

**Keynote Address:**

# **Economic Transformation: Making Them Happen**

**CAREC-IMT WORKSHOP ON ECONOMIC CORRIDOR DEVELOPMENT (ECD)**

**8 April 2014**

**YB Senator Dato' Sri Idris Jala**

*Minister in the Prime Minister's Department*

*and CEO of Performance Management and Delivery Unit (PEMANDU)*

Today's reality....

Governments around the world have **beautiful plans** and promises....



Today's reality....

Governments around the world have **beautiful plans** and promises....



However, the main difficulties we face is the **failure to deliver**....

Today's reality....

This has  
**caused**  
**unhappiness**  
amongst people  
in many  
nations...



We have identified

**5 main challenges**

facing governments & public  
administration....



**First problem:**

**Not focused / unclear on the overall direction that they are heading**



## Second problem:

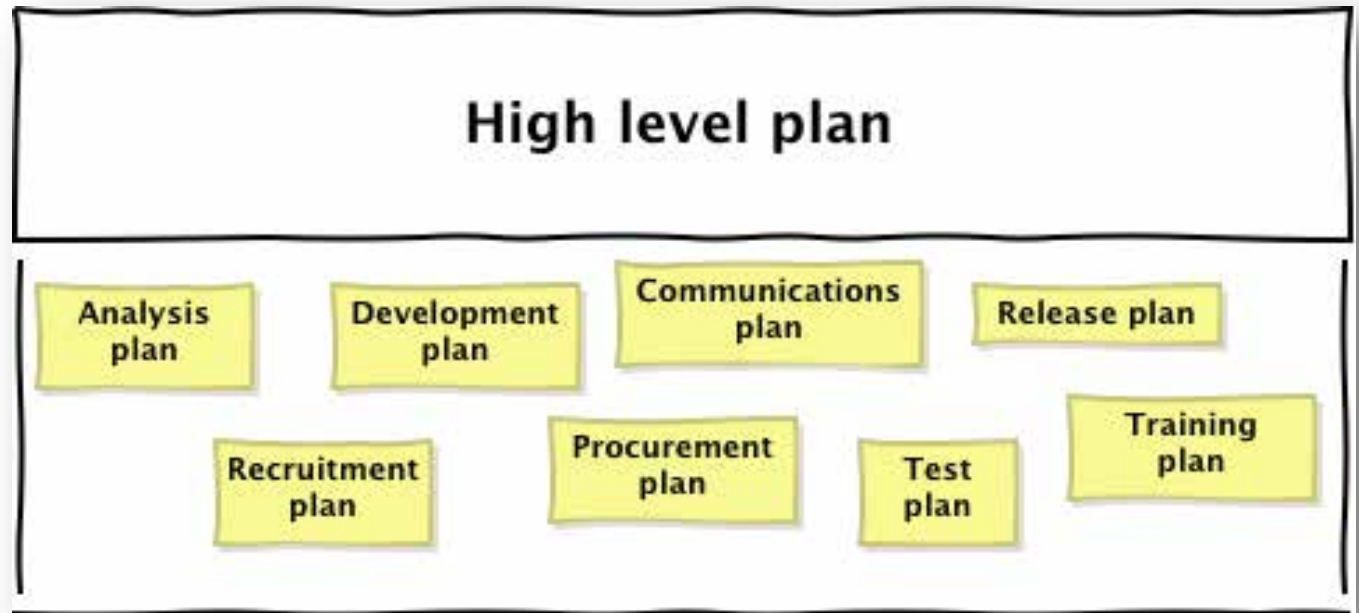
**Governments develop  
masterplans in a smoke filled  
room...**





## Third problem:

**High level plans are not understood by the implementers...**





## Fourth problem:

**Public demands and input are not adequately heard / obtained**

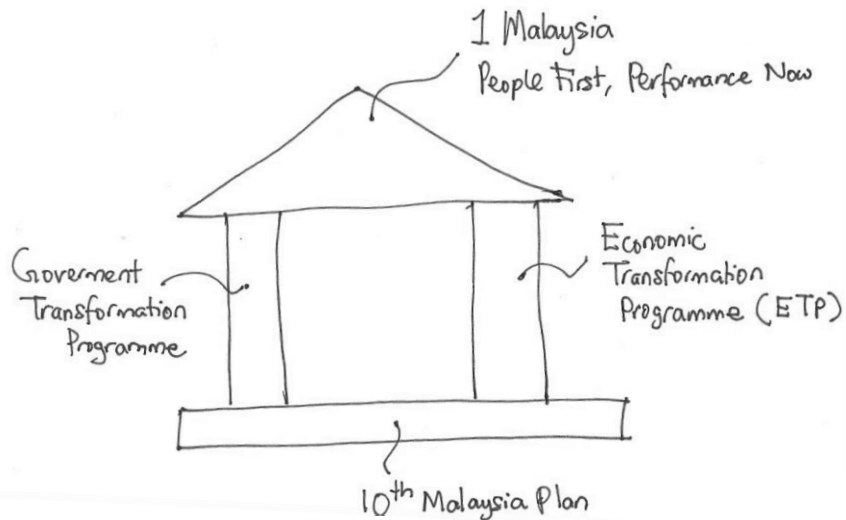


**Fifth problem:**

**No accountability...**



# Malaysia took a **radical** and **transformational** **8-step** approach



**“If we don’t execute, we will get executed!”**  
Prime Minister Najib Razak, April 2009

# 8 Step Big, Fast Results (BFR) methodology



*We are the only Government who is doing all of the above*

1

Strategic Direction

Multiple Cabinet retreats to ascertain the direction needed

2

Labs

3

Open Day

4

GTP /ETP Roadmap

5

KPI targets

6

Implementation

7

IPR/ Audit

8

Annual Report



*We are the only Government who is doing all of the above*

1

## Strategic Direction

# Engaged the public to ascertain the areas of focus

Multiple surveys were used to evaluate priority areas for the people

Sources	Crime	Education	Corruption	Unity	Economy	Transport	Political Stability	Energy
Public Perception Survey (Sept '08)	✓	✓	✓	✓	✓			
Media Analysis (May '08)	✓	✓	✓		✓	✓		✓
Merdeka Polls (June '08)	✓		✓	✓	✓		✓	
Cabinet Polls (July '08)	✓	✓	✓	✓	✓	✓		



## 7 National Key Result Areas (NKRAs)



## 1,000 Person Workshop



## 12 National Key Economic Areas (NKEAs)

ECONOMIC TRANSFORMATION PROGRAMME





1 Strategic Direction

2 Labs

**Establish in detail what needs to be done**

3 Open Day

4 GTP /ETP Roadmap

5 KPI targets

6 Implementation

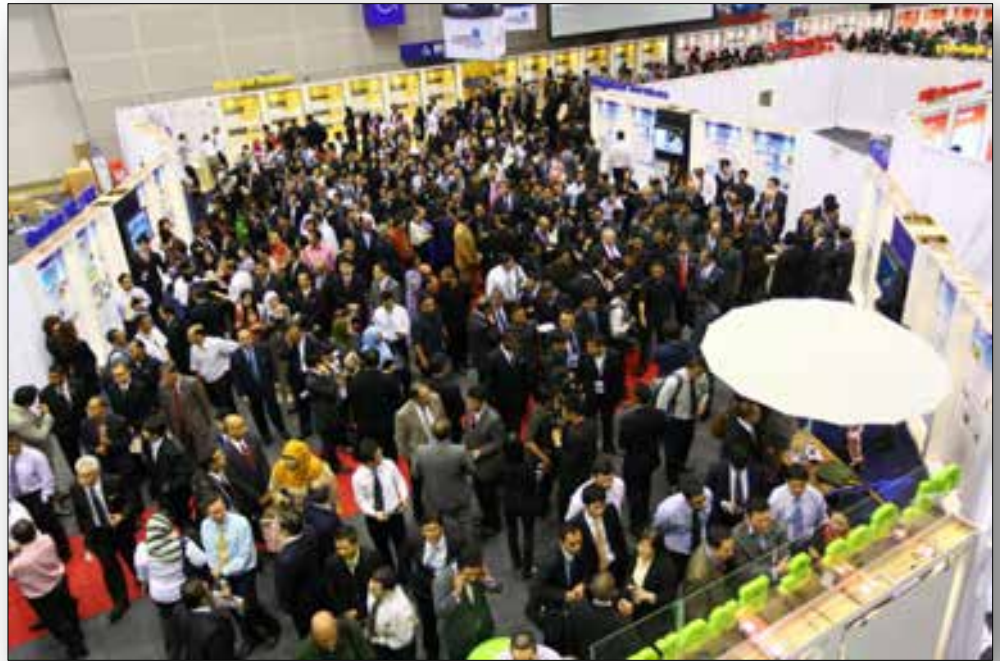
7 IPR/ Audit

8 Annual Report

*We are the only Government who is doing all of the above*

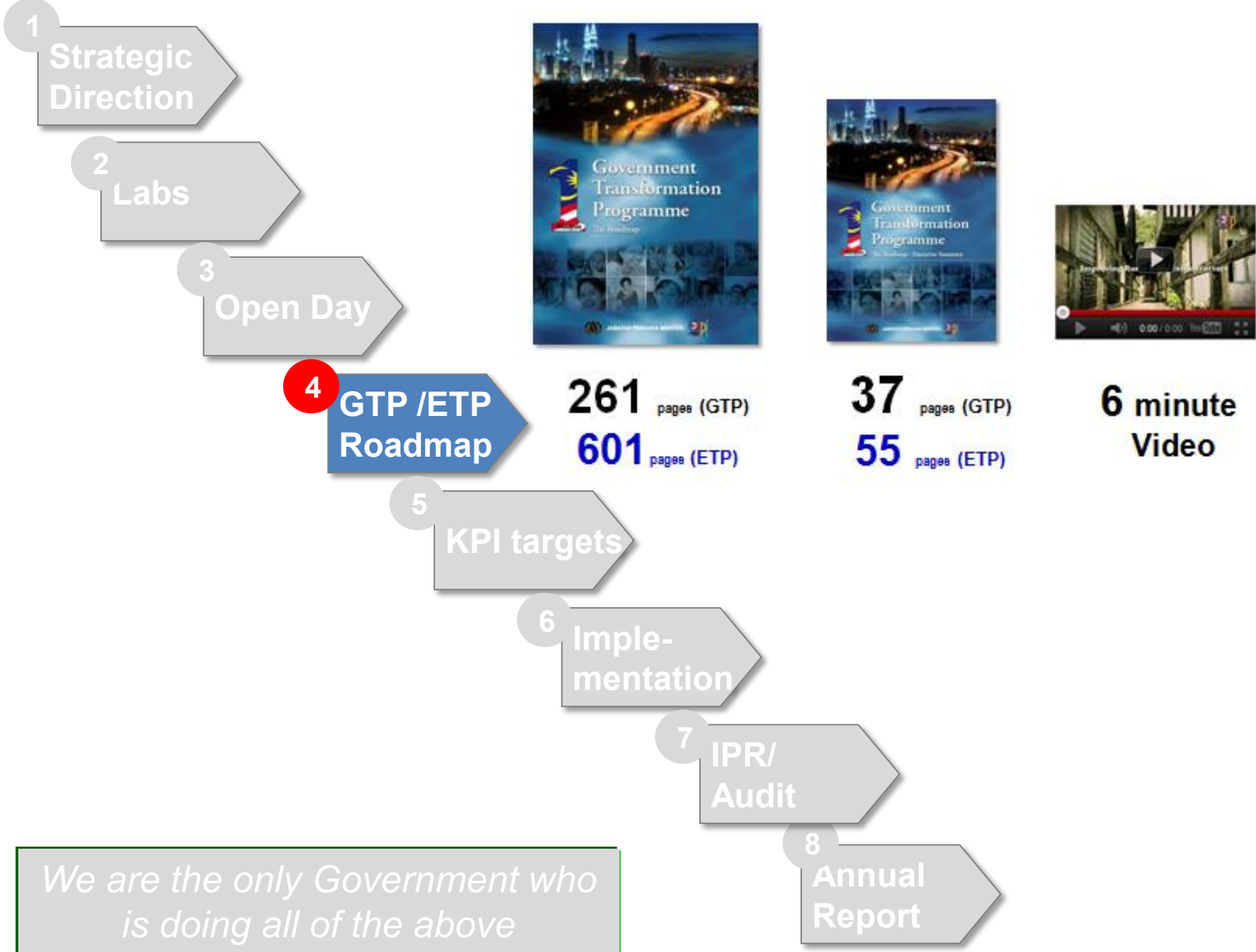




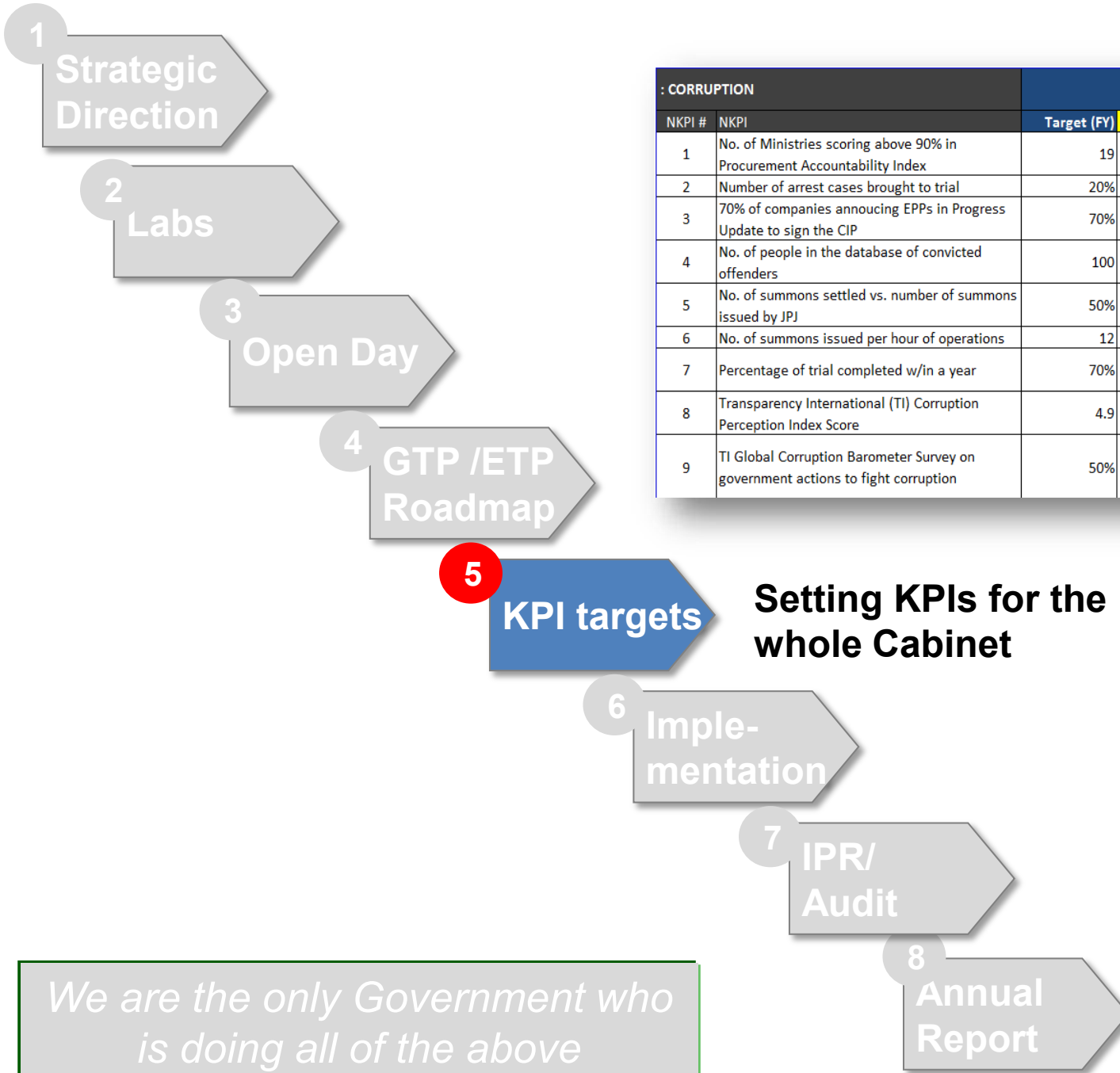


GTP: **8,500** people  
ETP: **13,000** people  
SRI: **5,000** people  
Subsidy: **2,500** people

*We are the only Government who is doing all of the above*



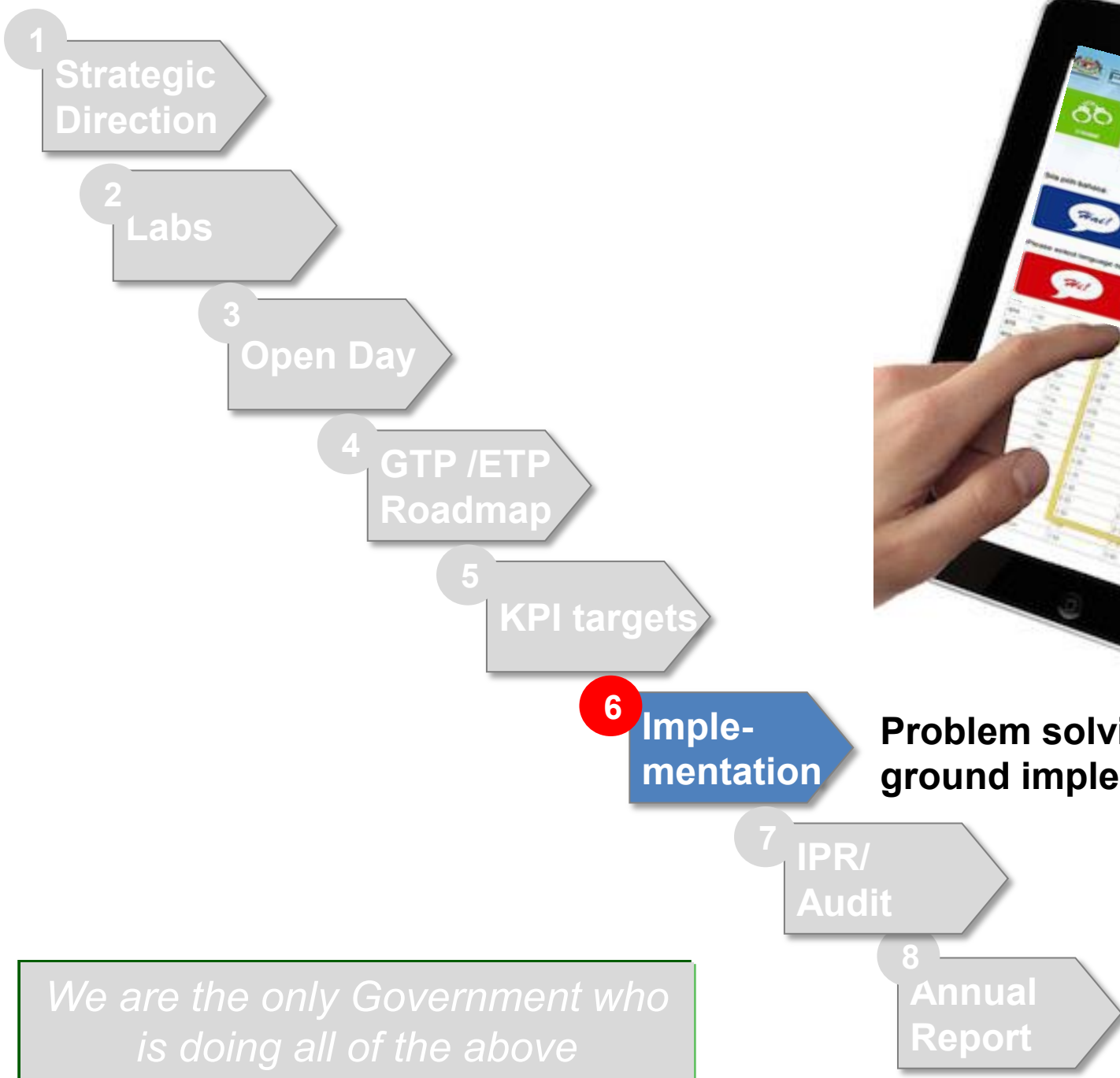
*We are the only Government who is doing all of the above*



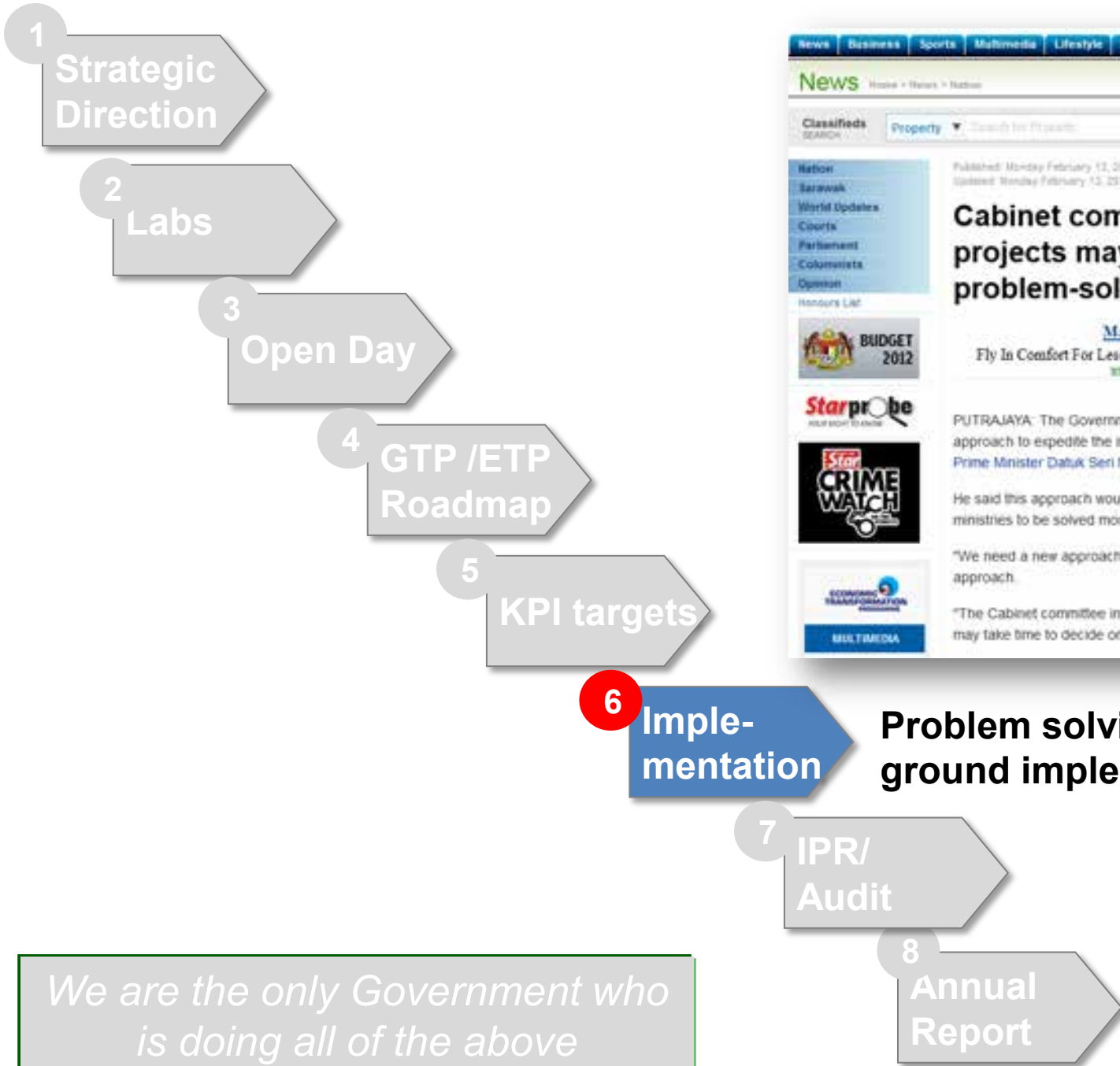
CORRUPTION		KPI (Quantitative)			
NKPI #	NKPI	Target (FY)	Actual (YTD)	% Achieved	5 Sept - 9 Sept
1	No. of Ministries scoring above 90% in Procurement Accountability Index	19	Only available annually		NA
2	Number of arrest cases brought to trial	20%	10.00%	50%	R
3	70% of companies announcing EPPs in Progress Update to sign the CIP	70%	40%	57%	Y
4	No. of people in the database of convicted offenders	100	311	311%	G
5	No. of summons settled vs. number of summons issued by JPJ	50%	23.00%	46%	R
6	No. of summons issued per hour of operations	12	12.31	103%	G
7	Percentage of trial completed w/in a year	70%	Only available annually		NA
8	Transparency International (TI) Corruption Perception Index Score	4.9	Only available annually		NA
9	TI Global Corruption Barometer Survey on government actions to fight corruption	50%	45% (using TNS survey as proxy Mar '11 - May '11)	90%	G

### Setting KPIs for the whole Cabinet

*We are the only Government who is doing all of the above*

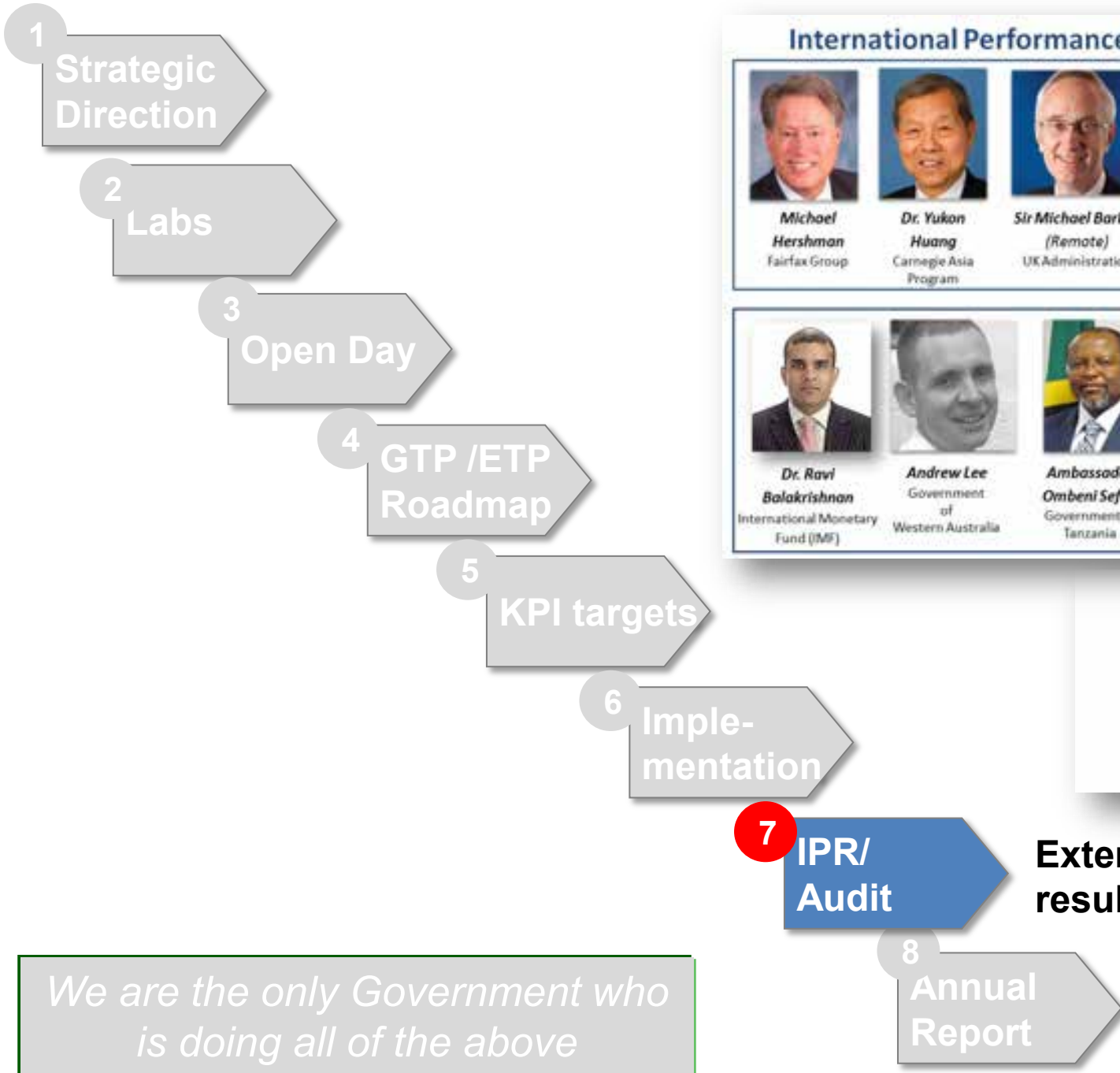


**Problem solving, on the ground implementation**



*We are the only Government who is doing all of the above*





*We are the only Government who is doing all of the above*

**International Performance Review 2012 Panel**

 <b>Michael Hershman</b> Fairfax Group	 <b>Dr. Yukon Huang</b> Carnegie Asia Program	 <b>Sir Michael Barber (Remote)</b> UK Administration	 <b>Stephen Sedgwick</b> Government of Australia	 <b>Yong Hee Kong</b> Commonwealth Secretariat
 <b>Dr. Ravi Balakrishnan</b> International Monetary Fund (IMF)	 <b>Andrew Lee</b> Government of Western Australia	 <b>Ambassador Ombeni Sefue</b> Government of Tanzania	 <b>Alex Mourmouras</b> International Monetary Fund (IMF)	 <b>Michael Thatcher</b> Microsoft Corp



**External validation on results achieved**

1 Strategic Direction

2 Labs

3 Open Day

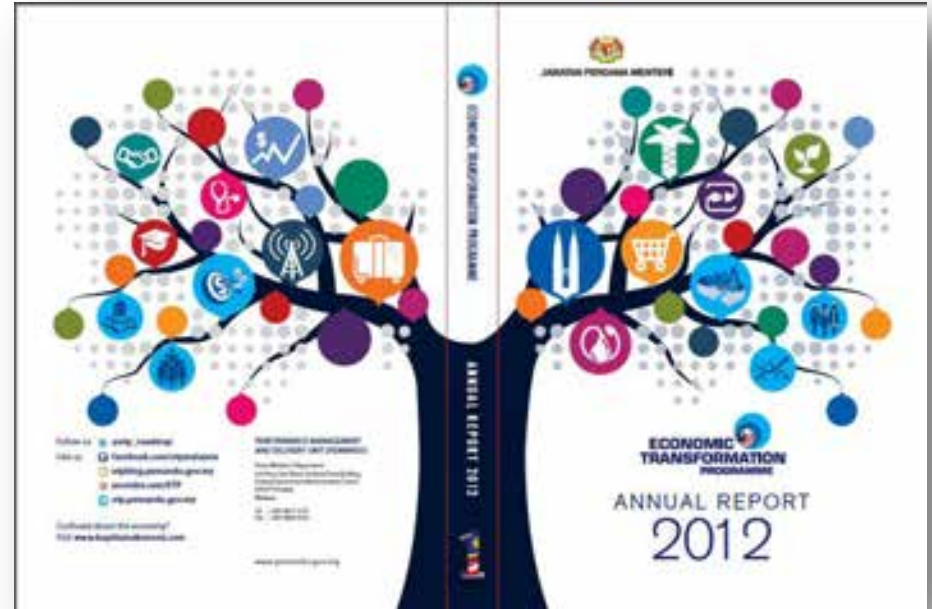
4 GTP /ETP Roadmap

5 KPI targets

6 Implementation

7 IPR/ Audit

8 Annual Report



*We are the only Government who is doing all of the above*

**Tell the *people* what we have delivered**



*Detailed example:*

# Putting accountability towards Cabinet Ministers



# Throughout the year: Rigorous tracking & reporting of results

(All Ministers are assigned a iPad)



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One of my favourite quotes:

“ People **may** deliver what you **expect**,  
People **will** deliver what you **inspect**”

“Pressure is a privilege” ;)

# PM-Minister Performance Review (Bi-Annual Dialogue)

PM has individual Performance Review sessions with all Ministers (1 on 1)

- Ministers: Self Assessment
- PM: Final Assessment

Individual letters from the PM sent out to each Minister



2010 Minister's Performance Assessment

Assessment against KPI (%)

1	PEMANDU'S Technical Assessment	Score: ___%	Date: _____
2	Minister's self assessment	Score: ___%	Date: _____
3	Prime Minister's Final assessment	Score: ___%	Date: _____

PEMANDU 1

Assessment of 2010 Performance  
Minister of Tourism

The overall achievement in attaining the identified key focus areas are summarized.

The priorities and KPIs achieved during the 2010/2011 Review and Outlook cycle (Dec. 14, 2010) were as follows:

- Implement the proposed Green and Clean Strategy
- Continue the promotion of tourism as a major strategic focus
- Ensure the sustainable delivery of the Tourism 2020 initiative

The following table will be forwarded into the HR and included into the minister's 2011 Statement.

After taking into account the achievement area and other factors which influence the outcome, full time credit has awarded your performance as follows:

2010 Score	

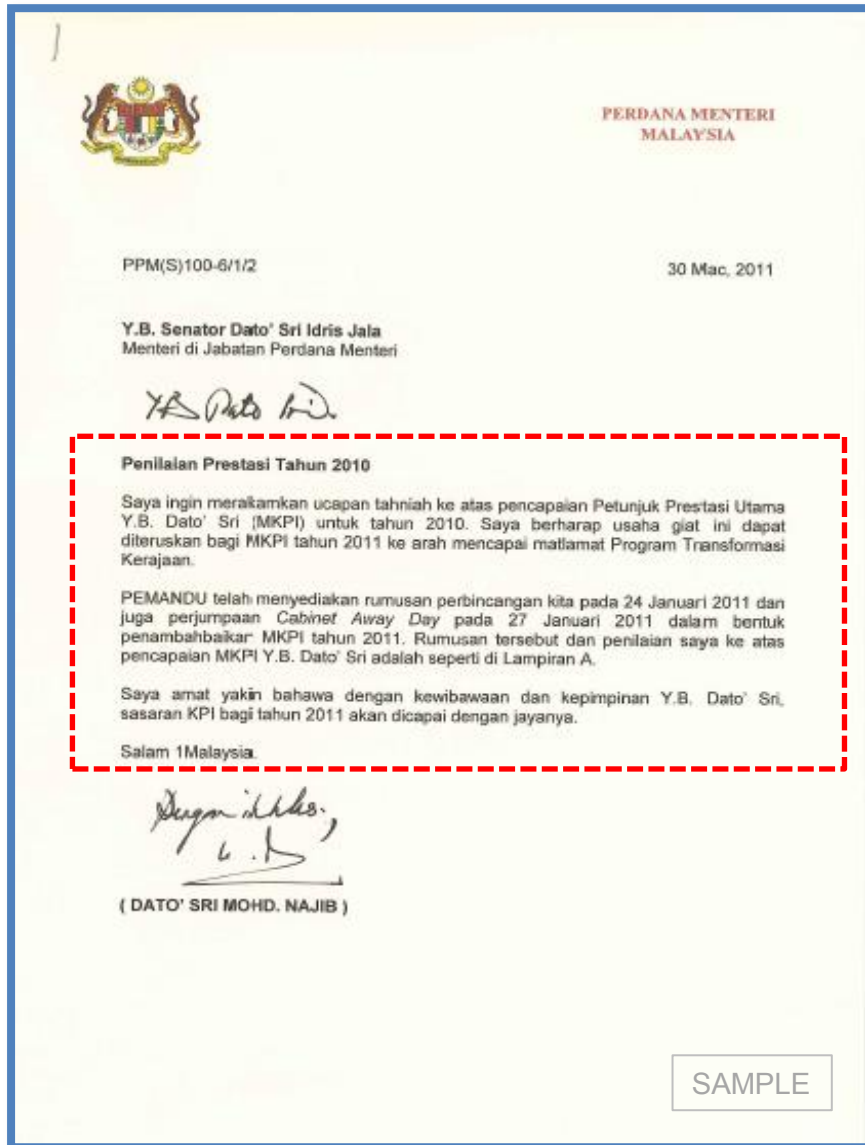
The final assessment is based on quantitative and qualitative measures with 70% weightage. The qualitative measures are in giving a full and realistic assessment to take into account the circumstances beyond your control which may have impacted the performance.

For the 2011 Statement, there is a need to identify the strategic initiatives to assist in the monitoring the achievement of the 2011 cycle.

Additional Management and Other Key Messages from Minister's Statement

Year 2011

# PM sends out individual letters to all Ministers...



## Performance Rating for 2010

I would like to **congratulate** Y.B. Dato' Sri on the performance of the Ministerial Key Results Area (MKRA) for the year 2010. I hope your hard work and dedication will continue for MKPI 2011 to achieve the goal of the Government Transformation Programme

PEMANDU has prepared a **summary of our discussion held on 24 January** and during the Cabinet Away Day on 27 January for further improvement of the MKPI 2011.

**The summary of the improvement and my assessment** on Y.B Dato' Sri's performance is as on **attachment A**

I am very confident that the KPI targets for 2011 will be achieved successfully with Y.B Dato' Sri's dedicated leadership



# ...which includes his feedback and individual Minister's scoring

LAMPIRAN A

## Assessment of 2010 Performance Minister of Tourism

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The overall achievements in delivering the identified Key Result Areas are commendable.

The comments and feedbacks received during the PM: Minister Review and Cabinet Away Day in January 2011 were as follows:

- Implement the 1Malaysia Green and Clean campaign
- Continue the promotion of Malaysia as a major shopping haven
- Ensure the successful delivery of the Tourism NKEA initiatives

The comments above will be translated into KPIs and included into the Minister's 2011 Scorecard.

After taken into account the self-assessment and also other factors which influence the outcomes, YAB Prime Minister has assessed your performance as follows:

2010 Score
A

The above assessment is based on quantitative and qualitative measures with 70:30 weightage. The qualitative measures aim at giving a fair and realistic assessment to take into account the circumstances beyond your control which may have impacted the performance.

For the 2011 Scorecard, there is a need to identify the trajectory/milestones to assist in the monitoring the achievements of the Minister's KPIs.

Performance Management and Delivery Unit (PEMANDU)  
Prime Minister's Department

March 2011

SAMPLE

1

Prime Minister's feedback to the Minister (will be incorporated in the scorecard)

2

Prime Minister's Score to the Minister

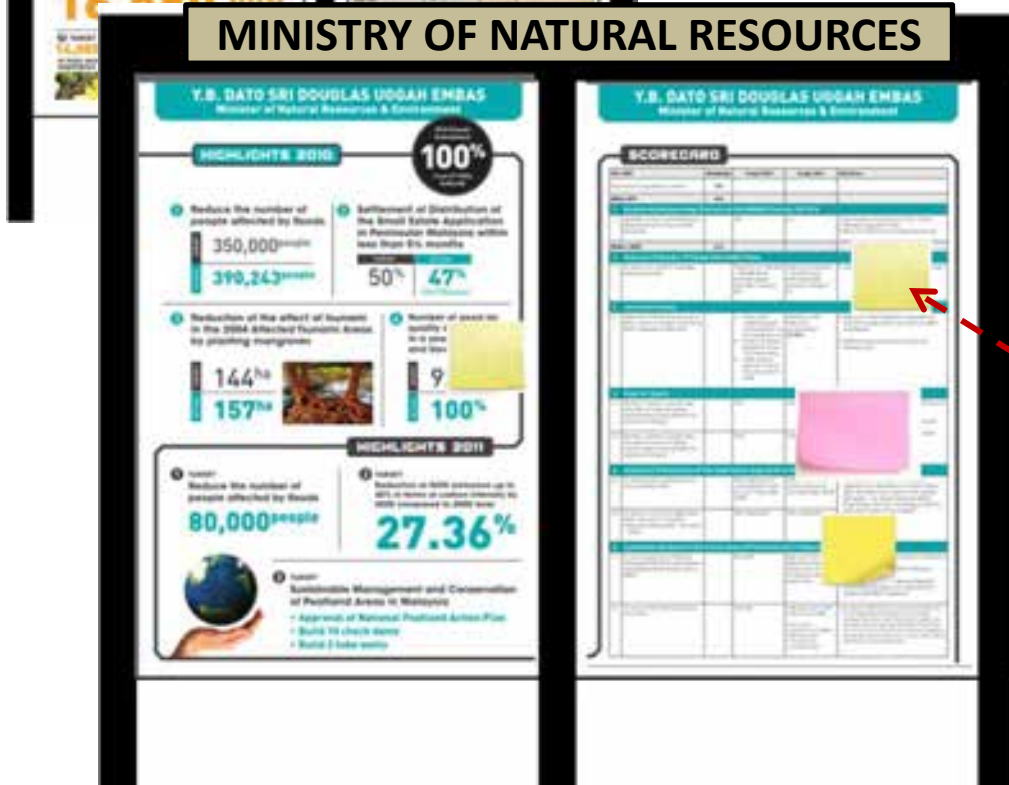
# Cabinet Peer Review Day

## Objectives:

- ✓ Look back and reflect on what went well in year 2011
- ✓ Identify areas for improvement in 2012
- ✓ Seek feedback from other Ministers to address interdependencies







Feedback clip board



# Annual Report – Sample of Key section

Improving Student Outcomes



“ Raising the standards of education is key to creating a better future for our nation. We are determined to reach a greater level in ensuring that every child gets the opportunity to gain an affordable and quality education. That is our commitment to the rakyat in building a globally competitive Malaysia. ”

Tan Sri Dato' Haji Muhyiddin bin Mohd Yassin  
Minister of Education

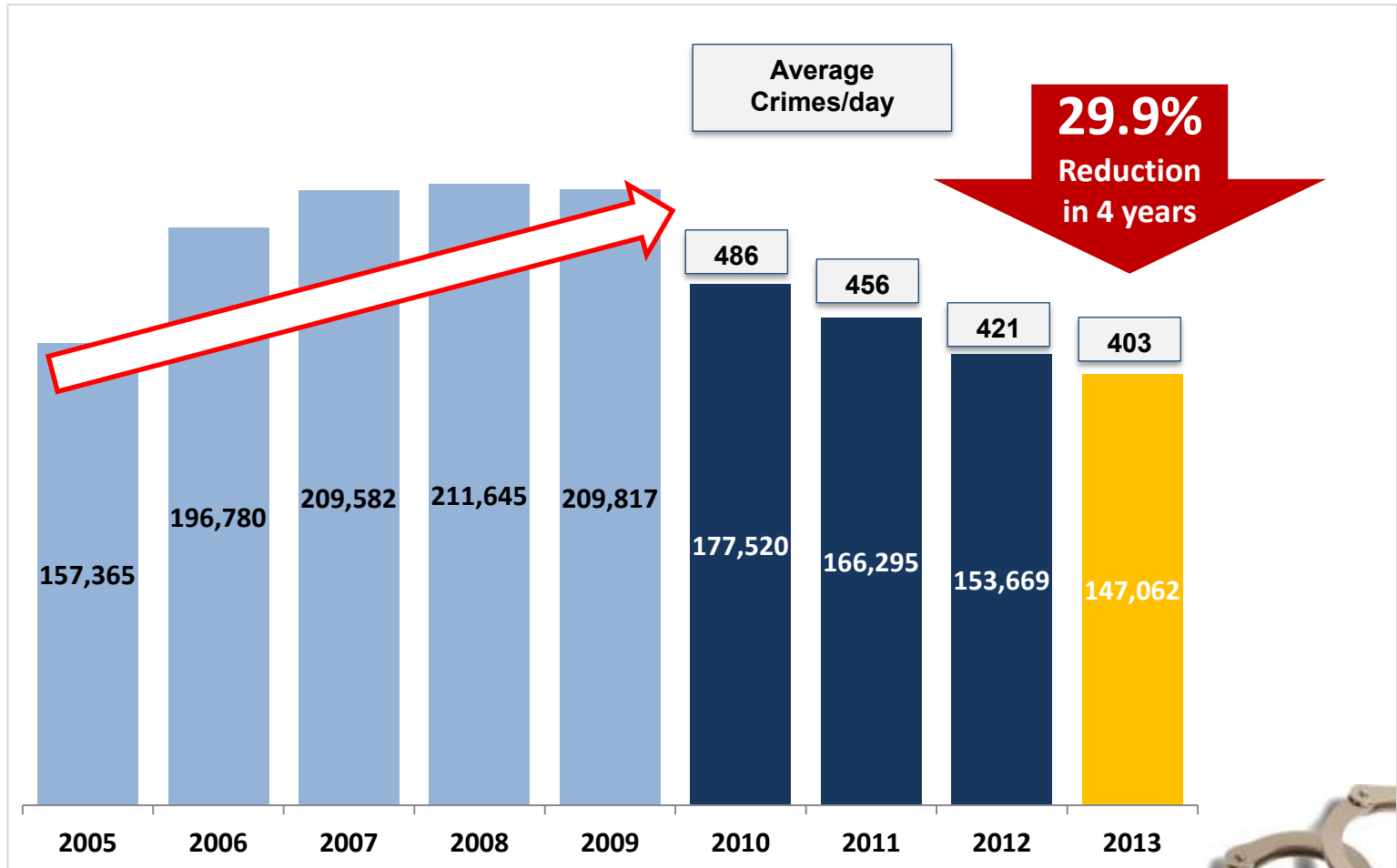
- Kicks off each NKRA section with a quote from the respective Lead Ministers to set the tone that each **Minister is fully ACCOUNTABLE for their NKRA**

Minister's Quotation



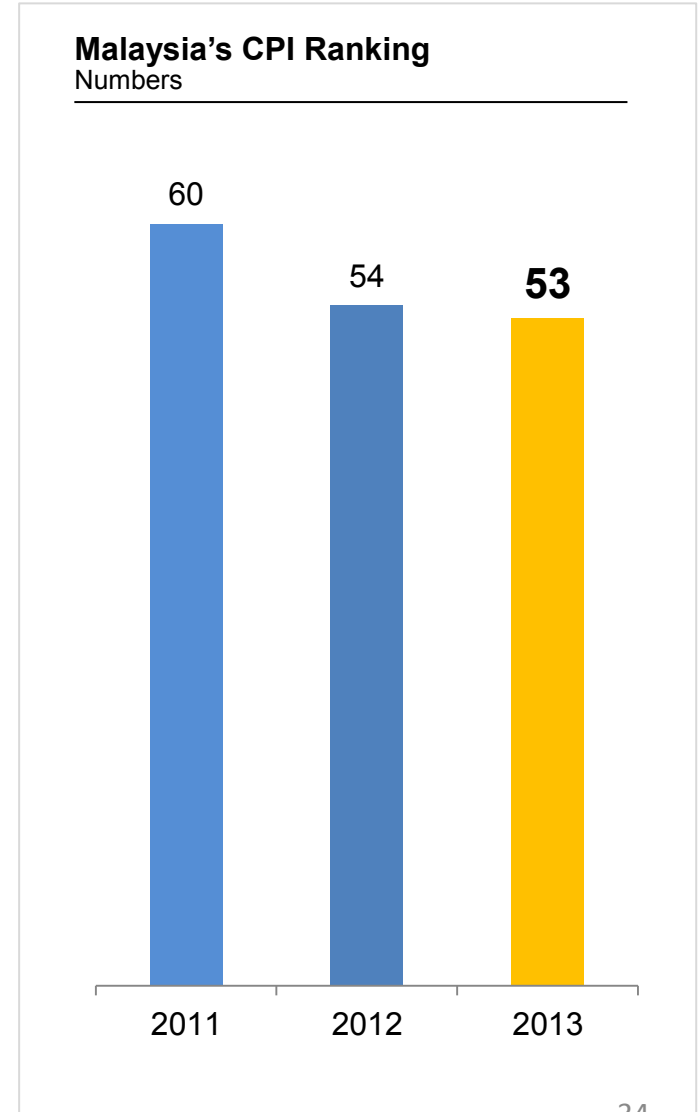
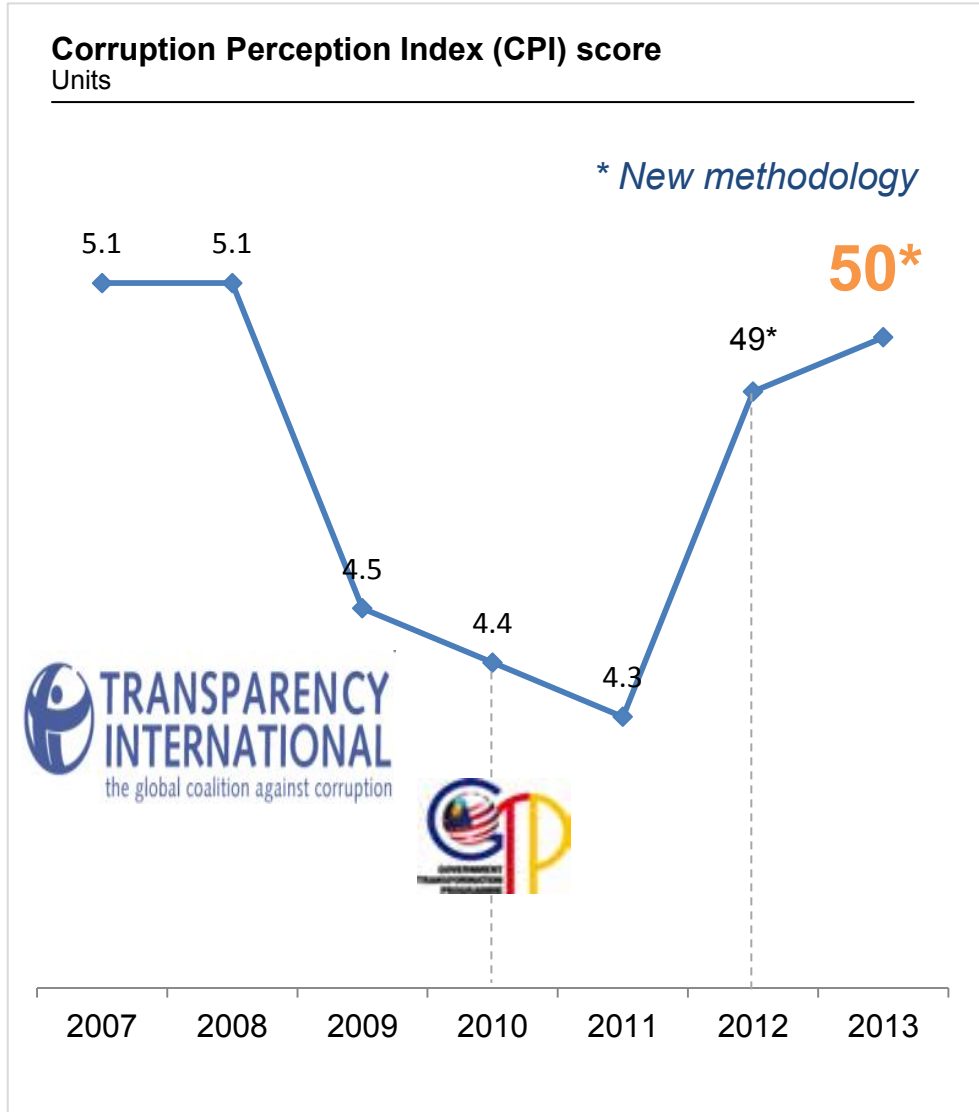
# Evidence of success

# Evidence of Success #1: Significant reduction in Index Crime



# Evidence of Success #2: Improved Transparency

## International Results (Anti-Corruption)



# Evidence of Success #3: Record rural roads built and rural houses connected with clean water, electricity



**4,069**  
km of rural roads  
have been completed

**2.7 million**  
people



**318,152**  
rural houses  
with clean / water supp

**1.5 million**  
people



**115,296**  
rural houses with  
electricity supply

**580,630**  
people



**61,062**  
houses for rural poor  
build & restored

**305,300**  
people

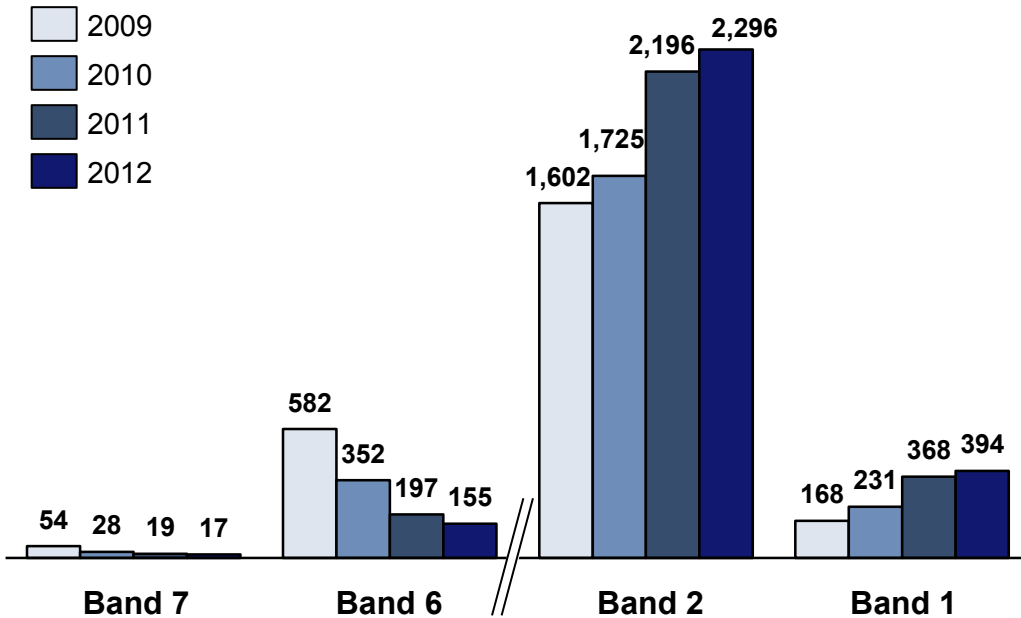


Touching the lives of more than  
**5.1 million people**  
living in the rural area in 4 years

# Evidence of Success #4: Significant improvement in student and school performance

## School Performance Ranking

Number of schools



From 2009 to 2012...

**63.3% increase** of Band 1 & 2 schools

**73.0% reduction** of Band 6 & 7 schools

**2891 (29.0%)** schools are Band 1 & 2 in 2012 (Total schools: 9971)

The successes enjoyed by SIP in GTP 1.0 can be credited to the following initiatives...



### School Improvement Toolkit

- A self-help tool to equip principals identify weaknesses in their schools



### School Improvement Partners

- 244 leaders guide principals in low performing schools



### Specialist Coaches

- 217 excellent teachers facilitate teachers in low performing schools

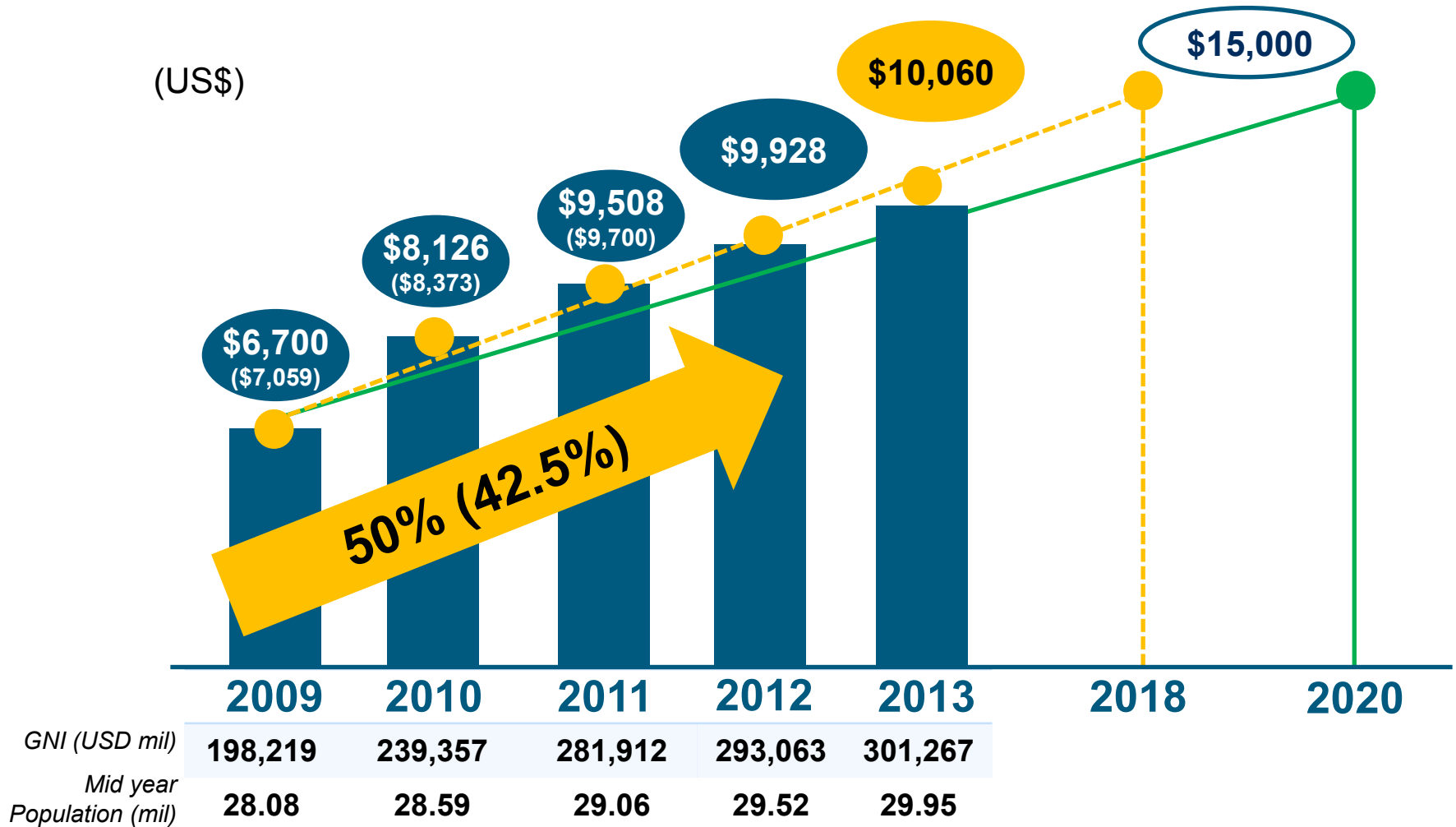


### School Examination Analysis System

- National level web-based data system for all public schools



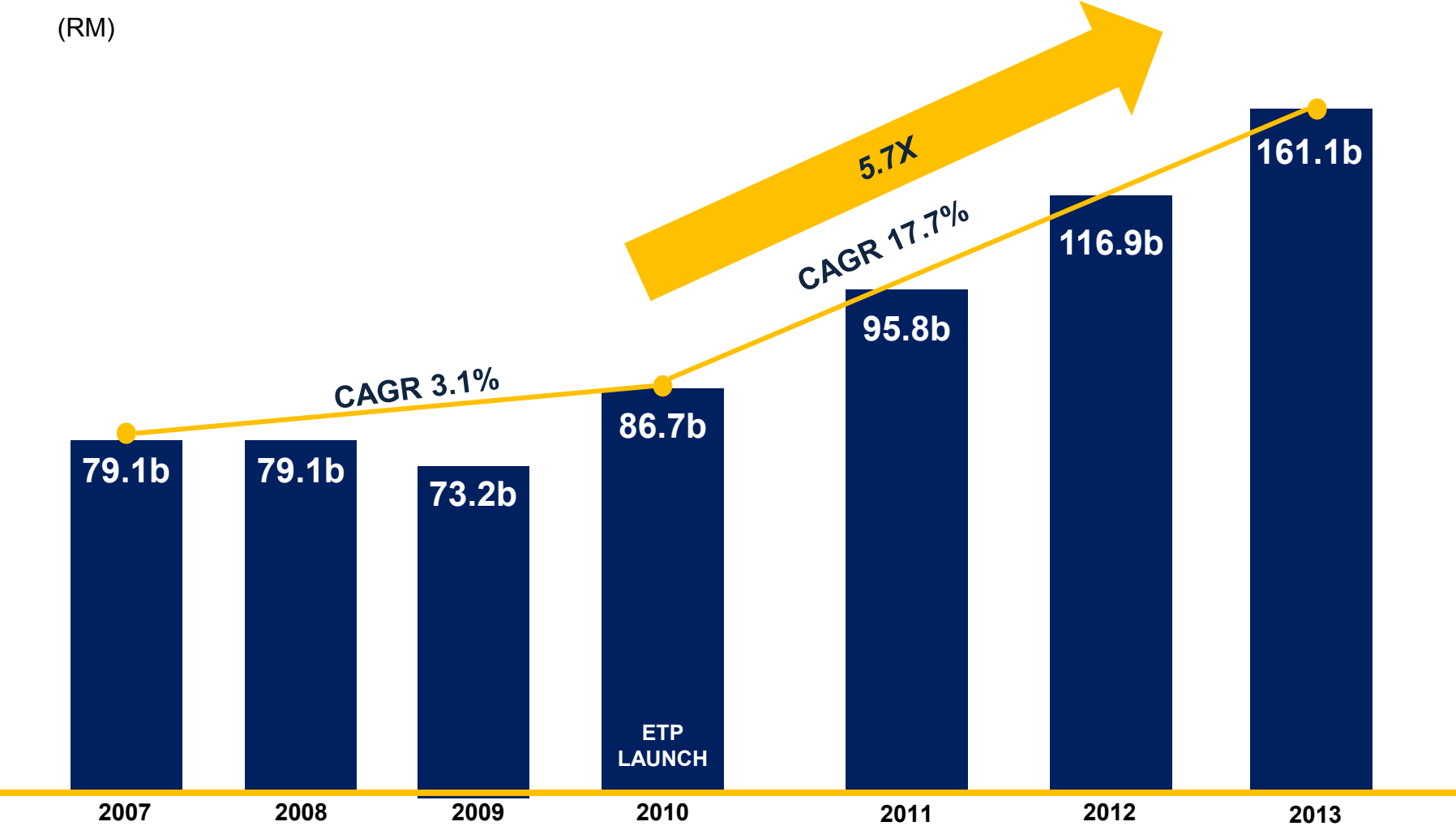
# Evidence of Success #5: GNI per capita is on the rise



\* Bracketed figures are based on SNA 2008 after the rebasing exercise conducted in 2012  
 Source: Department of Statistics . Projections by PEMANDU team analysis

# Evidence of Success #6: Private investment accelerated post ETP

(RM)

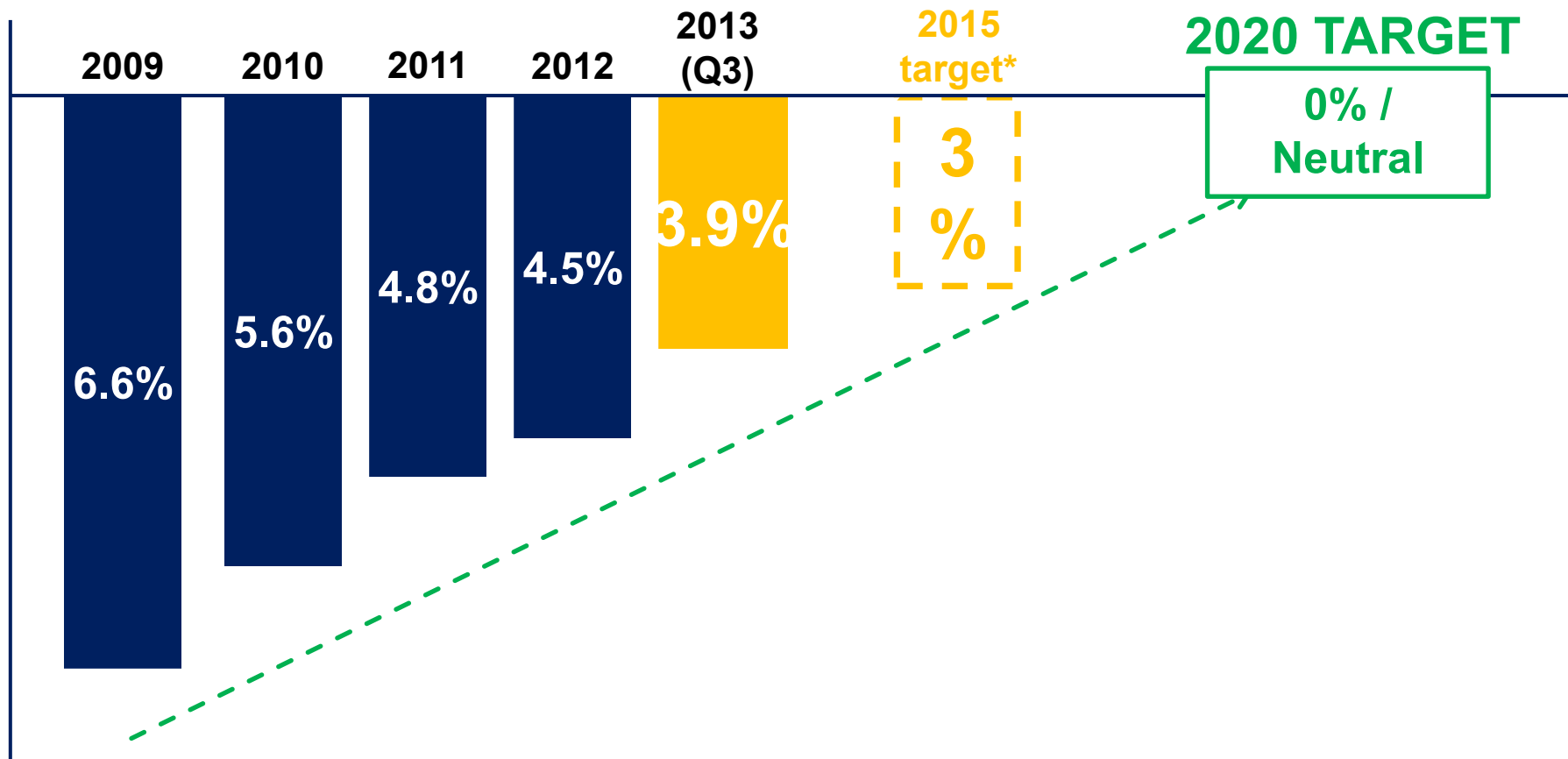


\* Actual investment figures are based on SNA 2008 after rebasing exercise conducted in 2012

\*\* All figures are based on 2005 constant

Source: Department of Statistics 2013

# Evidence of Success #7: Gradual Reduction in Fiscal Deficit



## Malaysian National Debt is Governed by Various Laws

### Act

Under Act 637 of the Loan (Local) Act 1959, and Act 275 of the Government Investment Act 1983:

### What it says

Combined loans raised **domestically should not exceed a ceiling of 55%** of the nation's GDP.

# Evidence of Success #8: Increased in World Bank's "Ease of Doing Business" Rankings



6

(2014)



8

(2013)



18

(2012)



23

(2010)

## Ranking

Country	2014	2013	2012
Singapore	1	1	1
Hong Kong	2	2	2
New Zealand	3	3	3
United States	4	4	4
Denmark	5	5	5
<b>MALAYSIA</b>	<b>6</b>	<b>12</b>	<b>18</b>
South Korea	7	8	8
Georgia	8	9	16
Norway	9	6	6
United Kingdom	10	7	7
Australia	11	10	15
Thailand	18	18	17
Germany	21	20	19
Japan	27	24	20
France	38	34	29

Category	2014	2013	2012
Starting a business	16	54	50
Construction permits	43	96	113
Getting electricity	21	28	59
Registering property	35	33	59
Getting credit	1	1	1
Protecting investors	4	4	4
Paying taxes	36	15	41
Trading across borders	5	11	29
Enforcing contracts	30	33	31
Resolving insolvency	42	49	47

# Evidence of Success #9: Gaining International Recognition



**Title:** Malaysia: The Economic Transformation Program  
**Published:** November 2012  
**Author:** Prof Diego Comin/Ku Kok Peng



**Title:** *Tying Performance Management to Service Delivery: Public Sector Reform in Malaysia, 2009-2011*  
**Published:** July 2011  
**Author:** Deepa Iyer

14 Countries, 52 participants

**BFR Seminar**

21 – 24 November 2011



# 25 PEMANDU personnel in Tanzania, assisting with BRN programme



## Energy

Unlock key power generation projects to increase Tanzania's electrical generation capacity

## Agriculture

Increase agricultural productivity by addressing key sector bottlenecks and resolving them



## Transport

Unlock the potential of the central corridor (port and rail) to increase transit capacity

## Water

Improve the access to portable domestic water for rural communities



## Resource mobilization

Strengthen revenue generation and unlock PPP investments

## Education

Improve quality of education in primary and secondary school





# In Summary

1

Direct **engagement with the public** (labs, open days) to align Government's vision with the people's wishes

2

**Discipline** through consistent **monitoring process** implemented to enhance service delivery

3

Producing **detailed programmes and Annual Reports** to the public to increase accountability

# THANK YOU

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+ [pemandu.gov.my](http://pemandu.gov.my)

Widen the discourse, follow us on Twitter  
+ [@etp\\_roadmap](https://twitter.com/etp_roadmap) & [@gtp\\_roadmap](https://twitter.com/gtp_roadmap)

# 6 Reasons why the **GTP and ETP** **worked...**

# 6 Reasons why the GTP & ETP worked:

1

Strong commitment from the top leadership



2

“Impossible Targets” to drive Transformation



3

GTP/ETP are not Plans. They are Programmes



4

GTP/ETP anchor on KPIs



5

Implemented in consultation with the public (through labs, Open Days)



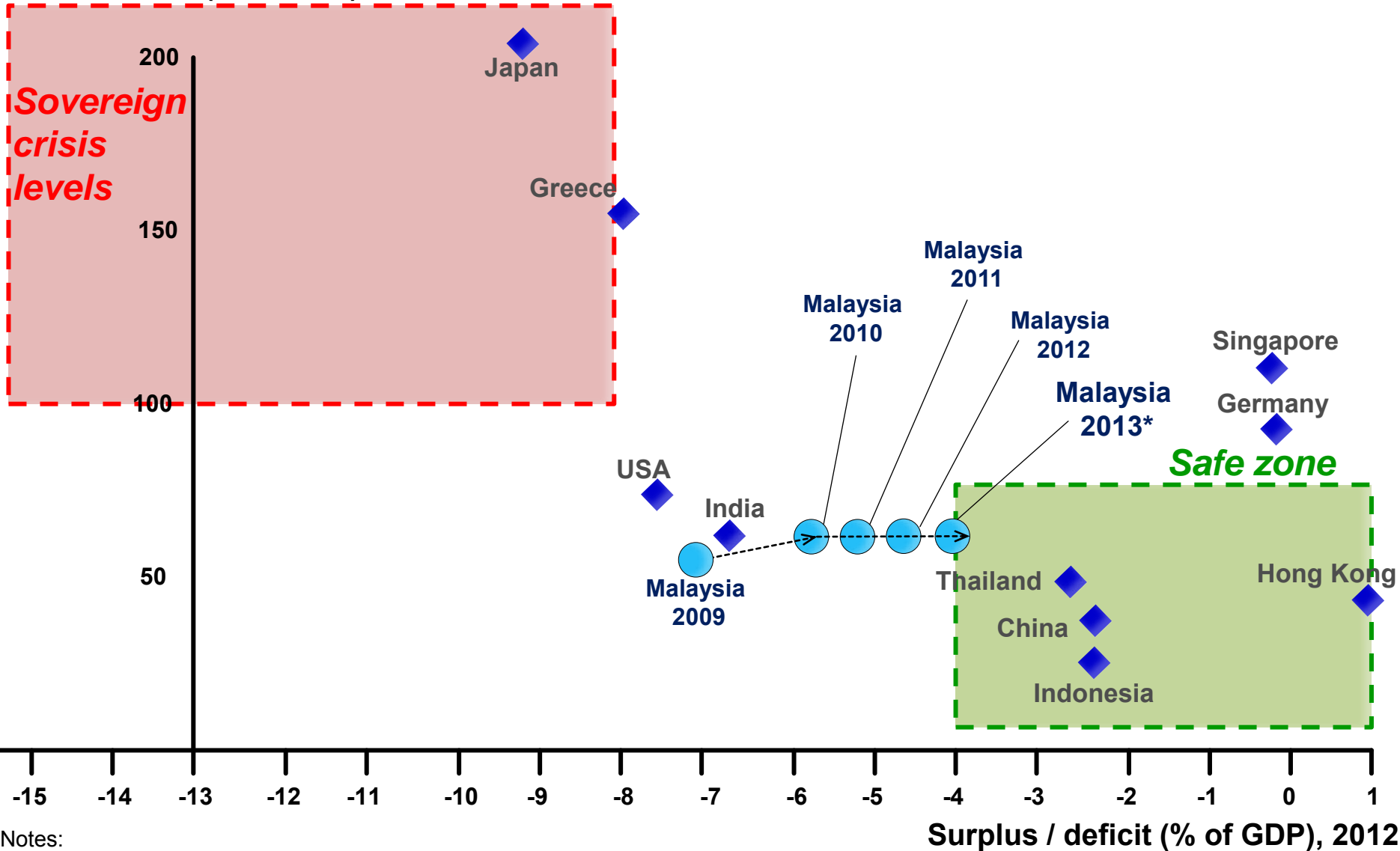
6

Weekly monitoring reports on mobile devices



# Malaysia is moving closer to the “Safe Zone”

Public debt (% of GDP), 2009\*



Notes:  
 1. Malaysia's figures are for 2009 – 2013, whilst other countries are 2012 figures  
 2. 2013 figure for Malaysia is projected