

# MALAYSIA: PROGRAMME/ PROJECT EVALUATION – THE MALAYSIAN EXPERIENCE

**BY SHAHRAZAT BINTI HAJI AHMAD**

**Deputy Director, Infrastructure Division, Implementation  
Coordination Unit, Prime Minister's Department of Malaysia**

**AND MUHAMMAD HIDAYATULLAH BIN NASRUL**

**Deputy Director, Outcome Evaluation Division,  
Implementation Coordination Unit,  
Prime Minister's Department of Malaysia**

## INTRODUCTION

Malaysia's success in managing and administering development can be attributed to a sound and sustained socio-economic development programme, a committed and modernized bureaucracy (responsive to political leadership and people's needs), and a system of planning, monitoring and evaluation that ensures that implementation always remains on track (Zainul Ariff Hussain, 2003). The need for monitoring and evaluation stems from the public desire for the government to address the issues of programmes' and projects' value for money and fitness for intended purposes. In addition, the media has started demanding governmental transparency and accountability related to meeting people's and stakeholders' needs and expectations (Khalid Ramli, 2007).

In 2005, the Government of Malaysia directed that all federal- and state-level ministries and agencies implement outcome evaluations for all programmes and projects. Outcome evaluations are formal research exercises that examine the short-term effects of a programme or project. Pursuing this directive, the Implementation Coordination Unit of the Prime Minister's Department compiled and produced the 'Guidelines in Conducting Development Program Evaluation' (Federal Government Circular No. 3, 2005).

The 'Guidelines' prescribe six steps to performing an outcome evaluation: 1) identifying programmes and projects; 2) developing the terms of reference; 3) collecting data; 4) analysing data; and 5) writing and 6) presenting reports. In developing the term of reference, an outcome evaluation must match specified key result areas for the national, state and district level. Due to the number of programmes and projects and limitations

in time and manpower, selection for evaluation is based on five main criteria: 1) national interest; 2) priority ministry or agency programmes; 3) programmes and projects targeting a large number of people; 4) high-cost projects or programmes; and 5) projects with high multiplier effects.

### THE NATURE OF AN OUTCOME EVALUATION

In an outcome evaluation, the Implementation Coordination Unit monitors and coordinates performance indicators at national, ministry and agency levels; conducts selected programme evaluations, submits and presents evaluation reports to the National Action Working Committee and the National Action Council; and ensures that programmes and projects are implemented consistently. As a secretariat for both the National Action Working Committee and the National Action Council, the Implementation Coordination Unit acts as the clearing house for all evaluation exercises. Milestones for the evaluation process are presented in Table 1.

The evaluation process in Malaysia is focused on outcome evaluations of government-funded programmes and projects. Outcome evaluations are performed on completed projects, utilize secondary data and generally do not take more than three months to complete. This simplified and less expensive approach is necessary to make the evaluations feasible. Evaluations are conducted in three areas: policies, programmes and projects.

Policies are the main thrust as formulated by the government in managing the Malaysian public sector. Programmes refer to the development planning of ministries, departments or

**TABLE 1. MILESTONES OF OUTCOME EVALUATION**

| 2005  | 2006  | 2007–2010  | 2009  | 2010   |
|---|---|--|---|--|
| <b>PLANNING</b>   | <b>ENFORCEMENT AND TRAINING</b>   | <b>ROLLING</b>   | <b>ENHANCEMENT</b>  | <b>REVIEWING</b>   |
| Designing the Guidelines<br>Officiating the 'Guidelines in Conducting Development Program Evaluation' | Enforcement and application to all division heads<br>Bilateral training sessions with ministries and agencies are conducted through conferences and workshops;<br>pilot testing on programme evaluation and reporting | Ministries, agencies and statutory bodies embarked on the evaluation program by:<br>Evaluating completed projects to identify outcomes and impacts<br>Presenting the papers in the respective forums | Outcome Evaluation Module was developed and incorporated into the Project Monitoring System | 8,343 programmes/projects have been evaluated<br>Assessment reports (aggregated according to ministries) sent to Public Service Department<br>Evaluation results presented to stakeholders<br>Review and prepare an Action Plan for the 10th Malaysia Plan (2011–2015) |

Source: Outcome Evaluation Division, Implementation Coordination Unit.

agencies approved by the Economic Planning Unit to be implemented during the Five-Year Malaysia Plan. Projects are created when programmes are divided by ministries into smaller projects based on factors such as location, type or contracts.

Outcome evaluations of ministry and agency programmes and projects are mandatory. However, national-level outcome evaluations are performed based on request. For example, the Implementation Coordination Unit was commissioned to evaluate the performance of the Ninth Malaysia Plan (2006–2010) and to investigate the Citizen Satisfaction Index for the 2009 fiscal stimulus package. Both evaluations were substantial and contained high-level research in terms of the terms of reference, stakeholder base, time taken to complete the evaluations and the scope of data used.

Every evaluation must be presented to the National Action Working Committee, chaired by the Chief Secretary to the Government. The evaluations are then presented to the National Action Council, the highest decision-making body for evaluation presentation and reporting (chaired by the Prime Minister).

## THE USE OF AN OUTCOME EVALUATION

National planning processes use outcome evaluation findings as feedback. For example, the policy-level evaluation (conducted at the end of the Five-Year Plan) highlights the performance of each key result area and provides feedback to the Economic Planning Unit in national planning review and prioritization. In 2010, the Implementation Coordination Unit was commissioned to evaluate the performance of Ninth Malaysia Plan, which covers the Five-Year Plan starting from 2006 to 2010. The three-month research project was presented to Malaysian Cabinet Members in 2011, where the findings were used in the national agenda's mid-term review.

Evaluation findings are also used as feedback in short-term planning processes. For example, starting with the Tenth Malaysia Plan (2011–2015), the Economic Planning Unit will only consider applications for new projects that have projected outcomes. Projected outcomes will be derived and designed from the existing outcome evaluation of programmes and projects in the Ninth Malaysia Plan. Input from previous outcome evaluations is crucial for ministries preparing project bidding in the new financial year.

Evaluation findings are also used to prioritize programmes and projects and, due to limited resources and unlimited demand, to find alternative methods of implementation during short-term planning processes. For example, the outcome evaluation on dredging projects determined that the speed of siltation made targets unachievable; money spent on dredging could not return value for the investment. As a corrective action, priorities were shifted to address siltation sources (e.g. river cleaning projects).

In addition to its use as a planning tool, central agencies (e.g. the Economic Planning Unit and the Treasury) use outcome evaluation findings to assess the efficiency and relevancy of the implementing ministry or agency. For example, central agencies used outcome evaluations to quantitatively identify the contributions of the three implementing ministries to poverty eradication. In this case, the central agencies may increase allocations to a major contributing ministry or decrease allocations in a low-contributing ministry.

Evaluation tools—typically cost-benefit and Citizen Satisfaction Index analysis—can indicate whether a programme or project is fulfilling the criteria of value for money and fitness for its intended purposes. For example, in 2010 the Implementation Coordination Unit was commissioned to evaluate the Citizen Satisfaction Index for the 2009 fiscal stimulus package. The six-month project analysed primary data collected from surveys of more than 6,000 respondents throughout Malaysia. The findings helped the government determine people’s level of satisfaction with (and whether they were aware of) actions taken by the government in overcoming the financial crisis.

The aggregated results of programme and project evaluations form part of the key performance indicator for the respective Secretary General/Director General. The key performance indicator, which is calculated at year-end, serves as a report card on the individual performance and will affect his or her promotion. Thus evaluations prompt heads of ministries and agencies to ensure that programmes and projects under their purview are efficiently and effectively delivered.

The primary users of the outcome evaluation findings are the Economic Planning Unit, the Treasury and the evaluated ministry or agency. In general, evaluations are used primarily as planning tools, particularly in national-level budgeting and appropriations processes. In some cases, evaluation findings are used as lesson learned to improve future development of programmes and projects. In the Tenth Malaysia Plan, the Economic Planning Unit adopted an outcome-based approach in their planning. Following this, the Treasury has started a pilot project of adopting outcome-based budgeting with five ministries in 2013 (final adoption is targeted for 2016, the beginning of the Eleventh Malaysia Plan).

## MEASURES ADDRESSING CHALLENGES

After five years of outcome evaluations since their inception in 2005, the main challenges are developing human resource competencies and supporting evaluation systems, procedures and processes. Meeting these challenges will be crucial to Malaysia’s plan to successfully adopt outcome-based budgeting by 2016.

To address the competency issue, the government is introducing a ministry-level pilot programme, the Outcome Evaluation Champion. This programme includes training on outcome evaluation for select officers from various ministries. Upon certification, they will be appointed as a reference point in that particular ministry. The programme is currently expanding to the state level and is providing ongoing trainings.

To strengthen the evaluation support system, the strategic alliances of ministries (with the central agencies, the Implementation Coordination Unit, the Auditor General Office, the Treasury and the Economic Planning Unit) formed a committee tasked to evaluate the ministries’ evaluation research papers. In this respect, immediate enhancements are readily available for every aspect of planning, monitoring and financial analysis. In addition, a database (the Outcome Evaluation Module) has been created to record and store research pertaining to outcome evaluations. The database’s primary objectives are to act as a resource for future planning and research and to facilitate comparing programmes and projects over time. Furthermore, the system indicates the feasibility of programmes and projects by

comparing targeted outputs and outcomes to real outputs and outcomes.

The Implementation Coordination Unit developed a National Indicator Databank to assist system users refer and choose outcomes for their programmes and projects and easily match them to the national key result areas. Currently, the Implementation Coordination Unit is reviewing and planning to enhance the 'Guidelines' in order to take into consideration current changes and needs in outcome evaluation, particularly in view of the 2013 integration of the outcome evaluation module with the outcome-based budgeting online system. A National Project Outcome Evaluation Conference is planned in 2012 to commemorate the fifth year of outcome evaluation in Malaysia.

## CONCLUSION

Government's fundamental goals are to provide for efficient and effective delivery of services, implement development programmes and projects and maintain national security. Performance measurements must be conducted in order to ensure that programmes and projects meet the expected results and desired outcomes, have value for money and are fit for their intended purposes. Hence, utilizing evaluation tools to analyse past programmes and projects will help guide the government towards balanced decision-making and quantify the value added in future development plans. Finally, outcome evaluations improve best practice approaches and help identify and correct issues raised during project implementation. Hence, outcome evaluation is beneficial in policy and budget planning and in improving programmes' and projects' service delivery.

## DOCUMENTS CONSULTED

- Government of Malaysia. 2006. '9<sup>th</sup> Malaysia Plan 2006-2010'. Putrajaya: Economic Planning Unit (EPU) of The Prime Minister's Department.
- Government of Malaysia. '10<sup>th</sup> Malaysia Plan 2011-2015'. Putrajaya: Economic Planning Unit (EPU) of The Prime Minister's Department.
- Government of Malaysia. 'Guidelines in Conducting Development Program Evaluation', *Federal Government Circular* No. 3, 2005.
- Khalid, R. 2007. 'Evaluation Establishing Outcome Monitoring & Evaluation in Strategic Context'. Putrajaya: Implementation Coordination Unit of The Prime Minister's Department.
- Zainul A.H. 2003. 'Malaysian Experience of Monitoring Evaluation in Development Planning'. Putrajaya: Implementation Coordination Unit of The Prime Minister's Department.