Malaysia’s Performance Management and Delivery Unit (PEMANDU)

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Key questions

• What was the implementation problem PEMANDU came to solve?
• How does PEMANDU work? How does it track performance?
• How do policymakers do things differently as a result of PEMANDU?
• What type of evidence does PEMANDU use? How does it systematize what works? Have case studies played a role in this process?
• How useful is PEMANDU’s experience in other (similar) contexts? Can or should it be replicated elsewhere?
Malaysia’s Implementation Challenge

• Context
  • High middle income economy (GDP/c = $10,500)
  • Population = 30 million (~20% in east Malaysia); 4 broad ‘social’ groups
  • Strong natural resource base (palm oil, tin, rubber)...
    • ...expanding into manufacturing (electronics) and services (finance)
  • Strong technical ministries (finance, central bank, planning)...
    • Less strong in social sectors (esp. education), problems requiring ‘adaptive’ implementation

• National Goals
  • Ends:
    (1) to be a high-income country by 2020 (GDP/c = $15,000)
      • First articulated in 1991; affirmed every day since
    (2) Improved public services for all (1Malaysia)
  • Means:
    • Economic Transformation Program (ETP) for HIC 2020
    • Government Transformation Program (NTP) for 1Malaysia
How PEMANDU works (overview)

- Performance Management and Delivery Unit (PEMANDU)
  - Pemandu means ‘driving’ in Malay
- Established in 2009; reports directly to PM; 135 staff; CEO is Idris Jala
- GoM: 12 National Key Economic Areas (NKEAs) to meet 2020 goal
  - 11 sectors + Greater Kuala Lumpur
    - Big Three: Palm Oil, Oil & Gas, Electronics (64% of exports, 28% of GNI, 9% employment)
    - Others: Tourism, Health Care, Financial Services...
    - Growth targets set for each sector via sustained stakeholder engagement
- Targets to be met, sectors ‘transformed’, by Entry Point Projects (EPPs)
How PEMANDU works (overview)

• EPPs identified by ‘Labs’, convened for each of the NKEAs
  • 12+ stakeholders work full-time for 9 weeks: identify EPPs, set KPIs
  • PEMANDU’s first task is to convene these Labs
  • EPPs and KPIs then integrated into a single ETP roadmap, publicized

• Thereafter, relentless tracking of KPIs (weekly updates to ministers)...

• ...but not cast in stone; can be adjusted via ‘mini-labs’
  • Wide recognition of “70/30 rule”: only 30% of initial plans won’t change

• Problems initially raised with EPP managers; if unresolved, “bumped up” to next level – potentially all the way to the PM (“Putrajaya inquisition”)
## Reporting and revising in PEMANDU

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Action</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annually</td>
<td>Annual report</td>
<td>Report published; televised address by PM</td>
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<tr>
<td>Once- to twice per year</td>
<td>“Putrajaya Inquisition”</td>
<td>Meeting chaired by PM to clear any issues not solved in lower meetings</td>
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<td>Semi-annually</td>
<td>PM’s performance review</td>
<td>Closed-door meeting: only PM, Minister, and PEMANDU CEO</td>
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<td>Monthly to quarterly</td>
<td>Steering committee meeting</td>
<td>(Co-)Chaired by Ministers, with senior officials from all agencies: principal decision making forum</td>
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<tr>
<td>Weekly to fortnightly</td>
<td>Meeting of technical working group</td>
<td>Problem solving with relevant managers: principal working session</td>
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<tr>
<td>Weekly</td>
<td>Progress report</td>
<td>Emailed, uploaded, and available on iPads</td>
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Source: Sabel and Jordan 2015: 24
Changing ‘mindsets’, action

• Bringing private sector ‘focus’, ‘accountability’ to public sector
• High visibility to performance, raised expectations
• Demonstrates to all that implementation matters, is being taken seriously at all levels
• But “implementing implementation” is just really hard, everywhere
  • Takes a long time (decades), is inherently contentious (political)
  • Failure is always an option...
• Expectations need to be realistic
Evidence, systemization of ‘lessons’

• Main mechanism: tracking of KPIs + meetings
• Sharing of experiences mostly (it seems) done informally
  • Focus on identifying, solving presenting problems
  • Little write-up and formal dissemination of broader ‘lessons’
  • Absence of broader, systematic, accessible data (e.g., in education, at local level) makes it hard to identify and reward innovative approaches
• (But unreasonable to expect PEMANDU to address all this)
Assessment

• Mixed (perhaps inherently)
  • Strong on infrastructure
    • Mass transit, ‘River of Life’ (urban renewal), ports
  • Moderate on ‘conventional’ policy changes and programs
    • Business regulations, goods and services tax
  • Weak on inducing new capacities in ‘social’ sectors
    • Education, police reform, corruption

• Attribution of impact hard to formally verify
  • Remarkably little systematic evaluation (per se)
  • Increasing recognition that ‘management by KPIs’ can be perverse (e.g., crime)
    • “Not every thing can counts can be counted, and not everything that can be counted counts”

• Resistance, jealously, skepticism common…

• Bottom line:
  • Great for plucking more ‘low hanging fruit’ (and there’s still plenty of it)
  • Not so great on pervasive, looming ‘high hanging’ challenges (‘wicked hard’ problems)
Transplanting PEMANDU?

• Strong interest in Tanzania, India, South Africa
  • Likely much more to come elsewhere

• Temptation to replicate ‘form’, not function

• Requires an existing level of capability
  • Hard to imagine it working in fragile states...

• The *idea* of taking implementation seriously is great
  • But model needs to be adapted for each new context
  • And a different approach likely to be needed for the most ‘complex’ challenges
    • (Tomorrow’s talk!)
Further information

• Michael Barber (2015) *How to Run a Government... So That Citizens Benefit and Taxpayers Don’t Go Crazy* London: Allen Lane
