

Global Evidence Policy Units

MALAYSIA: PEMANDU

Unit Pengurusan Prestasi Dan Pelaksanaan



"PEMANDU's main role is to oversee the implementation, facilitate as well as support the delivery, & drive the progress of the Malaysian National Transformation Programme".



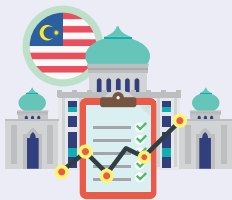
KEY FACTS



PEMANDU
PERFORMANCE MANAGEMENT AND DELIVERY UNIT

- 'PEMANDU' is the Malaysian Government's Performance Management and Delivery Unit (*Unit Pengurusan Prestasi Dan Pelaksanaan*).
- PEMANDU, which also means 'the driver' in Malay, is the largest delivery unit in the world, with approximately 100 staff.
- It was set up in 2009 and is partly modelled on the United Kingdom's Prime Minister's Delivery Unit.
- PEMANDU has a very focused remit. Its key role is to oversee the National Transformation Programme, a set of socio-economic priorities created in 2010 to transform Malaysia into a high-income nation by 2020.
- According to the World Bank, Malaysia has recorded measurable progress towards the National Transformation Programme goals.
- PEMANDU has helped drive the implementation of the National Transformation Programme by contributing to its design, making necessary adjustments to implementation, monitoring progress, problem-solving, and communicating results. This is in collaboration with ministries, departments and government agencies.
- PEMANDU has invested heavily in key functions such as communications.

The National Transformation Programme:



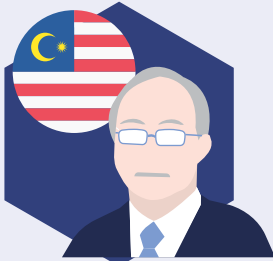
The Government Transformation Programme to implement public sector and service delivery reform.



The Economic Transformation Programme to promote the private sector to become the catalytic enabler to drive sustainable economic and investment growth.

HOW WAS THE UNIT SET UP?

'TAKING THE ROAD LESS TRAVELLED'



Prior to 2010, Malaysia, like most governments of the world, had many well-intended policies and plans, but performed poorly. When the new Malaysian Prime Minister, Najib Tun Razak, took office in 2009 Malaysia faced four fundamental problems. First, there were concerns that Malaysia had been caught in the middle-income trap since the 1990s. Second, Malaysia's fiscal deficit was reported at 6.6%. Third, Government debt was rising at 12% per annum of GDP. Finally, Malaysia needed to move into high income status by 2020.

Prime Minister Najib's immediate action was to orchestrate radical changes, including inviting Dato' Sri Idris Jala, from the private sector, for a series of workshops and meetings with his cabinet. It was during these sessions that the Government agreed that 90% of high-income nations had achieved their status via the 'road most travelled,' with wide income disparity, high government debt and fiscal deficit. This was Malaysia's pathway until 2009.



Malaysia decided to instead take the road less travelled, similar to countries such as Finland and Denmark, to ensure manageable debt levels and a sustainable fiscal position. The National Transformation Plan was thus created on the premise of inclusiveness, sustainability and growth. To accelerate implementation and ensure effective progress, the Prime Minister appointed Dato' Sri Idris Jala as both a senator and a cabinet member to establish PEMANDU; its remit was to publicly measure and monitor government performance and assure positive socio-economic outcomes under the National Transformation Programme. PEMANDU was not created in a vacuum, but rather sought to build on an ecosystem of public sector performance institutions and processes that had been around for decades.

EVOLUTION OF THE UNIT

THE PROCESS



MDAs



Labs



PEMANDU's carefully defined 10-year program means that the unit has not changed in structure. Instead, it adopted a recursive implementation process from its inception in 2010 until 2016 (compared to delivery units in other countries, which are often influenced by the evolving political agenda).

PEMANDU works with ministries, departments and agencies (MDAs) through the Big Fast Results (BFR) 8 Step Methodology to deliver outcomes.

Agenda setting & labs

PEMANDU sets the annual agenda and strategic direction for a policy or focus area, for example education. The unit then facilitates labs to determine robust solutions to identified issues or challenges. They are attended by subject matter experts from both the civil and private sector. According to a recent World Bank assessment, these labs have helped the Government to ensure that the National Transformation Programme is both demand-driven and widely owned by MDAs. Over six to nine weeks, participants are 'locked in' in-depth workshops until they have defined priority projects, key performance indicators (KPIs), timelines and associated budgets. Annual targets are then tabled and mutually agreed by PEMANDU and MDAs, to be presented in a minister's annual scorecard.

8 STEP METHODOLOGY



Source: World Bank 2017

EVOLUTION OF THE UNIT

Monitoring progress & reducing bottlenecks

The monitoring process is designed to enable a recursive implementation process, which involves problem solving and progress review.



MDA officials, who sit within Ministry Delivery Management offices, work alongside PEMANDU staff to set, track and adjust KPIs. These offices also assist PEMANDU to escalate, coordinate and facilitate the processes associated with KPI reporting.



PEMANDU uses a dashboard to monitor KPIs on a weekly basis. In the first instance, if an implementation issue arises the ministry's technical committee (mid-management) is alerted. If unresolved, it is referred to the inter-ministerial monthly steering committee. If it continues to be unresolved, the issue is referred to the semi-annual, problem-solving meeting chaired by the Prime Minister. No one wants it to reach this level, so this incentivises MDAs to resolve problems at the lowest possible level.



PEMANDU also plays an advisory role to help with any issues that arise throughout the process.

EVOLUTION OF THE UNIT



Knowledge sharing & communications

Communication is a critical dimension of the unit's remit. In a drive to be transparent, PEMANDU communicates its work with the MDAs, to stakeholders and the public. The communications team develops a weekly plan, which over the year showcases every stage of the annual process. This includes sharing results and progress from the labs at open days, illustrating the flexibility and accountability of the KPI targets, any milestones and challenges that emerge, and demonstrating how results are externally validated by an annual audit. A comprehensive annual report is published on the website (alongside all other key publications).

PEMANDU engages with media and stakeholders on a variety of different platforms to share this learning and progress. The website is an important hub, but the team also uses other mediums such as roundtables and workshops, talk shows, radio, television and infographics. It receives feedback from stakeholders and carries out regular public surveys to assess the effectiveness of the Government's implementation programs.



External audits

A final audit, based on agreed upon procedures, is carried out by PriceWaterhouseCoopers (PwC) and findings are made public.

EVOLUTION OF THE UNIT

LEADERSHIP



The success of PEMANDU has largely depended on the Prime Minister's buy-in and involvement. The structure of the unit means there is 'top-down control' (World Bank, 2017). The Prime Minister and Cabinet oversee strategic direction. The unit's leader, Idris Jala, also sits in Cabinet to input and report on progress.

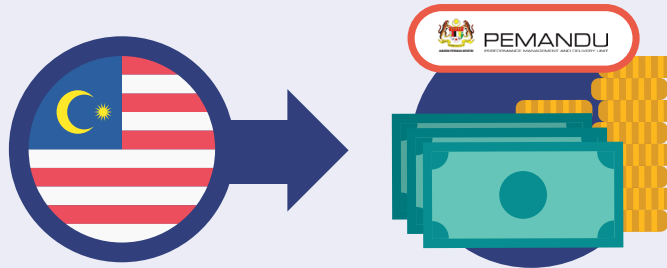
There is also a 'bottom-up voice' (Ibid, 2017). PEMANDU's labs aim to promote an egalitarian culture. All subject matter experts are encouraged to participate and to speak as equals. Participant backgrounds vary; they come from the relevant ministry, civil society, academia and the business sector. All participants have an interest and a stake in prioritising the agenda. Furthermore, they come from all ranks. Members of senior leadership join for review and syndication sessions, but otherwise mid-level staff and officials lead the labs.

Idris Jala spent 23 years in Shell and a further three years with Malaysia Airlines prior to joining the Government of Malaysia in 2009. His technocrat approach has been a key dimension in the evolution of PEMANDU. Speaking about the role of PEMANDU, Jala said that the Prime Minister and Cabinet 'must take the credit and our job is to help them to deliver' (Barber, 2016).

EVOLUTION OF THE UNIT

FUNDING

PEMANDU's annual operating budget comes through a budget allocation to the Prime Minister's Office. PEMANDU does not receive external funding from multilaterals.



STAFFING & RECRUITMENT

PEMANDU is made up of public sector civil servants, but overall a large proportion of its staff are from the private sector. This means that PEMANDU draws from a hybrid of ideas and best practices of both sectors. As all staff are under termed contract employment and receive none of the standard benefits accorded to civil servants, for example, pensions and other allowances, PEMANDU exercises a salary scale that is competitive with the private sector.



EVOLUTION OF THE UNIT

BUILDING DEMAND FOR EVIDENCE



Anchored by the Big Fast Results (BFR) Methodology, PEMANDU has developed a culture of discipline to deliver and embed evidence in its implementation programs. The methodology has also been made available to governments globally since 2012, including Tanzania, India, South Africa, Oman, Uganda, Russia and Nepal, as well as multinationals and non-government organisations.

On 23 January 2017, the Prime Minister's Office announced the transition of PEMANDU 's role and responsibilities to the Economic Planning Unit's Civil Service Delivery Unit. This will be conducted over a two-year period, ensuring continued implementation of the National Transformation Programme.

PEMANDU as a unit in the Prime Minister's department was disestablished with effect from 28 February 2017. During the last six years of operation, the unit has built up a pool of talent, skillsets and experience. To avoid redundancy, the management and staff of PEMANDU have decided to set up an international consultancy firm that will advise on public sector transformation and private sector business turnaround.

REFERENCES

Barber, M. (2016) *How to run a government: so that citizens benefit and taxpayers don't go crazy*. Penguin: London.

Interview with Jana Kunicová, Senior Public Sector Specialist, Governance Global Practice, The World Bank, 9 March 2017.

Iyer, D. (2011) 'Tying performance management to service delivery: public sector reform in Malaysia, 2009-2011'. *Innovations for Successful Societies*. Princeton University: Princeton.

Kunicová, J. (2017) 'The PEMANDU experience', in *Development Digest*. World Bank: Kuala Lumpur.

Lesley, E. (2014) 'Mapping a transformation journey: a strategy for Malaysia's future, 2009-2010'. *Innovations for Successful Societies*. Princeton University: Princeton.

PEMANDU (2016) *National Transformation Programme Annual Report 2015*. PEMANDU: Kuala Lumpur.

Sabel, C. and Jordan, L. (2015) 'Doing, Learning, Being: Some lessons learned from Malaysia's National Transformation Program'. The World Bank: Washington D.C.

The World Bank (2017) 'Driving Performance from the Center: Malaysia's experience with PEMANDU'. World Bank: Kuala Lumpur.



Knowledge Sector Initiative

www.ksi-indonesia.org

The Knowledge Sector Initiative (KSI) is a joint program between the governments of Indonesia and Australia that seeks to improve the lives of the Indonesian people through better quality public policies that make better use of research, analysis and evidence.

KSI is a consortium led by RTI International and in partnership with Australian National University (ANU), Nossal Institute for Global Health, and Overseas Development Institute (ODI).

This series is written by Caroline Cassidy and Josephine Tsui from the Research and Policy in Development (RAPID) programme at ODI.
We would like to thank Alex Iskandar Liew and Jana Kunicová for their input to this brief.



Australian
National
University

