

MALAYSIA

1) QUANTITY OF AID

1.1. Current/Recent Quantity Performance:

	2005	as % of GNI
ODA Net (=Gross) Disbursements	15.51	0.012%
ODA Gross Disbursements	N/A	N/A

Source: Development Assistance Questionnaire (EPU, 2007), Malaysia 9th 2006-2010 five-year plan (GoM, 2005, p516).

Malaysia's development assistance stood at US\$ 15.5 million in 2005. This is the equivalent of 0.012% of GNI. As Malaysia's aid programme is purely grant based, there is no meaningful distinction between net and gross disbursements.

1.2. Future Quantity Intent

Malaysia's 9th Development Plan (for 2006-2010) foresees a 25% increase in Malaysia's Technical Cooperation Programme (MTCP) allocation compared to the 8th Development Plan (GoM, 2005, p524).

2) KEY AGENCIES/MECHANISMS

2.1 Bilateral Agencies and Structures

Economic Planning Unit (EPU), Department of the Prime Minister, Government of Malaysia (EPU, 2004)

The Economic Planning Unit (EPU), situated in the Prime Minister's Department has the overall responsibility to "*plan the economic development of Malaysia to attain the status of a developed nation in accordance with Vision 2020*". Its core functions include (amongst others) the initiation and coordination of bilateral and multilateral assistance and the coordination of Malaysia's involvement in the development of the Growth Triangle Initiatives (see 3.1 below). It also has the overall responsibility for the administration and coordination of activities related to the Malaysian Technical Cooperation Programme (MTCP).

Malaysian Technical Cooperation Programme (MTCP, 2007)

Malaysian bilateral aid is mostly channelled through Technical Cooperation (TC) programmes. The main institution responsible for the delivery of TC programmes is the Malaysian Technical Cooperation Programme (MTCP). It was founded in 1980. The 4 core objectives of the MTCP are: (i) to share development experience with other countries; (ii) to strengthen bilateral relations between Malaysia and other developing countries; (iii) to promote South-South Cooperation; and (iv) to promote technical cooperation among developing countries. Through the MTCP, Malaysia aims to share its development experience with other developing countries. Given its accelerated development in recent years, Malaysia sees itself as bringing added value

in the transfer of knowledge and technology which is more appropriate for LICs. It is also strongly committed to Technical Cooperation among Developing Countries (TCDC) (see Special Unit for South-South Cooperation, no date).

2.2 Key Policies and Legislation

Development through International Cooperation (GoM, 2005)

Every five years, the Malaysian Government produces a Development Plan, which outlines the main axes of Malaysian public policy for the next five years. The most recent plan is the 9th Plan, covering 2006-2010. Chapter 27 entitled “Development Through International Cooperation” deals with development assistance. Half of the chapter still deals with Malaysia as a recipient of ODA (Malaysia received ODA worth US\$ 27.6 million in 2005 and US\$ 240.3 million in 2006).

According to this strategy, new strategies will be devised to enhance cooperation with NGO’s and the private sector within the MTCP, whilst also supporting actions that “*will further enhance bilateral relations*”. At a more general level, Malaysia will “*actively participate at the bilateral, regional and multilateral levels to promote international cooperation in order to create a more just and equitable international system as well as to achieve national goals*”.

3) RECIPIENT COUNTRIES AND ALLOCATION CRITERIA

3.1. Recipient Countries

In 2006, the MTCP delivered assistance to 136 countries: 47 in Africa; 34 in Asia (including Middle East); 30 in South America & Caribbean; 14 Pacific Islands; and 11 Eastern, Central Europe & CIS. For a full list of all recipient countries, see MTCP (2006). The table below gives an overview of the top 10 recipients of MTCP aid by number of people trained.

Top 10 recipients

1. Indonesia
2. Myanmar
3. Cambodia
4. Vietnam
5. Philippines
6. Sri Lanka
7. Thailand
8. Lao PDR
9. Bangladesh
10. Sudan

Note: based on number of participants attending MTCP courses.

Source: Development Assistance Questionnaire (EPU, 2007)

Information is still being collected on country distribution for other Malaysian aid. The main focus of EPU funding appears to be on activities related to two “growth triangles”: the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) and the Brunei-Indonesia-Malaysia-Philippines-East Asian Growth Area (BIMP-EAGA)

(GoM (2005, p514). However, it is not clear what proportion of any such funding would count as ODA.

3.2. Allocation Criteria

3.2.1. Pre-selection criteria

There seem to be no direct pre-selection criteria, but this is to be confirmed.

3.2.2. Allocation criteria:

Information is still being collected on allocation criteria.

4) AID POLICIES

4.1. Concessionalality

Malaysia's aid through the MTCP and contributions to multilateral institutions is all in the forms of grants.

Grant share of total ODA	100%
Grant share of ODA to LDCs	100%

Source: MTCP.

4.2. Types of Assistance

As mentioned before, around two-thirds of Malaysian bilateral assistance is known to be through the MTCP. Through 43 MTCP training institutions, Malaysia offers about 150 short-term specialized courses (as of December 2007). Disbursements made by MTCP stood at US\$ 9.91 million in 2005, a 52% increase compared to 2000 (EPU, 2007). The MTCP has recently expanded in terms of scope and coverage and now offers 5 types of bilateral cooperation: (i) Provision of long term fellowships and scholarships, (ii) Provision of short-term specialised training, (iii) Study visits and practical attachment, (iv) Advisory services and (v) Socio-economic projects and provision of supplies and equipment. The last category might be seen as more project-related than TA-related in OECD/DAC definitions, which might be a sign that the MTCP is slowly evolving into a fully-fledged bilateral aid agency.

Recent examples of 'advisory services' assistance can be found in Algeria, Pakistan, Sudan, Timor Leste, Uganda, South Africa and Namibia, whilst more 'standard' development projects have been implemented in Bosnia, Malawi, Lao PDR.

Information is still being collected on the types of bilateral aid provided through the EPU.

4.3. Channels of Assistance

In 2005, Malaysia delivered 36% of its development assistance through multilateral channels (counting only MTCP and multilateral assistance as in table 1). No information is available on the current scale of cooperation through NGOs and the private sector, but the MTCP is planning to increase such cooperation.

Given that all of the MTCP TA funding is administered by the MTCP, it does not pass through recipient government budgets.

4.4. Sectors and Projects

The MTCP emphasizes training in various areas which it considers essential for a country's development such as public administration, agriculture, poverty alleviation, investment promotion, ICT, banking and English language (MTCP, 2007). Further, the 2006-2010 five-year plan stresses tourism, industry, health and education in which the MTCP aims to expand its activities (GoM, 2005, p523).

Information is still being collected on the sectors of bilateral aid provided through EPU.

4.5. Flexibility

Malaysia does not give any BoP or budgetary support to recipient countries, and as such does not deliver development assistance to cover budgetary/BoP gaps.

4.6. Predictability

Information is still being collected on two aspects of predictability of Malaysia's bilateral aid: the degree of multi-year planning at the country level (though multi-year overall planning is clear from the 9th Plan) and the ratio of actual/planned disbursements.

4.7. Conditionality

As part of a clear government policy of non-interference in internal affairs of recipient states, Malaysian development assistance does not use any political or economic conditionality. As such it is highly appreciated for the lack of delay in disbursement due to conditions.

4.8. Policy Dialogue

Information is still being collected on the degree to which Malaysia engages in national policy dialogues in recipient countries, especially in the growth triangles. However, it is clear that Malaysia does not in any way tie commitments or disbursements to decisions by the BWIs.

5) AID PROCEDURES

5.1 Conditions Precedent

Information is still being collected on the conditions precedent for in-country projects.

5.2 Disbursement Methods

Information is still being collected on disbursement methods for in-country projects.

5.3 Disbursement Procedures

Information is still being collected on disbursement methods for in-country projects.

5.4 Procurement Procedures

All Malaysian development assistance linked to the MTCP, including that provided under trilateral arrangements (see below) is supplied by Malaysian institutions. Hence, such aid can be said to be heavily tied.

5.4 Coordination

The MTCP collaborates with international organisations such as the UNDP, UNIDO, Economic Social Commission for Asia and the Pacific (ESCAP), Japan International Cooperation Agency (JICA), the Colombo Plan and the Commonwealth Fund for Technical Cooperation (CFTC) through the Third Country Training Programme (TCTP). These TCTPs are organised through partnerships with several MTCP training institutions (MTCP, 2007). For example, during the 8th 5-year plan 47 Third Country Training Programmes (TCTP) were conducted with the Colombo Plan and JICA on a cost-sharing basis. The MTCP has a history of close cooperation with JICA. E.g. three joint evaluation missions were conducted jointly by EPU and JICA's Malaysia office in 2002 to CLMV (Cambodia, Lao PDR, Myanmar and Vietnam) countries, four to African countries in 2004 and two to CIS countries in 2006 (EPU, 2007). In the 9th 5-year plan, MTCP plans to increase collaboration with especially JICA on TCTP.

MTCP programmes are funded through various mechanisms, including full funding by the Malaysian Government (the majority of MTCP activities), full funding by the 'beneficiary' country, full funding by third parties (i.e. donor countries and multilateral institutions) and cost-sharing between any of the aforementioned. The latter two funding mechanisms are triangular cooperation (GoM and UNDP, 2005). Next to such partnerships with JICA, Malaysia also implements ASEAN related projects. E.g. during the 8th Development Plan period, Malaysia implemented 33 capacity building projects under the Initiative for ASEAN integration (IAI) for the CLMV countries (GoM, 2005, p 514).

Key Sources *(All internet-based sources accessed on 2 April 2008)*

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MTCP (2006) "Countries", accessed at <http://mtcp.epu.gov.my/countries.php>

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OECD/DAC (2007) "DAC Statistical Reporting Directives: Annex 2 – List of International Organisations", 12 June 2007 accessed at www.oecd.org/dataoecd/36/16/31724727.pdf

Special Unit for South-South Cooperation (no date) “When and why was the UNDP's Special Unit for TCDC created?”, accessed at http://tcdc1.undp.org/faqDetail.aspx?faq_id=6

ANNEX 1: DATA SOURCES FOR MALAYSIAN ODA

Malaysia does not report aggregated or disaggregated ODA data to the OECD/DAC. The figures used in this profile come from two different sources:

1. Development through International Cooperation (GoM, 2005)
Chapter 27 of Malaysia's 9th five year plan covering the period 2006-2010 also gives information about Malaysia's contribution to multilateral organisations between 2001 and 2005. This data, combined with the OECD/DAC list of which multilateral contributions are eligible as ODA (OECD/DAC, 2007) is then used to calculate Malaysia's multilateral ODA. Some discretion is used in these calculations, e.g. the OECD/DAC list does not include contributions to the Islamic Development Bank. This was included in the table below however.
2. Questionnaire Development Assistance by Developing and Transition Countries Country Survey – Malaysia (EPU, 2007)
On top of that, the EPU also filled out the 'Development Assistance by Developing and Transition Countries Country Survey', which gives details on MTCP disbursements for 2000-2005. Totals cover only MTCP related assistance, not multilateral assistance.

Overview of Malaysian aggregate aid

	2000	2001	2002	2003	2004	2005
Multilateral aid (1)	-	7.70	7.65	6.45	6.04	5.60
MTCP disbursements (2)	6.51	10.57	7.35	7.75	7.65	9.91
Total (3)	-	18.27	15.00	14.20	13.69	15.51
Multilateral share (=1)/(3))	-	42%	51%	45%	44%	36%
memo items						
GNI, Atlas method (curr. US\$ bio)	79.0	-	-	-	-	126.1
Ringitt/USD exchange rate	3.80	3.80	3.80	3.80	3.80	3.79

Source: Development Assistance Questionnaire (EPU, 2007), Malaysia 2006-2010 5 year plan (GoM, 2005, p516), OECD/DAC (2007) and own calculations.