtain input from implementing agencies, resident United Nations agencies, civil society organizations and national think-tanks for the MTR.

The Mid-Term Review Team will comprise of 2 consultants – 1 international and 1 national consultant.

Timeframe: The CPAP 2008-2012 Mid-Term Review will take place during the months of December 2010-March 2011.

Costs: The Mid-Term Review will be funded from the UNDP Malaysia Development Support Services (DSS) budgetary allocation.

Annex 2: MID-TERM REVIEW MATRIX

MTR CRITERION	QUESTION	SOURCE OF DATA
I - ASSESSMENT OF DEVELOPMENT RESULTS		
Relevance	<p>For each thematic/priority area and intended outcome:</p> <ul style="list-style-type: none"> ▪ Are UNDP's objectives and activities relevant to the country? How is relevance defined and measured? ▪ Are UNDP's objectives and activities aligned with national national authorities? How is alignment defined and measured? ▪ To what extent has the 2009 CPAP repositioning exercise enhanced the strategic value of UNDP's support to the Government and Malaysia? ▪ What is UNDP's value addition in each of the thematic/priority areas ? How is value addition defined and measured ? ▪ Are there additional/alternative thematic areas that could increase the relevance of UNDP action in Malaysia ? 	<ul style="list-style-type: none"> • M&E data/reports • Meetings with stakeholders
Effectiveness	<p>For each thematic/priority area and intended outcome:</p> <ul style="list-style-type: none"> • What progress has UNDP made towards CPAP outcomes? <ul style="list-style-type: none"> ➢ Is the pace of progress consistent with the CPAP schedule? ➢ What is the likelihood of generating the intended outcomes at the end of the programming cycle? ➢ Have there been cases of distortion and if so, why? Have such cases taken place at the elaboration stage? At the implementation stage? ➢ Have the right choices been made with respect to execution modalities? Have these modalities been used effectively? ➢ Have outcome indicators been defined adequately? Have they been used effectively? ➢ What external and internal constraints have weighed on implementation, and how? ➢ What type of knowledge management has been used, and to what effect? ➢ Is there a need for « course correction » and, if so, what are the options? • What progress has UNDP made in delivering CPAP outputs? <ul style="list-style-type: none"> ➢ Have outputs been delivered as planned? ➢ Have outputs been substantively consistent with the objectives and intended outcomes? How is such consistency monitored? ➢ Have there been cases of distortion and, if so, why? ➢ Have output indicators been adequate? Have they been used effectively? ➢ Have the usefulness and use of outputs been assessed, and on the basis of what evidence? ➢ How important has the knowledge management function been in the elaboration of outputs? ➢ Is there a need for « course correction » and, if so, what are the options? 	<ul style="list-style-type: none"> • Prodocs • Atlas data • Annual reports (ROAR) • Reports of project governance mtgs • M&E data/reports • Meetings with stakeholders (e.g., UNDP management and staff, project managers, executing and implementing agencies, etc.)

MTR CRITERION	QUESTION	SOURCE OF DATA
Efficiency	<p>For each thematic/priority area and intended outcome:</p> <ul style="list-style-type: none"> ▪ How efficiently have core and non-core resources been used to <ul style="list-style-type: none"> ➢ Deliver outputs? ➢ Make progress towards outcomes? ▪ Can the outcome/input ratio be compared with that of other programmes/projects? (benchmarking) ▪ Can the output/input ratio be compared with that of other programmes/projects? (benchmarking) ▪ Is there a case for « course correction » and, if so, what are the options ? 	<ul style="list-style-type: none"> • Atlas data • Annual reports (ROAR) • M&E data/reports • Meetings with partners and stakeholders
Sustainability	<p>For each thematic/priority area and intended outcome :</p> <ul style="list-style-type: none"> • Has national ownership been adequate, and based on what criteria? What external/internal constraints have influenced the level of ownership? • How has capacity development been promoted and with what results? <ul style="list-style-type: none"> ○ What benchmarks have been used when defining the capacity development goals of programmes/projects? ○ What indicators have been used to measure progress? ○ What external/internal constraints have been identified with respect to the capacity development dimension of programmes/projects? • Is there a need for « course correction » and if so, what are the options ? 	<ul style="list-style-type: none"> • Prodocs • Annual reports • Reports of project governance meetings • M&E data/reports • Meetings with stakeholders
II - STRATEGIC POSITIONING		
Coherence/ Complementarity	<ul style="list-style-type: none"> ▪ In what way and to what extent are the activities supported in the various thematic/priority areas complementary and/or framed by coherent programme-level objectives and drivers? ▪ Have there been instances of divergence/contradiction between the objectives and/or activities of projects? How can such instances be explained/justified? What steps have been taken to resolve such situations? ▪ Is there a need for « course correction » and, if so, what are the options ? 	<ul style="list-style-type: none"> • Annual reports • Reports of project governance meetings • M&E data/reports • Meetings with stakeholders
Adaptability	<p>For each thematic/priority area and intended outcome:</p> <ul style="list-style-type: none"> ▪ To what extent have UNDP priorities and activities responded to the evolution of national priorities? ▪ To what extent have activities been modified/adapted to reflect significant changes in the national context and/or take 	<ul style="list-style-type: none"> • M&E data/reports • Mtgs with stakeholders

MTR CRITERION	QUESTION	SOURCE OF DATA
	<p>advantage of new opportunities linked to such changes?</p> <ul style="list-style-type: none"> ▪ Is there a need for further repositioning following the decisions agreed in 2009 and their implementation to date, and if so, what are the options that should be considered? 	
Partnerships	<p>For each thematic/priority area and intended outcome:</p> <ul style="list-style-type: none"> ▪ To what extent is partnership building a strategic objective/driver for UNDP-Malaysia? ▪ To what extent are UNDP's partnerships adequate to meet programmes objectives and deliver the intended results? ▪ To what extent is UNDP supporting UN system coordination? To what extent is UNDP seeking/utilizing other UN agencies' mandate, capacities and other resources to maximise its contribution to Malaysia's development? ▪ How reliable and effective is UNDP viewed by its programme partners? By the development community in Malaysia? ▪ Is there room for « course correction » in UNDP's partnerships and, if so, what are the options? 	<ul style="list-style-type: none"> • M&E data/reports • Mtgs with stakeholders
Leverage of UNDP's global assets	<p>For each thematic/priority area and intended outcome :</p> <ul style="list-style-type: none"> ▪ To what extent does UNDP-Malaysia use UNDP's regional and global platform to make progress towards CPAP outcomes and delivery outputs ? ▪ To what extent is UNDP Malaysia making use of its experience, knowledge and lessons learned to contribute to UNDP's regional and global platform? 	<ul style="list-style-type: none"> • M&E reports • Reports from project governance meetings • Meetings with stakeholders

Annex 3: PEOPLE MET

United Nations Development Programme

Ahmad Hafiz Osman	Communications Officer
Anita Ahmad	Programme Manager (Socio-Economic Development Cluster)
Asfaazam Kasbani	Assistant Resident Representative (Energy & Environment)
Chacko, James George	Assistant Resident Representative (Programme)
Daratul Baida Osman Khairrudin	Assistant Resident Representative (Operations)
Gan, Pek Chuan	Programme Manager (Energy & Environment)
Hari Ramalu Ragavan	Programme Manager (Energy & Environment)
Kamal Malhotra	United Nations Resident Coordinator and UNDP Resident Representative
Lee, Laura	Programme Associate (Socio-Economic Development Cluster)
Norzilla Mohammed	Programme Associate (Energy & Environment)
Sinha, Lena	Senior Programme Management Advisor
Su, Wan Fen	Programme Assistant

United Nations Country Team

Azrul Mohd Khalib	HIV/AIDS Coordinator
Capuano, Corinne	WHO Representative
Lin, Mui Kiang	Coordination Specialist
Olsen, Hans	UNICEF Representative

Government of Malaysia

Economic Planning Unit

Ahmad Kamal Wasis @ Waksis	Principal Assistant Director, Natural Resources Sub-Section (<i>Desk officer for EPU CPAP Environment Section</i>)
Azhar Noraini	Director, Environment and Natural Resources Economics, EPU (<i>NPD for Economics of Climate Change project and lead focal point for CPAP Environment</i>)
Azlina Aza	Principal Assistant Director, Corporate Services and International Section (<i>Focal Point for UNDP and also event related to HDR launches</i>)
Hidah Misran	Deputy Director, Corporate Services and International Section (<i>Focal Point for UNDP and also event related to HDR launches</i>)
Iliani Sha'arani	Assistant Director, Corporate and International Section (<i>Focal Point for UNDP and also event related to HDR launches</i>)
Muhammad Idris	Deputy Director, Distribution Section (<i>Involved in 2 of UNDP's projects on poverty as Distribution Section is the IP</i>).
Najwa Shuhaida Omar	Assistant Director, Renewable Energy Section
Norani Ibrahim	Director, Corporate Services and International Section (<i>Focal Point for UNDP and also event related to HDR launches</i>)
Sa'idah Hashim	Principal Assistant Director/Statistician, Distribution Section (<i>Project Manager for two of UNDP's projects on poverty</i>).
Saiful Anuar Lebai Hussen	Director, Social Section
Yuzlina Mohd. Yusop	Assistant Director, Energy Planning 2 Section
Zarina Ali Merican	Deputy Director, Environment Section (<i>Focal point for EPU's environment project</i>)

Programme partners

Ab Rahim Gor Yaman	Deputy Director of Department of Marine Park Malaysia, Ministry of Natural Resources and Environment (<i>National Project Director, Marine Parks Project</i>)
Afaf Hilyati Che Hassan Pahmi	Principal Assistant Secretary 2, Ministry of Energy, Green Technology and Water (KETTHA) (<i>Desk officer for Biomass and MBIPV project</i>)
Aminah Ali	National Ozone Unit, Department of Environment, Ministry of Natural Resources and Environment (<i>Desk officer for all Montreal Protocol projects</i>)
Chuah, Chang Man	Head of International Studies Centre, Malaysia Anti-Corruption Academy (MACA) (<i>Technical Working Committee member, OIC project</i>)
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Lim, Mei Ying	Principal Assistant Secretary, Policy Division, Ministry of Women, Family and Community Development (<i>Involved in the upcoming project on women in labour force participation</i>)
Manikam, Samarajoo	Director, Malaysian Anti-Corruption Academy (<i>National Project Director for the OIC Project</i>)
Mohd Nasir Abd Aziz	Senior Principal Assistant Director, HIV/AIDS Sector, Disease Control Division, Ministry of Health (<i>currently involved in the NSP 2011-2015 project</i>)
Munusamy, Mohan	Project Manager, Malaysian Anti-Corruption Academy (<i>Focal Point OIC Project</i>)
Nadeema Kamaruddin	Assistant Director, Department of Women's Development (JPW) (<i>Involved in Single Mothers projects</i>)
Rahim Nik	Senior Deputy Director, Forest Research Institute Malaysia (<i>formerly National Project Direct for Peat Swamp Conservation Project and Component Leader for GHG Emission group of NC2 project</i>)
Roshadah Hashim	Head of Ozone Unit, Department of Environment, Ministry of Natural Resources and Environment (<i>Focal point for all Montreal Protocol projects and National Project Director for IS7, IS8 and HPMP projects</i>)
Rozita Hussein	Ministry of Health (Health Sector Reform) (<i>was involved in the health sector and law review project and Head of the 1Care health project</i>)
Sardon Hassan	Malaysian Peacekeeping Training Centre (<i>National Project Director for peacekeeping project</i>)
Shahril Faizal Abdul Jani	Principal Assistant Secretary, Conservation & Environmental Management Division, Ministry of Natural Resources and Environment (<i>previous desk officer for NC2 project and current desk officer for Climate Change portfolio</i>)
Sharudin Shar Kashim	Director (Planning and Development), Social Welfare Department (<i>inputs to both PWD projects on behalf of projects' National Project Director</i>)
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Umi Fadhilah Hamzah	Assistant Secretary, Policy Division, Ministry of Women, Family and Community Development (<i>Involved in all UNDP gender projects</i>)
Wan Hasmah Wan Mohd	Director General, Department of Women's Development (JPW) (<i>National Project Director for Single Mothers project</i>)

Wong, Chee Ching	Principal Assistant Secretary, Environmental Conservation Division, Ministry of Natural Resources and Environment (<i>Desk officer for Malaysia GEF portfolio</i>)
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Other government agencies

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Roslan Ramly	Deputy Director, Town Planning Department, Penang Island Municipal Council
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Sujata Muniandy	Senior Assistant Director, Research & Development, UPEN Penang

Bilateral donors

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Academic and civil-society stakeholders

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Chan, Huan Chiang	Socio-Economic and Environmental Research Institute (SERI)
Gurmit Singh	Centre for Environment, Technology and Development Malaysia (CETDEM) (<i>National Steering Committee member for NC2 project</i>)
Lasimbang, Jannie	President, Asia Indigenous Peoples Pact; SUHAKAM Commissioner
Liew, Chin Tong	Executive Director, Socio-Economic and Environmental Research Institute (SERI)
Lim, Wei Seong	Socio-Economic and Environmental Research Institute (SERI)
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Annex 5: OUTCOME INDICATORS

UNDP Country Programme Documents (CPDs) and Country Programme Action Plans (CPAPs) are required to associate with each country programme outcome one or several indicators, and, for each indicator, baseline values at the inception of the programme and targets to be reached by the end of the programme cycle, so as to facilitate monitoring of change over time.

As indicated in Section 4.2.5, these tools are absent from the Malaysia CPAP 2008-2012 but will need to be included in order to enable UNDP, national authorities and programme partners to assess progress towards CPAP outcomes, especially at the end of the programme cycle.

Corporate guidance with respect to outcome statements and indicators is found in UNDP's 2009 *Handbook on Planning, Monitoring and Evaluating for Development Results*.⁵⁰ Outcomes are defined as:

“Actual or intended changes in development conditions that interventions are seeking to support. [...] They are medium-term development results created through the delivery of outputs and the contributions of various partners and non-partners. Outcomes provide a clear vision of what has changed or will change globally or in a particular region, country or community within a period of time. They normally relate to changes in institutional performance or behaviour among individuals or groups. Outcomes cannot normally be achieved by only one agency and are not under the direct control of a project manager.

[...] An outcome should be measurable using indicators. It is important that the formulation of the outcome statement takes into account the need to measure progress in relation to the outcome and to verify when it has been achieved. The outcome should therefore be specific, measurable, achievable, relevant and timebound (SMART)”.

Outcome indicators help verify that the intended positive change in the development situation has actually taken place. Their inclusion in country programme frameworks is necessary from the combined perspective of measuring development results and strengthening institutional accountability.

In the specific case of the Malaysia CPAP, the incorporation of outcome indicators should logically follow the clarification recommended with respect to CPAP outputs (see Section 4.2.5 and Recommendation 2) and take into account the contributions that each and every output can be expected to make to progress towards the outcome(s) to which it is linked.

Process-wise, it would seem advisable that outcome indicators be the subject of a substantive dialogue between UNDP and national partners. The benefits of such dialogue would be important not only from the point of view of filling the existing gap in the CPAP Results and Resources Framework, but also in the perspective of the next UNDP country programme which will most likely be elaborated during the first semester of 2012 and whose contents will have to take into account key lessons learned from the performance achieved during the current cycle.

Relevant UNDP headquarters units should provide support in this process, based on examples regarded as the organization's best practice in this respect.

⁵⁰ <http://www.undp.org/evaluation/handbook/>. See section on outcomes and outcomes indicators, pages 56-66.