



Preparedness for Implementation of **SUSTAINABLE DEVELOPMENT GOALS** in Malaysia





**PREPAREDNESS FOR IMPLEMENTATION OF
SUSTAINABLE DEVELOPMENT GOALS
IN MALAYSIA**

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CHAPTER ONE

INTRODUCTION

1.1. Background

1.1.1. The concept of sustainable development was initially introduced during the Rio-Summit in 1992 encompassing three dimensions (social, economic and environmental). However the discussions and the follow-up within the sustainable development negotiations largely emphasized within environmental dimension. Then in 2002, MDGs with 8 goals were adopted with a focus on social development and poverty eradication but MDGs were concluded in 2015. However, for the first time in the context of sustainable development, MDGs provided a goal-oriented global results framework for policy development articulated by the specified 8 goals. Many countries made significant progress towards achieving the MDGs. However, many goals were not on track and additional efforts were needed to advance development beyond year 2015. MDGs was replaced with SDGs also known as global goals since 2016 and planned to execute for the next 15 years which is till 2030.

1.1.2. United Nations (UN) Members States consisting of 193 countries in September 2015 jointly committed to an agenda with a declaration “Transforming Our World: The 2030 Agenda for Sustainable Development”. Through the declaration, all governments have a primary responsibility of implementing this agenda for 15 years virtually from year 2016 till 2030. The universal and comprehensive 2030 Agenda emerged from the confluence of the Millennium Development Goals (MDGs) (Year 2000 till 2015) and the sustainable development framework (The United Nations Institute for Training and Research (UNITAR) 2016). All Member States recognized the intrinsic linkage between poverty eradication and sustainable development and agreed to have one set of goals and at the Heads of State Summit in September 2015, the 2030 Agenda was adopted. The 2030 Agenda provides an integrated framework for shared action “for people, planet and prosperity” which to be implemented by all countries and all stakeholders in collaborative partnership. Figure 1 illustrates the characteristics of MDGs and SDGs.

**FIGURE 1
THE CHARACTERISTICS OF MDGs AND SDGs**

The MDGs (2000 – 2015)



8 goals - 17 targets - 65 indicators

The world's time-bound and quantified targets for addressing extreme poverty in its many dimensions-income poverty, hunger, disease, lack of adequate shelter, and exclusion while promoting gender equality, education, and environmental sustainability



The SDGs (2016 – 2030)



17 goals - 169 targets - 244 indicators

- Bold & transformative agenda to shift the world towards sustainable path.
- Universally applicable and balance the three dimensions of sustainable development which is Environmental, Social and Economic.
- To finish the job started by MDGs, leaving nobody behind.

1.1.3 Through MDGs experiences, SDGs were built with significant changes compared to the previous global results framework. One of the most significant outcomes of the 2012 UN Conference on Sustainable Development (Rio+20) was to launch a government-led process to create a set of universal goals to better target and monitor progress on sustainable development. Enhancement of MDGs, the SDGs illuminates 5 criteria which are:











- globally collaborative approach
- rooted in human rights standards

- inclusive
- private sector's role
- offers opportunities for engaging all stakeholders

1.1.4 The 2030 Agenda represents an integrated comprehensive scope framework covering 16 thematic areas (16 goals) in all dimensions of sustainable development as well as collaborative global partnership and means of implementation (17th Goal). These 17 goals disaggregates further to 169 targets and furthering to 244 indicators. These 17 SDGs are as table below:

**TABLE 1
17 SUSTAINABLE DEVELOPMENT GOALS**

NO.	GOAL	EXPLANATION
1	 1 NO POVERTY	End poverty in all its forms everywhere
2	 2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3	 3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages
4	 4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5	 5 GENDER EQUALITY	Achieve gender equality and empower all women and girls
6	 6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all
7	 7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all

NO.	GOAL	EXPLANATION
8	 8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10	 10 REDUCED INEQUALITIES	Reduce inequality within and among countries
11	 11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable
12	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns
13	 13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts
14	 14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15	 15 LIFE ON LAND	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
16	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17	 17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Source: United Nations (UN)

1.1.5 SDGs propose holistic approach to develop strategies and pursue all dimensions of sustainable development in a balanced and integrated way consists of 4 main structured action plan:

i. Vision and Principles for Transforming our World

Integrating through a balanced way aimed to achieve a just, rights-based, equitable and inclusive world ensuring that no one will be left behind. SD is grounded in 5 key themes namely:

- **People:** to end poverty and hunger in all forms, and call to ensure that all people enjoy universal access to essential services and basic infrastructure.
- **Planet:** to protect the planet from degradation, including through sustainable production and consumption, the sustainable management of natural resources, and action against climate change.
- **Prosperity:** to ensure that all people enjoy prosperity and that economic growth and social and technological progress are harmonized with sustainable and inclusive patterns of production and consumption.
- **Peace:** to foster peaceful, just and inclusive societies which rely on effective, inclusive and accountable institutions at all levels.
- **Partnerships:** the means required to implement the Agenda will be mobilized through a renewed global partnership with the participation of all countries, all stakeholders and all people.

ii. Results Framework of global Sustainable Development Goals

All 17 equally important SDGs with no hierarchy or supremacy among them establish quantitative and qualitative objectives across the social, economic and environmental dimensions of sustainable development to be achieved by 2030. The targets are global in nature and universally applicable taking into account different national realities, capacities and levels of development while respecting national policies and priorities. Each government are able to set its own national targets based on national circumstances and decides on how these global targets should be incorporated into national planning processes, policies and strategies.

iii. Means of Implementation and Global Partnership

The scale and ambition of this new Agenda requires the inclusion of new partners and all stakeholders in a revitalized global partnership that brings together UN system, government, civil society, private sector and other actors among others parliaments, regional and local authorities, academics and volunteer groups. Means of implementation relates to domestic public resources, domestic and international private business and finance, international development cooperation, international trade as an engine for development, debt and debt sustainability, addressing systemic issues and science, technology, innovation and capacity-building and data.

iv. Follow-up and Review

All goals accompanied with a set of indicators and a monitoring framework. Countries need to engage in a systematic follow-up and review of the implementation of the Agenda to maximize and track implementation progress in order to ensure that no one is left behind to enhance accountability to citizens and support and foster international cooperation and mutual learning. The follow-up and review processes will be guided by specific principles set in the Agenda. The global indicator framework is defined by the Inter-Agency and Expert Group on SDGs Indicators (IAEG-SDGs) which presented its recommendations to the UN Statistical Commission in March 2016. These global indicators will be complemented by indicators at the national and regional level developed by Member States.

1.1.6. Malaysia started its journey towards sustainable development since 1970s, when the New Economic Policy (NEP) with the priority to eradicate poverty and restructure societal imbalances. Subsequently, all five-year national development plans have underscored the elements of sustainable development, encompassing sustainable economic growth; growth with equitable distribution to all sections of society; balanced development; access to basic infrastructure and utilities; access to education and healthcare services; and mainstreaming of environmental conservation. In 2009, Malaysia formulated the New Economic Model (NEM) which further cemented its commitment to pursue sustainable development based on three goals, namely, high income, inclusivity and sustainability. These mirror the three elements of the 2030 Agenda for Sustainable Development (the 2030 Agenda), encompassing economic, social and environmental elements. The NEM provides the basis for Malaysia's development plans until 2020.

1.1.7. The current plan, the Eleventh Malaysia Plan 2016–2020 (11MP), is thus premised on the three goals of NEM. The 11MP theme is “Anchoring Growth on People,” where people are the centrepiece of all development efforts, complemented by ensuring that no section of society is left behind in participating and benefiting from the nation’s development. All the 17 goals of SDGs are aligned and embedded in the 11MP. Thus, Malaysia is not starting anew on its pathway to sustainable development, but is building on a process already in motion for decades.

1.2. Justification of the Audit

1.2.1. The International Organisation of Supreme Audit Institutions (INTOSAI) as an umbrella organisation for the external government audit institution/agency namely Supreme Audit Institutions (SAIs) has provided International Standards of Supreme Audit Institutions (ISSAI) as globally acclaimed public auditing standards. In reference to the ISSAI 12, SAI exist to make a difference by contributing value and benefits for citizens in their countries. As such, SAI engaging with SDGs and delivering value and benefits for its citizens are actually indivisible. The recognition of these roles was affirmed in the United Nations (UN) General Assembly Resolution of December 2011, “Promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening SAIs” (A/66/209).

1.2.2 Building on that recognition, the UN, in various forums and through the active engagement of INTOSAI, has underscored the indispensable role of independent and capable SAIs in the efficient, effective, transparent, and accountable implementation of the 2030 Agenda for Sustainable Development. This recognition was explicitly recognized by the UN Member States in the General Assembly’s December 2014 resolution, “Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions” (A/69/228). Furthermore, INTOSAI’s 2013 Beijing Declaration on Promotion of Good Governance by SAIs stated the key role of INTOSAI in promotion of good governance by enabling SAIs to help their respective governments to improve performance, enhance transparency, ensure accountability, maintain credibility, fight corruption, promote public trust, and protect the interests of their citizens.

1.2.3 In responding to this development, the INTOSAI through The Abu Dhabi Declaration at XXII International Congress Organisations of Supreme Audit Institutions (INCOSAI) in December 2016 agreed of making a meaningful independent audit contribution to the 2030 Agenda. The

INTOSAI Strategic Plan for the period 2017 - 2022 has included SDGs as crosscutting priority within the context of each nation's specific sustainable development efforts. There are 4 broad approaches of how a SAI can contribute to the realisation of the SDGs:

- i. assessing the readiness of national systems through conducting Performance Audit on Preparedness for Implementation of SDGs in the context of Whole of Government (WoG) approach.
- ii. undertaking performance audits that examine the economy, efficiency and effectiveness of key government programmes that contribute to specific aspects of the SDGs.
- iii. assessing and supporting the implementation of SDGs 16 which relates in part to transparent, efficient and accountable institutions.
- iv. being models of transparency and accountability in their own operations including auditing and reporting.

1.2.4. National Audit Department of Malaysia (NAD) or SAI Malaysia has conducted the evaluation of the national preparedness to ensure the success of the SDGs' implementation. This is in line with the INTOSAI first approach proposed for all SAIs.

1.3. Audit Design

1.3.1 Audit Objective

The audit of preparedness for the implementation of the SDGs is divided into 4 objectives as follows:

- i. To determine the extent of adaption by the Federal Government (Government) on the 2030 Agenda into the national context, institutional framework, integration and inclusiveness;
- ii. To identify the means of implementation in term of secured resources and capacities needed to implement the 2030 Agenda;
- iii. To determine whether a mechanism has been established to monitor, follow up, review and report on the progress towards the implementation of the 2030 Agenda.
- iv. To determine lessons learnt from the implementation of the Millennium Development Goals (MDGs).

1.3.2 Audit Scope

The audit will determine and identify the actions put in place by the Government since September 2015 regarding the preparedness for the implementation of the 2030 Agenda. The audited entities which are the key players for SDGs are as follow:

i. Economic Planning Unit (EPU), Ministry of Economic Affairs

EPU is the leading agency for all ministries and agencies in mapping SDGs into the New Economic Model and into the 11MP. EPU role is also to stimulate the SDGs vibes into the private sectors, civil societies organisations (CSO), academia and public at large.

ii. Department of Statistic Malaysia (DOSM), Ministry of Economic Affairs

DOSM deals with various SDGs data from the ministries and agencies and also in-house data, analysis and verification of data including readiness, validity, and integrity of data as well as the categorization of indicators to fit the goals and targets in SDGs.

1.3.3. Audit Approach

Based on the guidelines by United Nation and INTOSAI Development Initiatives (IDI), the auditing of preparedness of implementation of SDGs is to implement the Whole of Government (WoG) approaches. WoG is an overarching term for a group of responses to the problem of increased fragmentation of the public sector and public services and a wish to increase integration, coordination and capacity (Ling, 2002 *apud* The Centre for Effective Services, 2014). Many benefits have been associated with WoG government approaches to policy issues. These are generally related to:

i. Outcomes-Focused

WoG work seeks to enable government departments and agencies to achieve outcomes that cannot be achieved by working in isolation, and to optimise those outcomes.

ii. Boundary-Spanning

Policy implementation regularly goes beyond the remit of a single minister, department or agency.

iii. Enabling

WoG approaches to policy are seen as enabling government to address complex policy challenges, use knowledge and expertise within and outside government more effectively, and integrate levels of government in support of more efficient and effective service delivery.

iv. Strengthening Prevention

WoG approaches can strengthen a preventive focus by tackling issues from a systemic perspective as they emerge, before they become embedded. WoG approaches require a particular way of working, which involves joining up at the centre to achieve a shared vision; boundary management; managing interdependencies; shared understanding.

1.3.4. Audit Questions

In order to address the set audit objectives, the audit work was divided into six clusters and designed through audit questions and sub questions. The focus is on adaptation of SDGs into national context; institutional framework; integration and inclusiveness; identification of the means of implementation in term of secured resources and capacities; identification mechanism has been established and function to monitor, follow up, review and report; and determining lesson learnt from previous Millennium Development Goals (MDGs).

(i) National Ownership

- Has the government informed and involved citizens and stakeholders in the processes and institutional arrangement to integrate the 2030 Agenda, including national and local government, legislative bodies, the public, civil societies and the private sector?
- What efforts have been made for informing and involving all stakeholders in the SD Goals and targets?
- What specific efforts have been made to integrate the SDGs into the country's legislation, policies, plans and programs?

(ii) Institutional Framework

- How has the country adapted its institutional framework in order to implement the 2030 Agenda?
- Is there an institution responsible for coordination and integration?

- How has responsibility been allocated among various levels of government (national, state and local) for coherent implementation and review of the 2030 Agenda?

(iii) **Integration and Inclusiveness**

- How are the three dimensions of sustainable development (economic, social and environmental) being integrated and how are sustainable development policies being designed to reflect such integration?
- What are the plans for mainstreaming principles of the 2030 Agenda, for example, leaving no one behind, in the implementation of the Sustainable Development Goals?

(iv) **Means of Implementation**

- What are the resources needed in terms of financing, capacity development needs, data and statistics, knowledge sharing, technology and partnerships to implement the 2030 Agenda in the country?
- What efforts are being made to mobilize means of implementation?

(v) **Baselines, Monitoring and Reporting**

- Are baseline figures available for each of the SDGs indicators and have year-wise targets to be achieved against each SDGs been defined?

(vi) **Lessons Learnt from MDGS**

- What lessons has the Government of Malaysia learnt from any existing reviews of its sustainable development efforts (including those that were done under the MDGs)?

1.3.5. Assessment Criteria

In general, assessment criteria were based from the United Nations (UN) Resolution 70/1, United Nations Development Group (UNDG) (2015) Reference Guide on Mainstreaming the 2030 Agenda, UN (2015) Addis Ababa Action Agenda.

(i) United Nations (UN) Resolution 70/1

This resolution is an assessment plan of action for integrating people, planet and prosperity as well as to strengthen universal peace. The recognition is to eradicate poverty in all its forms and dimensions, including extreme poverty which will be the greatest global challenge and an indispensable requirement for sustainable development whilst healing and securing the planet. All countries and stakeholders, acting in collaborative partnership have pledged to implement this plan by taking bold and transformative steps which are urgently needed to shift the world on to a sustainable and resilient path to ensure no one will be left behind. The 17 Sustainable Development Goals and 169 targets demonstrate the scale and ambition of this new universal Agenda. All countries should seek to build on the Millennium Development Goals and complete what they did not achieve. SDGs are integrated and indivisible and balance the three dimensions which are economic, social and environmental.

(ii) United Nations Development Group (UNDG) (2015) Reference Guide on Mainstreaming the 2030 Agenda

The Reference Guide includes eight practice areas as opportunities for mainstreaming the 2030 Agenda and SDGs into national strategies, plans and planning processes. These practice areas all relate to the traditional plan-do-check cycle of strategic planning. Of the eight practice areas, five are particularly important to initiate in the early stages of mainstreaming. These areas include: Raising Public Awareness; Applying Multi-stakeholder Approaches; Reviewing Plans and Adapting the SDGs to National Contexts; Creating Horizontal Policy Coherence; and Monitoring, Reporting and Accountability. These five areas represent key opportunities for Member States to mainstream the 2030 Agenda and SDGs. The remaining three practice areas including Achieving Vertical Policy Coherence, Financing and Budgeting for the Future, and Assessing Risk and Fostering Adaptability, are critically important for deep mainstreaming and accelerating progress toward achieving nationally adapted SDGs by 2030.

(iii) UN (2015) Addis Ababa Action Agenda

The Heads of State and Government and High Representatives, gathered in Addis Ababa from 13 to 16 July 2015 and affirmed strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the

spirit of global partnership and solidarity. The goal was to end poverty and hunger, and to achieve sustainable development in its three dimensions through promoting inclusive economic growth, protecting the environment, and promoting social inclusion. All Member States commit to respect all human rights, including the right to development and will ensure gender equality and women's and girls' empowerment. The Member States also agree to promote peaceful and inclusive societies and advance fully towards an equitable global economic system in which no country or person is left behind, enabling decent work and productive livelihoods for all, while preserving the planet for our children and future generations.

1.4. Audit Methodology

Data and information were collected from EPU and DOSM. A structured audit methodology is used to evaluate the extent of national preparedness for the implementation of the SDGs. The methodology includes interviews with selected officials, use of questionnaires and document reviews on policies, plans, budget and so forth.

1.5. Limitations of Audit

The preparedness phase on the implementation of SDGs in the context of WoGs in Malaysia is still an on-going progress till year 2020. As such, the engagement process with all multi-stakeholders, as well as collection and verification of data and information from various ministries, departments, agencies and others stakeholders has yet to be finalised.

1.6. Auditing Standards

This performance audit conducted in accordance to the ISSAI 300; 3000; 3100 and 3200 issued by INTOSAI. These standards require that the audit is planned and performed to obtain sufficient and appropriate evidence to provide a reasonable basis for the findings, conclusions and recommendations based on the audit objectives.

1.7. Structure of the Audit Report

The remaining part of the report covers the following:

- Chapter two provides audit findings on adaptation of 2030 Agenda for SDGs;
- Chapter three provides audit findings on the means of implementation in term of secured resources and capacities needed to implement the 2030 Agenda;
- Chapter four provides findings on monitoring, follow-up, review and reporting the progress towards implementation of SDGs;
- Chapter five provides findings on lesson learned from previous Millennium Development Goals (MDGs).
- Chapter six provides conclusions for the audit; and recommendations to improve the existing situation.

CHAPTER TWO

THE EXTENT OF ADAPTION OF 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT GOALS INTO THE NATIONAL CONTEXT

2.1. Introduction

The extent to which Federal Government (Government) adapted the Sustainable Development Goals (SDGs) into national context is categorized into three areas. The first category is the national ownership whereby government need to inform and involve citizens and stakeholders about the 2030 Agenda, including national and local government, legislative bodies, public, civil societies and private sector. Secondly, institutional framework to formulate institution responsibilities for coordination and integration and how did these responsibilities been allocated among various levels of government for coherent implementation and review of the 2030 Agenda. Finally, the integration and inclusiveness, whereby integrating the economic, social and environment as the sustainable development dimensions and the country's policies being designed to reflect such integration. In this regard, the principle of leaving no one behind is also being embedded in the implementation of the SDGs.

2.2 Overall Audit Opinion

The Government of Malaysia has adapted well the SDGs into national context in terms of the following areas:

2.2.1. National Ownership

The Government has the mechanism and procedures in place in mapping SDGs interconnections for identifying and understanding potential co-benefits and trade-offs to inform strategies and priorities; as well as identifying SDGs gaps in existing strategies and plans. The SDGs are aligned, prioritised and harmonized with existing national visions as well as sectorial and local developments. Adequate engagement, communication and coordination with various government agencies together with NGOs and CSOs were held to integrate and mainstream into the national policies, plans and programmes.

2.2.2. Institutional Framework

In terms of the governance structure, the National SDGs Council chaired by the Prime Minister of Malaysia to establish direction for SDGs implementation, set national agenda, milestone and prepare reports to the UN High Political Forum. The Council is supported by a National Steering Committee (NSC), chaired by the Director General of Economic Planning Unit (EPU) which is an agency under the purview of Ministry of Economic Affairs, to formulate SDGs Roadmap; monitor progress of targets, implementation and identification of issues; and prepare reports for the Council. The EPU has formed cluster-based working committees to identify indicators for each SDG, develop and implement programmes and report progress to the NSC.

2.2.3. Integration and Inclusiveness

The Government of Malaysia has integrated all 17 SDGs through a well-balanced governance structure and mandated the EPU as focal agency for coordinating the implementation of the SDGs. This focal agency brings along all players together to formulate and implement the SDGs as well as for data collection. Apart from this formulation, the focal agency has also mainstreamed the SDGs into the national context by integrating all SDGs in The Eleventh Malaysia Plan for year 2016 till 2020 and this plan to be continued for every 5 years. The data collection agency identified as the Department of Statistic Malaysia (DOSM) has mapped all goals, targets and indicators horizontally with the empowering players such as ministries, agencies, local governments, private sectors and NGOs/CSOs. Malaysia has also existing policies, objectives and commitment that are articulated in variety of national and sectoral strategies and plans as well as commitments to international agreements. Apart from this integration exercise, Malaysia has also mapped lessons learned from MDGs to further enhance the SDGs implementation plan within the national context. The Government has established structures and processes to mobilize stakeholders' implementation on its efforts to integrate the SDGs into the country's policies, plans and programmes, including the existing sustainable development strategy. **Nevertheless in the aspect of inclusiveness in terms of vertical integration, Government of Malaysia has some room for improvement for 'leaving no one behind'.**

The inclusiveness has also been well designed through the New Economic Model (NEM) which represents the vision for the last decade in Malaysia's journey towards its goal of becoming a high-income nation by 2020. In fact it was launched in 2010 following the completion of the National Vision Policy 2001–2010. The NEM is premised on three main goals of achieving high-income

nation status, as well as inclusiveness and sustainability in development. The estimated minimum threshold to reach high-income status refers to achieving a Gross National Income per capita exceeding US\$15,000 by 2020. In this context, inclusiveness means no one will be marginalised from the country's progress. This will entail, among others, reducing the divides between urban and rural dwellers, and between various ethnic groups, in an equitable and market-friendly manner. Sustainability refers to not only managing the environment well, but also the way the Government manages its resources and finances. Inclusiveness in the perspective of NEM is well attached to the SDGs structure of ensuring all players engaging themselves in ensuring the prosperity of the country for all citizens while subsequently ensuring the perseverance of sustainable development for the benefit of the future. However taking cognisance of environment issues more efforts must be initiated throughout the planning, implementation, monitoring and enforcement stage through engagement of all parties concerned including citizens especially potential risks factories which emanates environmental pollution.

EPU's Feedback on 13 November 2018:

EPU takes note on the NAD's views regarding the need to improve vertical integration in terms of inclusiveness.

Currently, there are several platforms established by EPU to facilitate these vertical integrations. In preparing the national five-year development Plans, the Inter Agency Planning Groups (IAPGs) and Technical Working Groups (TWGs) will be established. These working groups, members of which include ministries, state governments, academia, non-government organisations and the private sector will enable EPU to gather information and inputs from various segments of community, thus resulting a development plan that is inclusive for all. A similar mechanism is also applied in implementing the SDGs in Malaysia, where the National SDG Council, the SDG Steering Committee and five Cluster Working Committees (CWCs), with their multi-segment members will enable better vertical integrations in planning and implementing the 2030 Agenda.

Under the Mid-Term Review of the Eleventh Malaysia Plan, efforts to further enhance the vertical integration between Federal and State levels has also been given attention. For example, a high-level committee will be established to enhance the Federal-State planning coordination while the institutional framework will be strengthened to improve the coordination of the management of environment and natural resources at the Federal, State and local levels.

Nevertheless, EPU acknowledges that there are still issues pertaining to the effective implementation of SDGs due to constraints on the part of the local authorities or at the sub-national level with regards to capacity, finance and technology. As such, the EPU looks forward to better coordination and joint efforts between the different levels of government in alleviating their capacity constraints.

2.3. Audit Findings

The audit findings by NAD are based on set audit objectives which are to observe the extent of Government's adaption of the SDGs into the national context. The criteria set as the key element are derived from Performance Audit on Preparedness for Implementation of SDGs issued by United Nations and INTOSAI Development Initiatives and Reference Guide to UN Country Teams for Mainstreaming the 2030 Agenda for Sustainable Development.

2.3.1. National Ownership

The 2030 Agenda explicitly recognizes the importance of national ownership of development strategies. The SDGs are global targets that should be adapted through national processes to national circumstances. Each country must define national targets based on national priorities. Adaption to the national context is vital to ensure ownership of the SDGs. The process recognises that every country has different approaches and visions to achieve sustainable development. It also acknowledges the initial levels of development differ across countries, and national processes are required to set relevant and realistic targets for each country.

Based on *Mainstreaming the 2030 Agenda for Sustainable Development Reference Guide to UN Country Teams*, adapting the SDGs to national contexts involves a number of practice areas as follows:

2.3.1.1. Practice Area #1: Raising Public Awareness of the 2030 Agenda and SDGs.

The government should implement an introductory workshop series to sensitize government officials and stakeholders; creating a public awareness campaign to communicate *The 2030 Agenda* and SDGs to the general public, including women, children, youth and others as applicable. As well as government to implement opportunity management to leverage other government and UN-sponsored meetings

and forums to sensitize government officials and stakeholders to *The 2030 Agenda* and SDGs.

Since 2009, the Government of Malaysia has experimented with a number of approaches to garner more public participation in development. This commitment to become more civic centric in development planning is also reflected in 11MP aspirations. These approaches have contributed to a more participation observed in preparation of the National SDGs Roadmap 2016–2020. The Government of Malaysia by Economic Planning Unit (EPU) has started engagement with all segments of society at an unprecedented scale for the preparation of the 11th Malaysia Plan. In all, national consultation is the norm in gathering inputs from bottom up for Malaysia's development planning and charting its future. The Government of Malaysia has informed and involved citizens and stakeholders in the processes and institutional arrangement to integrate the 2030 Agenda, including at the national and local government level, legislative bodies, the public, civil societies and the private sector based on 17 various forms of seminars, conferences, dialogs and discussions attended approximately by 5,180 participants at all levels from Jan 2016 to April 2018.

2.3.1.2. Practice Area #2: Applying Multi-stakeholder Approaches for Reviewing National Plans and Adapting the Global SDGs to National Contexts.

In November 2016, the Government of Malaysia by EPU in partnership with the United Nations Country Team (UNCT), conducted a two-day conference on 15 and 16 November 2016 in Putrajaya specifically on Multi-stakeholder Partnership Conference to launch a Whole of Government (WoG) Approach and Multi-Stakeholders Process for development of the SDGs Roadmap, implementation, monitoring, evaluation and reporting on the SDGs. The conference also discussed, among others, the trade-offs and synergies across goals and targets; key elements of localisation and reaching those furthest behind first; building partnerships and promoting action on the SDGs; as well as participation, transparency and accountability.

The conferences also discussed key elements for an effective SDGs advocacy strategy ensuring broad ownership and promote actions at all levels in Malaysia. The outcomes of the conference are as follows:

- Identification of key components of the framework for a national SDGs Roadmap for implementation of the 2030 Agenda in Malaysia that integrates the principles of leaving no-one behind, sustainability and accountability.
- A robust governance structure that is participatory and inclusive to oversee and guide implementation, monitoring, evaluation and reporting of the 2030 Agenda.
- Elements of a strategy for localising the SDGs at national, state and district levels; and reaching those furthest behind first.
- Initial identification of SDGs Accelerators, derived from understanding of synergies and trade off among goals and targets, to inform prioritization of the national implementation roadmap.
- Outline of a SDGs Advocacy Strategy to promote ownership, partnerships and action by state and non-state actors to attain the SDGs by 2030.

The Government of Malaysia has formalised Non-Governmental Organisations (NGOs) and Civil Society Organisations (CSOs) participation in the national development process has led to the formation of a Malaysian CSO-SDGs Alliance. It is also found that, the non-Government stakeholders have mapped their strategies and activities to the SDGs framework; these include the World Wildlife Fund for Nature Malaysia (WWF-Malaysia), Coalition of Malaysian NGOs (COMANGO) in the Universal Periodic Review (UPR) Process and Yayasan Hasanah. Other stakeholders such as Human Rights Commission of Malaysia (SUHAKAM) and TalentCorp, a Government agency under the Ministry of Economic Affairs, have also implemented the mapping process. Working with the United Nations Country Team (UNCT) and other partners, the Global Compact Network Malaysia works more effectively to engage the private sectors in the SDGs.

2.3.2. Institutional Framework

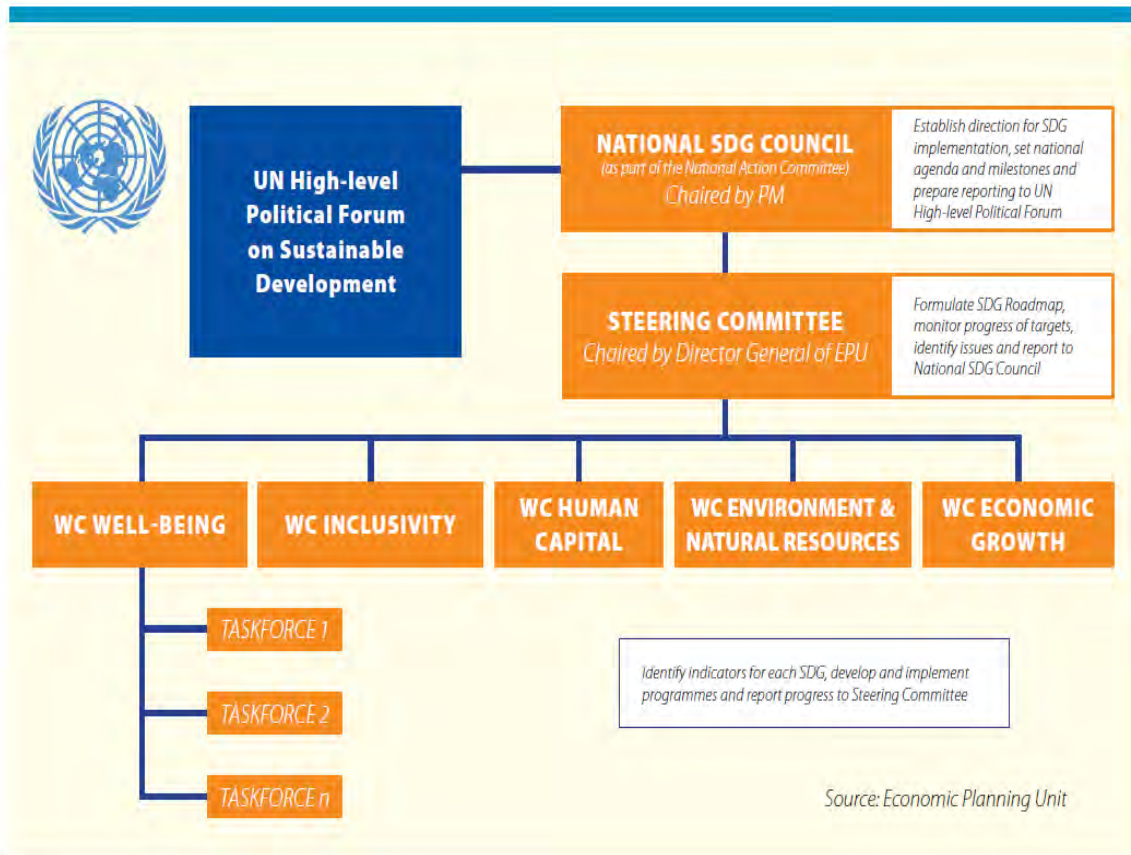
Based on the 2030 Agenda, the government should establish institutional coordinating mechanism to foster partnerships and coordination across all levels of government.

2.3.2.1. Practice Area #4: Creating Horizontal Policy Coherence (Breaking the Silos)

The inherent interconnectedness and complexity of sustainable development in the strategy-making, planning and policy-making by creating an integrated policy analysis, and coordinated institutional mechanisms by creating formal partnerships across sectoral line ministries and agencies. The integrated model is to help clarifying and articulating the interconnected system of goals and targets and to analyse and inform key policies, programmes and projects for their impact on nationally-adapted SDGs.

It was found that The Government of Malaysia has formalized institutional mechanisms in the form of inter-agency coordinating bodies as a way for promoting horizontal policy coherence, integration and partnerships. **Figure 2** shows the SDGs governance structure in Malaysia. Within this structure, the National SDGs Council chaired by the Prime Minister of Malaysia plans and monitors the SDGs implementation. This council is supported by a National Steering Committee (NSC), chaired by the Director General of the EPU. The National SDGs Council reports to the UN via the High-Level Political Forum (HLPF). Under the Steering Committee, five (5) SDGs Cluster Working Committees (CWCs) were formed as a task force for identifying indicators for each SDGs, as well as developing and implementing programmes and reporting progress to the NSC. Each CWC is led by a Section Head in EPU and includes representatives of Government Ministries/agencies, civil society, the private sector, academics, United Nations agencies and youth representatives. In this regard, the central agency, EPU, has an overall view and is able to monitor implementation in macro and micro level. With the involvement of the highest-level offices in government, EPU can serve to connect and break down silos across government. **However, detailed and clear procedures for a horizontal policy coherence, integration and partnerships within the five (5) SDGs CWCs for a more effective integrated operational working culture has yet to be created by EPU.**


















**FIGURE 2
SDGs GOVERNANCE IN MALAYSIA**



Source: Economic Planning Unit (EPU)

The inclusive and participatory approach used in this governance structure is in line with the 11MP, inculcating the SDGs towards a more participatory by all stakeholders. The five CWCs and their respective SDGs are shown below:

**FIGURE 3
CLUSTER WORKING COMMITTEES AND THEIR RESPECTIVE SDGs**

Working Committee WELL-BEING	Working Committee INCLUSIVITY	Working Committee HUMAN CAPITAL	Working Committee ENVIRONMENT & NATURAL RESOURCES	Working Committee ECONOMIC GROWTH
				
				
				
				
				
				

Source: Economic Planning Unit (EPU)

EPU’s Feedback on 13 November 2018:

EPU takes note on the NAD’s view on the need for a more effective integrated operational working culture between the five SDGs CWCs.

The SDGs indeed have interlinkages and cross-cut between ministries and agencies. Thus, ensuring coordination and consensus on issues is crucial in reaching a common ground. In this regard, the five SDGs CWCs, which consist of multi stakeholders as their members, would be beneficial especially when some ministries, agencies and organisations are members of a

different SDGs CWCs. In addition, the SDG Steering Committee would be a suitable platform to discuss unresolved issues with regards to horizontal policy coherence, integration and partnerships within the five SDGs CWCs.

2.3.2.2. Practice Area #5: Creating Vertical Policy Coherence ('Glocalizing' the 2030 Agenda)

Creating policy coherence, integration and partnerships in the vertical direction among governments, civil society, the private sector and other actors is the essential and complimentary aspect to the horizontality. 'Glocalizing' the agenda within a country is an imperative if the SDGs are to be realized with no one left behind in the 2030 timeframe. This can be accomplished through institutional coordinating mechanisms, multi-stakeholder consultative bodies and forums, local agenda and networks, monitoring and review at the local level, impact assessment processes, integrated modelling to explore the benefits and impacts of key national policies and programs at sub-national and local levels.

The Government of Malaysia has created integration and partnerships through formalized institutional mechanisms in the form of inter-agency coordinating bodies. In 2014, EPU in collaboration with the UNCT, conducted inclusive and extensive consultations on the post-2015 development agenda which also provided important inputs for the 11MP. Then in 2015, EPU again conducted a study on the policy coherence, governance, and human capital and data responses for the SDGs, in partnership with United Nations Development Programme (UNDP) and the Institute for Strategic and International Studies Malaysia. The document reveals that UNDP and EPU co-organised a SDGs Symposium that brought together multiple stakeholders to discuss operationalization of the 2030 Agenda for SDGs. In mid-2016, the Cabinet Ministers of Malaysia agreed to implement the SDGs over three (3) phases and to incorporate the SDGs into the national planning framework. It also acknowledged the need for data readiness and highlighted the need for a governance structure to oversee the implementation, monitoring and reporting of the SDGs, with membership from various stakeholders.

However, NAD found that the national policy coherence for the emulation of horizontal and vertical for an integrated policy analysis, coordinated institutional mechanisms and glocalizing of coordinated institutional mechanisms within ministries,

departments, agencies in the context of national, sub-national and local levels has yet to be prepared.

EPU's Feedback on 13 November 2018:

EPU takes note on the NAD's view on the need to prepare for policy coherence.

In terms of governance structure to ensure policy coherence at national level, the engagement mechanism between different levels of governments is already in place under various platforms, such as the National Land Council, Chief Minister's Meetings and the National Committee Meeting on Local Authorities to discuss various issues including sustainable development. At EPU level, the Inter Agency Planning Groups (IAPGs), the Technical Working Groups (TWGs) and the Economic Planning Unit-State Economic Planning Unit Strategic Cooperation Meeting are some of the platforms available.

In terms of SDGs, state governments are encouraged to replicate the multi-stakeholder governance structure at state level. This will enhance vertical and horizontal policy coherence towards building national consensus through increased engagement with the civil society, businesses and individuals. This would also contribute to better adaptation of the SDG indicators, data collection, accountability, monitoring and evaluation, as well as budget allocation and resource mobilisation at sub-national levels.

Nevertheless, EPU will continue collaborating and engaging with the stakeholders, NGOs, CSOs, academia and local governments towards establishing a better policy coherence in the future.

2.3.3. Integration and Inclusiveness




2.3.3.1. Practice Area #3: Reviewing National Plans for Alignment with the 2030 Agenda and Adapting SDGs to the National Context.





This practice area inherently requires applying multi-stakeholder approaches to understand complexity and to advance legitimate recommendations by reviewing existing strategies and plans and

identifying gaps, mapping SDGs interconnections and setting nationally-relevant targets.

The Government of Malaysia has implemented specific efforts to incorporate SDGs into national frameworks by mapping the SDGs to the Eleventh Malaysia Plan (11MP). NAD found that, between November 2016 and February 2017, the Government of Malaysia undertook an extensive mapping exercise to align the 11MP strategies, action plans and initiatives with the SD goals. This mapping exercise was intended to reveal interactions between the goals within a cluster, which may cut across economic, social and environmental dimensions. The mapping of the 11MP thrusts (replaced as “pillars” under the 11MP Mid Term Review in October 2018) to the SDGs were as follows:

**FIGURE 4
THE MAPPING OF SDGs WITH ELEVENTH MALAYSIA PLAN**

ELEVENTH MALAYSIA PLAN	SDGs
<p>Strategic Thrust 1 : Enhancing inclusiveness towards an equitable society.</p> <p><i>Key Initiative</i> - Inclusivity ensures all Malaysians benefit from economic growth regardless of gender, ethnicity, socio-economic status, or geographic location</p>	
<p>Strategic Thrust 2 : Improving wellbeing for all.</p> <p><i>Key Initiative</i> - Healthy individuals and happy households, living in cohesive and united communities – this embodies the vision for a socially advanced Malaysia</p>	
<p>Strategic Thrust 3 : Accelerating human capital development for an advanced nation.</p> <p><i>Key Initiative</i> - The focus on cradle-to-grave talent development and lifelong learning will improve labour productivity, deliver a higher-skilled workforce, and create a virtuous cycle of job creation, growth and social development</p>	

ELEVENTH MALAYSIA PLAN	SDGs
<p>Strategic Thrust 4 : Pursuing green growth for sustainability and resilience.</p> <p>Key Initiative - “Green growth” will be a way of life. This will lead to strengthened food, water, and energy security; lower environmental risks; and ultimately, better wellbeing and quality of life</p>	
<p>Strategic Thrust 5 : Strengthening infrastructure to support economic expansion.</p> <p>Key Initiative - All Malaysians will have access to basic amenities and be connected through integrated transport and high-speed Internet. New investments will focus on lowering cost of business and enhancing competitiveness</p>	
<p>Strategic Thrust 6 : Re-engineering economic growth for greater prosperity.</p> <p>Key Initiative - We will ensure quality growth and international competitiveness. All economic sectors will migrate towards more knowledge-intensive and high value-added activities with greater productivity</p>	
<p>Transforming public service for productivity</p> <ul style="list-style-type: none"> • Rationalising public sector institutions for greater productivity and performance • Enhancing service delivery with citizens at the centre • Strengthening talent management for the public service of the future • Enhancing project management for better and faster outcomes • Capitalising on local authorities for quality services at the local level 	

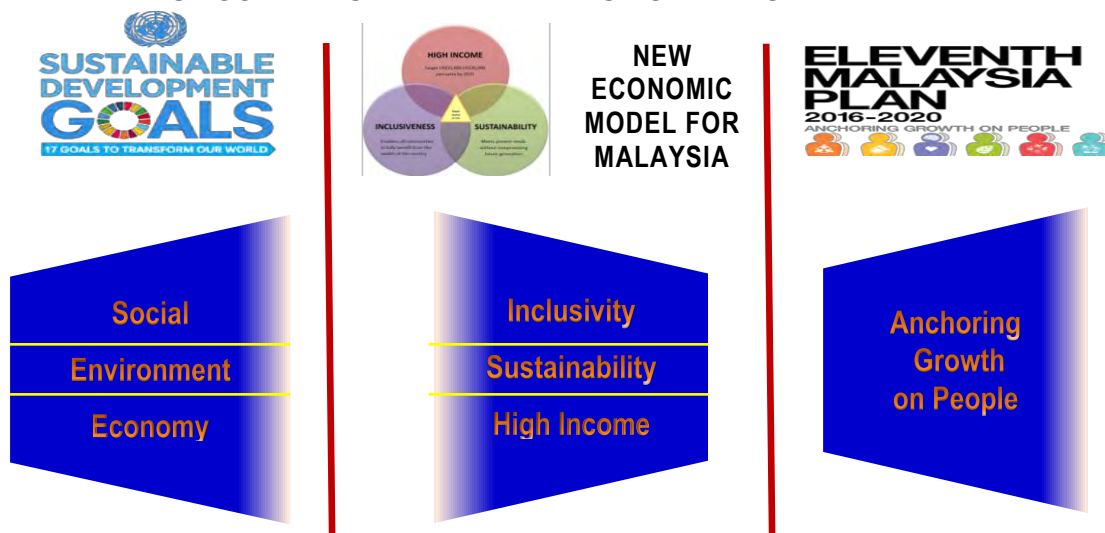
Source: Department of Statistics, Malaysia (DOSM) and Economic Planning Unit (EPU)

The impacts of SDGs should include all levels of individual, community and district, ensuring that no one is left behind. Localising the 2030 Agenda and promoting ownership among various higher to lower level stakeholders is therefore paramount. Awareness and capacity to act at local levels must be enhanced to implement the agenda.

NAD noted that the process of replicating the multi-stakeholder governance structure at state and local government levels to enhance vertical and horizontal policy coherence towards building national consensus, and to increase engagement, with civil society, businesses and individuals on the SDGs are still on-going. These efforts would contribute to a better adaption of the SDGs indicators, data collection, accountability, monitoring, evaluation, as well as to budget allocations and resource mobilisation at sub-national levels.

Based on the 2030 Agenda, the three dimensions of sustainable development which are economy, social and environment has been mirror imaged to the Malaysia’s New Economic Model (NEM) goals which are inclusivity, sustainability and high income and finally resulting the 11MP theme ‘anchoring growth on people’. Figure 3 illustrates the of SDGs into NEM and 11MP.

**FIGURE 5
SDGs MIRROR THE NEW ECONOMIC MODEL AND 11MP**



Source: Economic Planning Unit (EPU)

Between November 2016 and February 2017, Government of Malaysia has undertaken a mapping exercise to align the 11MP strategies, action plans, initiatives and outcomes with the SDGs goals, targets and indicators. This mapping exercise was intended to reveal interactions between the goals and targets within a cluster, which may cut across economic, social and environmental dimensions. NAD found that, the Government currently is undertaking preparations to support the implementation, monitoring and reporting of future phases which include:

- undertaking further analyses on remaining issues;

- improving data readiness, indicators and tools;
- establishing baselines and measure progress; and
- strengthening and piloting mechanisms for collaboration, partnership and resource mobilisation across the public, private and social sectors.

NAD also found that, these preparatory exercises involved not only Government ministries, departments and agencies, but also NGOs, CSOs and the private sector. It is also noted that the Government has also assisted stakeholders to better understand how their operations and plans under 11MP and existing sectorial plans were aligned with the SDGs. In turn, this proved a valuable step in raising awareness and garnering ownership for the SDGs across both Government and non-Governmental stakeholders involved in the process.

Then, it is also noted that the mapping exercise encouraged Government ministries and agencies to consider how their sectorial operations, plans and strategies would contribute to the SDGs and to the national development whilst synergies and gaps also became more apparent. Thus, the Government has aligned the SDGs with the 11MP and existing sectorial plans to ensure smooth SDGs implementation. These aligned plans have been summarised in the National SDGs Roadmap 2016 – 2030.

In order to accelerate adoption of the 2030 Agenda, the preparation of the National SDGs Roadmap provides direction for SDGs journey in three phases from 2016 till 2030 and to be reviewed in 2020 and 2025. It is the main reference for Malaysia's commitment to and work on the SDGs and provides direction and specific actions for achieving the national aspirations. In doing so, it serves as a guide for informing, inspiring and supporting stakeholders, at all levels of society, to align themselves to and participate in this collective journey towards sustainable, resilient and inclusive development. Building on the inputs and momentum received from the mapping exercise, the process of formulating the Roadmap started in late February 2017 which includes:

- taking stock of MDG achievements and assessing the widened SDGs scope;
- focusing on key challenges and issues
- assessing priorities of the clusters within the goals and targets;
- identifying cross-cutting inter-linkages;
- engaging with key partners and stakeholders;

- assessing data availability and accessibility, as well as monitoring frameworks needed to examine processes, impacts and outcomes; and
- conducting validation workshops for each cluster to finalise inputs with stakeholders.

This process stimulates ideas and detailed information for each SDGs. Further processing of information was necessary to condense the material into a concise and strategic document. The Roadmap is meant to build awareness, promote ownership and indicate a way forward for SDGs implementation.

**FIGURE 6
SDGs ROADMAP**



Source: Economic Planning Unit (EPU)

However, NAD found that there is no evidence for a check and balance mechanism on the integrity of data collected throughout the whole process either vertically and/or horizontally among the stakeholders. It is an important approach to ensure all data collected and consolidated represents the actual information and achievement so that the decision to be made through these data will have the real impact on the actual issues.

DOSM's Feedback on 26 October 2018:

DOSM's mission is becoming a reliable and integrity National Statistics Producer. Thus, in ensuring data quality and integrity, DOSM adopt the framework recommended by international statistical organizations. Among the frameworks employed by DOSM are the United Nations Fundamental Principles of Official Statistics

(UNFPOS), about 76 manuals & standards and the Generic Statistics Business Process Model (GSBPM) introduced by the United Nations Economic Commission for Europe (UNECE).

In addition, DOSM adopts the National Quality Assurance Framework (NQAF) to ensure that the credibility of data produced. DOSM also uses the Data Documentation Initiative (DDI) which is a platform for describing metadata and Data Statistics and Exchange Metadata (SDMX) for the standardization and distribution of data at international level.

Additional measure of check and balance mechanism on the integrity of data collected will be discussed comprehensively through the Technical Working Group (TWG) and Inter-agency Planning Group meetings for the statistics to be published. Thus, this will enhance the quality of statistics produced by DOSM. Any publication produce by DOSM will vet through by Publication Committee meetings prior to the approval of the Chief Statistician.

At international level, DOSM has complied with International Monetary Fund (IMF) Standards for Data Dissemination. This Special Data Dissemination Standard (SDDS) enhance the availability of timely and comprehensive statistics, which contributes to sound macroeconomic policies and the efficient functioning of financial markets.

Furthermore, DOSM also adhere to Article IV of the IMF's Articles of Agreement which coordinated by Ministry of Finance annually. In this context, macroeconomic indicators have been providing by DOSM to report the economic performance of the country.

CHAPTER THREE

MEANS OF IMPLEMENTATION IN TERM OF SECURED RESOURCES AND CAPACITIES NEEDED TO IMPLEMENT THE 2030 AGENDA.

3.1. Introduction

3.1.1. This chapter presents audit findings on the means of implementation in term of secured resources and capacities needed to implement the 2030 Agenda by answering two main questions as per following:

- What efforts are being made to mobilize means of implementation?
- What are the resources needed in terms of financing, capacity development needs, data and statistics, knowledge sharing, technology and partnerships to implement the 2030 Agenda in the country?

3.2. Overall Audit Opinion

The Government of Malaysia has satisfactorily taken efforts to ensure for secured resources and capacities needed to implement the 2030 Agenda.

3.3. Audit Criteria

Documents used as reference as Audit criteria as follows;

3.3.1. Mainstreaming the 2030 Agenda for Sustainable Development Interim: Reference Guide to UN Country Teams United Nations Development Group

'Mainstreaming the 2030 Agenda for Sustainable Development Interim: Reference Guide to UN Country Teams United Nations Development Group' was produced on 7th October 2015. The document indicates nations acknowledgement on the imperative of a revitalized global partnership through "an intensive global engagement in support of implementation of all the goals and targets, bringing together Governments, civil society, private sector, United Nations system and other actors and mobilizing all available resources". The scale and ambition of the new agenda require the inclusion of new partners such as ministry, department, agency, regional and local authorities, academia and volunteer groups. The revitalized global partnership will endeavour to deliver the means of implementation through

“domestic public resources, domestic and international private business and finance, international development cooperation, international trade as an engine for development, debt and debt sustainability, addressing systemic issues and science, technology, innovation and capacity - building, and data, monitoring and follow-up.”

During the post-2015 Dialogues on Implementation (UNDG2014), the governments acknowledge that the wide agenda is the design of multi-stakeholder policy development and implementation modalities to encourage and facilitate partnerships between government and nationally and sub-nationally active stakeholder networks of civil societies, universities, think tanks, private sectors, other development actors, and national human rights institutions.

3.3.2. Addis Ababa Action Agenda (AAAA)

3.3.2.1. At the Third International Conference on Financing for Development in July 2015, UN member countries agreed on the Addis Ababa Action Agenda (AAAA). Described as a “series of bold measures to overhaul global finance practices and generate investments for tackling a range of economic, social and environmental challenges” the AAAA lays the foundation for implementing the 2030 Agenda by looking at the contribution of all sources of finance which can make in support of the SDGs and covering international cooperation on a range of issues including technology, science, innovation, trade and capacity building (UN 2015b). In particular, the mobilization of domestic resources is described as being central to the agenda (UN 2015b). For example, the AAAA outcome document describes an array of measures aimed at “widening the revenue base, improving tax collection, and combatting tax evasion and illicit financial flows (UN 2015c).”

3.3.2.2. The 2030 Agenda reaffirms a strong commitment to its full implementation, which requires the effective mobilization of financial resources and partnerships. The Agenda emphasizes that “cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks” will be at the heart of sustainable development efforts (Para. 63 A/70/1). National governments share the responsibility for the implementation of the agenda globally at levels commensurate with their capacities and resources (United Nations Institute for Training and Research (UNITAR) 2016). First, developing countries require additional resources to implement sustainable development in all dimensions, including through strengthened

international cooperation. Second, many cross-border challenges require a global response. Third, an international enabling environment is a precondition for implementing sustainable development nationally.

3.3.2.3. The array of financing mechanisms in the Addis Ababa Action Agenda included domestic public resources. The government recognize that significant additional domestic public resources, supplemented by international assistance as appropriate, will be critical in realizing sustainable development and achieving the Sustainable Development Goals (SDGs). The countries committed to enhance revenue administration through modernized, progressive tax systems, improved tax policy and more efficient tax collection. They will work to improve the fairness, transparency, efficiency and effectiveness of the tax systems, including by broadening the tax base and continuing efforts to integrate the informal sector into the formal economy in line with country circumstances. In this regard, government will strengthen international cooperation to support efforts to build capacity in developing countries, including through enhanced Official Development Assistance (ODA).

3.2.3.4. Private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation. The government acknowledge the diversity of the private sector, ranging from micro-enterprises to cooperatives to multinationals. The government need to call on all businesses to apply their creativity and innovation to solving sustainable development challenges. The government need to invite them to engage as partners in the development process, to invest in areas critical to sustainable development, and to shift to a more sustainable consumption and production patterns. Private international capital flows, particularly foreign direct investment, along with a stable international financial system, are vital complements to national development efforts. Nonetheless, the government noted that there are investment gaps in key sectors for sustainable development. Foreign direct investment is concentrated in a few sectors in many developing countries and often bypasses countries most in need, and international capital flows are often short-term oriented.

3.4. Audit Findings

3.4.1. Financial Resources and Partnerships

In Malaysian context, NAD found that the Government will fund SDGs programmes through existing Government budgets and mechanisms since the agenda is embedded in the 11MP. Government funds will be channelled through programmes and projects implemented by ministries, departments, agencies as well as state and local governments through the 11MP strategic thrusts (replaced as “pillars” under the 11MP Mid Term Review in October 2018) that fit the SDGs goals. It is envisioned that funding and resources from the Government will be supplemented through collaboration with the private sector, NGOs, civil society and international agencies. Based on document reviews and interviews with EPU officers, Government has identified additional funding and resources for SDGs could be made available through these avenue:

3.4.1.1 Corporate Social Responsibility (CSR) Programmes

Originally started as contributions for social or environmental goods, CSRs have become ingrained in the corporate culture of many large companies. In 2007, it became mandatory for companies listed on the Malaysian Stock Exchange (Bursa Malaysia) to report their CSR activities. Tax incentives for businesses implementing CSR activities were also introduced. Aligning CSR programmes to national goals and the SDGs can provide additional resources to deliver desired impacts.

3.4.1.2 Financial Institutions

Financial Institutions are becoming more aware of projects that have large social and environmental impacts, and of their responsibility in helping their clients achieve business and development objectives. By incorporating principles of sustainability, resilience and inclusiveness in business decisions, positive impacts of projects are expected to increase and eco-footprints reduced. During the remarks speech by the Deputy Governor of Central Bank of Malaysia on 12th December 2017 at the 3rd Annual Symposium on Islamic Finance: “Islamic Finance – Building Solutions for a Sustainable Future” said that ‘I will touch on the current global economic environment and challenges facing the world to the point that we need to promote fiscal, social and environmental sustainability. I will also discuss the imperatives that can strengthen the role of Islamic finance in promoting inclusive growth, reducing inequality and accelerating poverty reduction.’

A Third Annual Symposium on Islamic Finance was held in Kuala Lumpur in November 2017, co-organized by the World Bank Group, Islamic Development Bank, International Centre for Education in Islamic Finance (INCEIF) and Guidance Financial Group to explore the potential contributions that Islamic Finance could contribute significantly in achieving the SDGs. Three main lessons emerged from the symposium are:

- a. Innovations in the use of Islamic financial instruments can go a long way in supporting the SDGs. Green sukuk (Islamic bond) is one such instrument, paving the way towards more climate-friendly investments. Other notable instruments include the use of Islamic endowment funds for long-term investments, leveraging Islamic Financial Technology (FinTech) and Waqf (Islamic Endowment Funds) to provide alternative financing for micro small and medium enterprises, as well as the possible use of output sharing sukuk for financing solar energy.
- b. Malaysia has demonstrated leadership in establishing the enabling environment for Islamic Socially Responsible Investing (SRI) and green finance. Over the years, the country has introduced several initiatives on sustainable finance to support the green agenda. In 2014, the Securities Commission formulated Malaysia's SRI Sukuk Framework, under which Malaysia issued its first green sukuk in 2017. Other steps to encourage the financing of sustainable and responsible investments include Bursa Malaysia's Sustainability Reporting Framework and the Environmental, Social and Governance (ESG) index Financial Times Stock Exchange (FTSE4Good).
- c. In order for Islamic finance to fulfil its potential and provide effective support to the SDGs, there is a need to establish an enabling environment. At the country level, regulatory and supervisory frameworks should be strengthened, legal underpinnings of Islamic financing instruments need to be more robust, and instruments for liquidity management need to be developed. At the global level, the standardization of contracts and shari'ah (Islamic law) rulings is critical, in addition to promoting the adoption of international standards issued by bodies such as the Islamic Financial Services Board (IFSB) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

3.4.1.3 Cooperation, Support and Funding from International Sources

As Malaysia reaches developed nation status, Official Development Assistance (ODA) will no longer be accessible. In anticipation of this, Malaysia is exploring alternative methods to finance development needs. On the environment front, Malaysia is participating in the global The Biodiversity Finance Initiative (BIOFIN), which is aimed at estimating biodiversity expenditures and financing gaps, and at developing financial plans. Working with Reducing Emissions from Deforestation and Forest Degradation (RE DD+), Malaysia is piloting sustainable forest management and conservation. In the area of capacity-building, the Third Country Training Programme (TCTP), a joint effort between Malaysia and Japan, promotes the sharing of Malaysia's development experiences with other developing countries.

3.4.1.4 Collaboration with NGOs, CSOs, Academia and Local Governments

Knowingly NGOs, CSOs and academia with limited sources of funds, thus by developing better mechanisms to instil collaboration and partnerships, potential exists to pool resources and deliver positive local development outcomes. The Malaysian CSO-SDGs Alliance is an informal grouping of civil society organisations (CSO) committed to the effective implementation of the SDGs in Malaysia. They entailed together to form an alliance for networking, joint cooperation, action and liaison with the government of Malaysia. The alliance recognised different areas of involvement at the grassroots which have direct relevance to SDGs implementation in Malaysia. Different CSOs have different priorities, target groups for their services. However each has its area of expertise and specialisation. They do well in their outreach and role in Malaysian society. PROHAM-Society for the Promotion of Human Rights and the Global Movement of Moderates hosted the first CSO-SDGs discussion on 27th October 2015 about a month after the United Nation adopted the 2030 Agenda entitled Transforming the World. The discussion was published by The Institute of Ethnic Studies (KITA) under The National University of Malaysia (UKM) in a publication entitled "Sustainable Development Goals & Malaysia Society: Civil Society Perspectives". It documents the views of civil society leaders on the future path of the development agenda that Malaysia should adopt and implement towards 2030 for a balanced development to ensure "no one will be left behind".

PROHAM serves as the Secretariat for the alliance with active participation of key CSOs partners. The CSOs participated at the National SDGs Symposium held on 29th February 2016 and the two days SDGs Roadmap Conference (15th & 16th November 2016) at Putrajaya organised by the Economic Planning Unit (EPU) and UN Malaysia. Reviewing the CSO SDGs Alliance members commitment, it was found that these CSOs has indicated that they are ready and willing to contribute towards the implementation and monitoring of the SDGs. Furthermore CSOs request is for a meaningful partnership with the government at all levels and sectors. The government recognise that the SDGs is a critical and timely opportunity to initiate goals based partnership that can drive a concerted effort towards achieving Malaysia's own development goals as a shared responsibility among the various stakeholders.

3.4.1.5 National Blue Ocean Strategy (NBOS) Initiatives

Reviewing the NBOS Initiatives which was implemented since 2009, it was found that this strategy could be a way forward to better mobilise resources. NAD found that, Malaysia reportedly saved more than RM3.5 billion as a result of the NBOS initiatives between 2009 and 2016. For example, opening of 15 Urban Transformation Centres (UTC) by combining resources of departments and agencies under one stop centre saved RM1.5 billion, while redeploying police officers from desk to patrol work saved another RM1.3 billion; police military shared trainings centre saved RM700 million. These savings could be channelled to other development needs. While large savings have been reported for inter-Government agency initiatives, more than half of the NBOS initiatives leveraged resource contributions from non-Government stakeholders, including CSOs, NGOs, educational institutions and volunteers.

3.4.1.6 Crowd Funding

Recently applied in the aftermath of the 2015 Ranau earthquake in the state of Sabah, crowd funding platforms were successfully used to raise money for family members of a mountain guide who perished in the earthquake while on-duty on Mount Kinabalu. While intending to raise only US\$35,402, the amount pledged was 354 per cent over the goal, with 703 people pledging donations in just three days. Although these platforms are more commonly used to fund entrepreneurs, this could be a way to fund SDGs implementation specifically on environmental issues.

3.4.1.7 Social Entrepreneurship

Social enterprises are businesses that exist primarily to deliver a social good. By encouraging these enterprises to take up SDGs-related courses, there is potential to use their positions to reach specific pockets of people previously unreached. Recently, Impact Hub KL, in partnership with University of Malaya, organised a briefing for social entrepreneurs about the SDGs and hosted business development support work sessions to encourage them to take up courses in line with the Goals. Another venue for promoting the SDGs is through the Malaysian Global Innovation and Creativity Centre (MaGIC), which launched Social Enterprise Challenge in early 2017.

NAD concludes that the Government has implemented sufficient and specific efforts in recognising financial resources and partnerships which needed to enhance its financial capacity in implementing the 2030 Agenda.

3.4.2. Capacity Development

On data readiness, Malaysia is working quickly and efficiently to strengthen the development of SDGs indicators. DOSM will continue conducting the National Comprehensive Data Gaps Study through engagement with ministries/agencies and other third-party data providers. Joint efforts with data providers are also being undertaken to define relevant national SDGs indicators as a priority in their work plans. The Government is in the process of strengthening the national statistical system with the development of new indicators (including global indicators not currently available, proxies and supplementary national indicators), as well as assist other agencies to expand their data coverage. At the same time, several relevant baseline studies would be undertaken. The Government is also developing strategic partnerships and building a statistical learning centre that will collect, analyse and interpret disaggregated data. An integrated database system will be developed to enable systematic data compilation, monitoring, evaluation, reporting and sharing.

DOSM also has developed a comprehensive Transformation Plan 2015-2020 in realising the vision to become a leading statistical organisation internationally by 2020. The Transformation Plan outlines the direction of DOSM in fulfilling the national transformation agenda as well as the dynamic and complex user's expectations. The Transformation Plan 2015-2020

focuses on four strategic thrusts (replaced as “pillars” under the 11MP Mid Term Review in October 2018) that consist of producing statistical products and services of integrity and reliability data, managing data resources and infrastructure efficiently, empowering talents as well as strengthening the role as a producer of statistics. To ensure DOSM is at par with other statistical agencies of developed nation, global role of the DOSM has also been emphasised. NAD noted that the Transformation Plan will spearhead the efforts of the Government towards the success of 2030 Agenda in the terms of data preparation.

NAD concludes that the Government has implemented sufficient and specific efforts in strengthening the national statistical system in regards to means of implementation in terms of capacities to implement the 2030 Agenda.

CHAPTER FOUR

MONITORING, FOLLOW UP, REVIEW AND REPORT ON THE PROGRESS TOWARDS THE IMPLEMENTATION OF THE 2030 AGENDA

4.1. Introduction

Follow-up and review is a key aspect of The 2030 Agenda for Sustainable Development. The 2030 Agenda requires statistical systems, capacities, methodologies and mechanisms to be in place to track progress and ensure accountability, with the engagement of parliament, government agencies, private sectors, NGOs, CSOs and communities. The 2030 Agenda also requires follow up and review process to be informed by country-led evaluation and the need to build capacity for national data systems and evaluation programmes.

4.2. Overall Audit Opinion

The Government of Malaysia has engaged well with systematic monitoring, follow-up, review and report on the progress towards the implementation of 2030 Agenda.

4.3. Audit Findings

NAD focuses on the extent that a mechanism has been established and functioned to monitor, follow up, review and report on the progress towards the implementation of the 2030 Agenda. The key elements which being evaluated were derived from the *Reference Guide for UN Country Team for Mainstreaming The 2030 Agenda for Sustainable Development* and categorized as follows:

- i. Indicator development and data collection
- ii. Participatory monitoring
- iii. Follow-up and review through Voluntary National Reviews
- iv. Development of National SDGs Portal (MySDGs portal) and National SDGs Data Dashboard

The details of NAD's findings are as follows:

4.3.1. Indicator Development and Data Collection

The NAD's evaluation focused on institutional arrangements set by the Malaysian Government to undertake comparative assessment between existing national statistics and the data needs of the global set of SDGs indicators. NAD found that:

- a. The Department of Statistics Malaysia (DOSM) is appointed as the focal point in the coordination of the development of SDGs indicators which focused on Malaysia's social, environmental and economic development. Based on the documents reviewed, NAD also found that DOSM has conducted an initial assessment of SDGs indicators for year 2016 to 2017. The objectives of this assessment were to identify the availability and reliability of data for the SDGs indicators; and to review the data needs, methodology and consistency of indicators, including administrative data, provided by ministries and agencies. DOSM also prepared a report which presents findings of the initial assessment of the SDGs indicators to be used by the government agencies, private sectors, academicians and individuals for SDGs implementation.
- b. The scope of the assessment included indicators available from Government agencies (federal and state) and the private sector. Findings from the assessment were also expected to identify areas for targeted capacity building and to support development of a plan for data collection, such as open and big data. In the preliminary assessment, DOSM utilised the "tiers" framework proposed by the United Nations Statistical Commissions' Inter-agency and Expert Group on SDGs indicators (IAEG-SDGs) to assess data accessibility. Based on the five data categories that correspond to the IAEG-SDGs tiers framework, DOSM categorised 244 global indicators using inputs from the mapping exercise and Roadmap preparation process, as well as engagement with other data providers. Figure below summarizes the category correspondence.

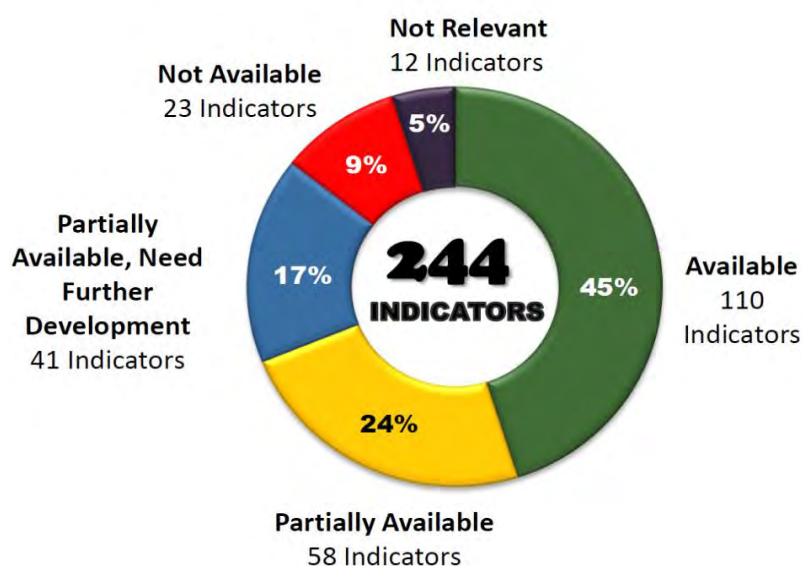
FIGURE 7
DEFINITION OF CRITERIA BY DOSM ON THE
ASSESSMENT OF SDGs INDICATORS AND ITS TIERS

Availability of Data:	Criteria Used:	IAEG-SDGs tiers:
Available	<ul style="list-style-type: none"> Data already exists (at DOSM/Agencies) MDGs Indicators (partially) Metadata clearly defined (Proposed by international experts agencies) 	<p align="center">TIER 1</p> <p align="center">An established methodology exists and data are already widely available</p>
Partially Available	<ul style="list-style-type: none"> Data partially exists but need to improve the methodology of data collection/coverage etc. 	<p align="center">TIER 2</p> <p align="center">A methodology has been established but for which are not easily available</p>
Partially Available, need further development	<ul style="list-style-type: none"> Derivative of data (ownership of data) Metadata exists (international) and need to suit with Malaysia level 	
Not Available	<ul style="list-style-type: none"> Metadata exists (international) but data not available in Malaysia 	<p align="center">TIER 3</p> <p align="center">An internationally agreed methodology has not yet been developed</p>
Not Applicable	<ul style="list-style-type: none"> No metadata (international/Malaysia) 	
	<ul style="list-style-type: none"> Need to Be Confirmed with agencies Not suitable to apply in Malaysia 	

Source: Department of Statistics, Malaysia (DOSM)

- c. Based on a preliminary assessment of data availability in April 2018, NAD found that 110 (45.1%) of 244 indicators were identified as “available” or Tier 1. Another 58 (23.7%) indicators were described as “partially available”, 41 (16.8%) indicators were “partially available but need further development”. As for Tier 3 indicators, Malaysia identified 23 (9.4%) indicators for which data are “not available” and 12 (4.9%) indicators “not relevant” to Malaysia. On the partially available data totalling to 99 (40.6%) indicators were identified as Tier 2 indicators, that is, indicators where a methodology has been established but data is not easily available. The summary is as follow:

**FIGURE 8
PROPOSED INDICATORS FOR THE GLOBAL FRAMEWORK OF SDGs**



Source: Department of Statistics, Malaysia (DOSM)

d. In addition, the assessment also compiled a list of extra 112 proposed proxies or supplementary indicators as suggested by agencies and from the outcome of the 11MP mapping activities. Until May 2018, DOSM has undertaken another round of categorisation exercise using SDGs priority framework as follow:

**TABLE 2
MALAYSIAN SDGs PRIORITY**

PRIORITY A	PRIORITY B	PRIORITY C
Indicator is in the 11MP or Agency Plans and is a Tier 1 indicator at the National Level Assessment.	Indicator is in the 11MP or Agency Plans and is a priority indicator or is not in 11MP but is a relevant Tier 2 and Tier 3 indicator but is a priority indicator at the National Level Assessment.	Indicator is not in the 11MP, has no government projects using this indicator or is a Tier 3 indicator that is not applicable in Malaysia at the National Level Assessment and is not a priority indicator.

Source: Department of Statistics, Malaysia (DOSM)

e. Based on document reviews and interviews, NAD found that DOSM is still improving the indicator assessment process. DOSM has identified several aspects which need further development such as development tools; mechanisms for monitoring and evaluation; and to balance the cost and benefit of monitoring every single indicator, especially with the 244

SDGs indicators proposed. The improvement is an on-going process and expected to be completed in the first phase of SDGs implementation.

4.3.2. Participatory Monitoring

- a. One of the elements which has been being proposed in the *Reference Guide for UN Country Team for Mainstreaming The 2030 Agenda for Sustainable Development* is participatory monitoring. This requires the Government to establish a mechanism to involve citizens directly in the measurement process and data collection.
- b. NAD found that the Government is in the process of localising the 2030 Agenda and promoting ownership among various stakeholders including monitoring and data collection. Based on document reviews and interviews with EPU officers, the participatory monitoring were directly led by Malaysian CSO-SDGs Alliance which an informal group of CSOs. The Alliance comprising of four umbrella CSOs and 25 individual CSOs and institutions, accumulating to more than 200 CSOs being involved in discussions and mapping exercises intended to identify areas of grassroots involvement that are relevant to the SDGs. These CSOs can broadly be grouped by type namely development and service-base; human rights-base; environment-base; and think tanks. Each has its own area of expertise and specialisation within eight areas of involvement, including awareness raising, grant providers, capacity building, policy advocacy, research, community development and societal “watchdogs. The group have come together for networking, joint cooperation, action and liaison with the Government in commitment to the effective implementation of the SDGs in Malaysia.
- c. NAD also found that the first CSO-SDGs discussion was hosted by the Society for the Promotion of Human Rights (PROHAM) and the Global Movement of Moderates, on 27 October 2015. Discussion findings have since been published by KITA-UKM, a paper entitled “Sustainable Development Goals and Malaysia Society: Civil Society Perspectives”
- d. On data collection from CSOs, NAD also noted that DOSM has an effort to transform its process of producing statistics based on Global Initiative by adapting and applying international statistical framework such as the Generic Statistical Business Process Model, Generic Statistical Information Model, Common Statistical Production Architecture, Statistical Data and Metadata Exchange, and Data Documentation Initiative. DOSM currently expanding on the modernisation of data

collection/processing/dissemination methods such as e-Survey, e-Census, Computer-Assisted Telephone Interviewing, Computer-Assisted Personal Interviewing, NEWSS Data Processing and e-Services.

4.3.3. Follow-up and Review through Voluntary National Reviews

- a. As part of its follow-up and review mechanisms, the 2030 Agenda for Sustainable Development encourages member states to "conduct regular and inclusive reviews of progress at the national and sub-national levels, which are country-led and country-driven". These national reviews are expected to serve as a basis for the regular reviews by the high-level political forum (HLPF), meeting under the auspices of United Nations Economic and Social Council (ECOSOC). As stipulated in paragraph 84 of the 2030 Agenda, regular reviews by the HLPF are to be voluntary, state-led, undertaken by both developed and developing countries, and involve multiple stakeholders.
- b. NAD found that the Government has presented its first Voluntary National Reviews (VNRs) at the 2017 global High-level Political Forum (HLPF), and is committed to undertake broader country reporting every four years. The VNR takes into account Malaysia's efforts to align key elements of the SDGs with the latest five-year development plan, the 11MP and a series of baseline studies, engagements and consultations that culminated in the development of a National SDGs Roadmap 2016 – 2020. The Roadmap also documents the participatory processes involved in these efforts. Participation was received from states, Government agencies, non-government organisations (NGOs), civil- society organisations (CSOs) and the private sector, driven by the Economic Planning Unit (EPU), and supported by the United Nations Country Team (UNCT) in Malaysia.
- c. NAD noted that VNRs document provides the context of Malaysia's development by describing the nation's development journey, key achievements and lessons learned. The report includes snapshots of Malaysia's achievements on eight selected SDGs in line with the 2017 HLPF theme of "Eradicating poverty and promoting prosperity in a changing world". It also details the enabling environment established for the 2030 Agenda and SDGs implementation and also describes the Means of Implementation. NAD noted that this report provides a mechanism to share Malaysia's progress toward implementing the 2030 Agenda and a guide of achieving the SDGs.

4.3.4. Development of National SDGs Portal (MySDGs portal) and National SDGs Data Dashboard

- a. Based on the UN Reference Guideline, it is recommended that the Government work with existing data and metadata reporting systems; and to create online systems for information exchanges, including reporting on key indicators and providing opportunities for both horizontal and vertical coordination.
- b. NAD found that DOSM is currently working with existing data and metadata reporting systems by embracing the latest manual and standard for the statistical production and adaptation of the National Quality Assurance Framework (NQAF) in ensuring the integrity and reliability of data produced. DOSM also uses the Data Documentation Initiative (DDI) as a platform in describing metadata as well as the Statistical Data and Metadata Exchange (SDMX) for standardisation and dissemination of statistical information globally.
- c. In creating online systems for information exchanges, NAD found that the UNCT and EPU in partnership with Global Compact Network Malaysia funding provided by the United Nations Development Operations Coordination Office (UNDOCO) Innovations Fund via the Delivering Together for Sustainable Development Facility (DTF), is developing a National SDGs Portal (MySDGs portal) to collect and monitor SDGs pledges and commitments of private sector and other players. The MySDGs portal project, which is still in development stage, is aimed at collating innovative “data” relating to private and social sector commitment and contributions to the 2030 Agenda and SDGs that would serve to increase awareness and private sector adoption of the SDGs. The innovative data collated can also feed into national data capture and analysis for monitoring, evaluation and reporting on the SDGs concerning the adoption and contribution of private sector and other stakeholders.
- d. The UNCT and EPU are also driving a 24 months SDGs Way Forward Framework, which involves a list of initiatives, among which is the development of National SDGs Data Dashboard. Having in place an SDGs Data Dashboard would pave the way for smart and transparent decision-making and can improve policy making analysis using data driven approach, monitoring and reporting of progress at all levels. The first stage of this particular initiative, which forms the essence of this proposal is for the DOSM to propose to UNCT, Malaysia for the blueprint development of National SDGs Data Monitoring Dashboard. DOSM has recently implemented a full-fledged big data infrastructure project and expecting to deliver this project accordingly. The project scope and the

project implementation strategy are still awaiting approval from UNCT, Malaysia.

NAD concludes that the Government has engaged in a comprehensive and systematic approach on the exercise to monitor, follow-up, review and report on the progress towards the implementation of the 2030 Agenda.

CHAPTER FIVE

LESSON LEARNT FROM MILLENNIUM DEVELOPMENT GOALS (MDGs)

FIGURE 9
MILLENNIUM DEVELOPMENT GOALS



Source: United Nations (UN)

5.1. Introduction

5.1.1. This chapter explains what lessons have the government of Malaysia learnt from reviews of its sustainable development efforts under the MDGs. In specific it describes whether Government:

- i. has recognised the achievement of MDGs;
- ii. has improvised the existing MDGs into SDGs accordingly;
- iii. has recognised the gaps from achieving the MDGs to national context; and
- iv. has incorporated the lesson learned from MDGs into the development of the new SDGs Country Reporting Guidelines.

5.1.2. The preparation of the Malaysia MDGs Report 2015 (MDGR 2015) was jointly led by the Economic Planning Unit (EPU) under the Ministry of Economic Affairs and the United Nations Country Team (UNCT) in Malaysia through a National Steering Committee, and involved relevant government ministries and agencies, state economic planning units (UPENs), nongovernmental organizations (NGOs), university research groups, and experts. The UNCT formed a MDGR 2015 Working Group (MDGR 2015 WG) in 2014 chaired by the United Nations Development Programme (UNDP) and supported by the UN Resident Coordinator's Office, to coordinate the technical and financial contributions of UN agencies to Malaysia's final MDG

report. Members of the MDGR 2015 Working Group (WG), UNDP, World Health Organization (WHO), United Nations Children's Fund (UNICEF) and United Nations Population Fund (UNFPA) – also co-chaired the Technical Working Groups (TWGs) for the various MDG chapters together with government counterparts, namely EPU, Ministry of Health, Ministry of Education and Ministry of Women, Family and Community Development. The co-chairs of the TWGs were also members of the National Steering Committee, which was jointly chaired by the Deputy Director General (Sectorial) of EPU and the UN Resident Coordinator.

5.1.3. In total, more than 30 agencies and departments of government, as well as other relevant stakeholders and experts were involved through the various TWGs in developing the MDGR 2015. A key member of several of the TWGs was the Department of Statistics Malaysia (DOSM), which was the focal agency of maintaining data. DOSM assisted in the computation and compilation of the statistical indicators and checked the data presented in this Report. Other data came directly from the sources that collected them, e.g., the Ministry of Natural Resources and Environment and its line agencies, NGOs, and also from analyses done in the two previous MDGs report on Malaysia in 2005 and 2010. Both the 2005 and 2010 reports had provided descriptive and analytical perspectives on the Malaysian experience with the MDGs.

5.2. Overall Audit Opinion

The Government of Malaysia has learned well from its reviews on the efforts under the MDGs carried out for every five years since 2005 till its completion in 2015 and recognised the achievement and weaknesses of MDGs. Through this gap analyses, the government has improvised the MDGs to be able to develop SDGs in accordance to national context.

5.3. Audit Findings

The audit findings are based on audit objectives set which is to determine the lesson learnt from previous MDGs in order to recognise the gaps and to incorporate it into the development of the new SDGs.

5.3.1 The Achievement of Millennium Development Goals

The Millennium Development Goals (MDGs) were the eight international development goals targeted for the year 2015 that had been established

following the Millennium Summit of the United Nations in year 2000 and the adoption of the United Nations Millennium Declaration. All 191 United Nations member states at that time, and at least 22 international organizations, committed to help achieve the following Millennium Development Goals by 2015:

- i. To eradicate extreme poverty and hunger
- ii. To achieve universal primary education
- iii. To promote gender equality and empower women
- iv. To reduce child mortality
- v. To improve maternal health
- vi. To combat HIV/AIDS, malaria, and other diseases
- vii. To ensure environmental sustainability
- viii. To develop a global partnership for development

Each goal had specific targets, and dates for achieving those targets. Therefore, the government should carry out post-mortem on MDG's and recognised the achievement of MDGs.

Based on the Malaysia's Final MDG Review Analyses for 15 Years of Development Efforts, among the key findings (achievement and weaknesses) of the MDGR 2015 details as **ANNEX 1** were summarized as follow:

MDG 1: Eradicate Extreme Poverty & Hunger

Absolute poverty in Malaysia has largely been eradicated and the poverty gap reduced. Furthermore, income equality has improved from Gini 0.443 (1999) to 0.401 (2014); employment-to-population ratio has remained stable (63.4% - 65.6% from 2000-2014); low unemployment rates (<4%) have been sustained; and the percentage of underweight children under five years between 1990 and 2014 has been more than halved. However, moving beyond the MDGs, the remaining needs of vulnerable populations among the bottom-40 (B40) income group, retirees, natural disaster victims and the youth in both rural and remote areas need to be addressed. Malaysia must also look to develop a comprehensive social protection programme.

MDG 2: Achieve Universal Primary Education

Malaysia has achieved universal primary education for boys and girls and expanded the educational provisions to secondary education. Also, dropouts in the transition from primary to secondary levels fell from: 9.95% (2000) to 2.71% (2014). Malaysia sustained high youth literacy, achieved gender parity, and improved the literacy and numeracy skills of Year 1-3 students for both genders (as shown by results of LINUS and LINUS 2.0 programmes). The remaining challenges are access to education for those not in schools at primary and secondary levels, reaching unreached children and education for children of non-citizens. There is also a need to improve the equity and quality of educational outcomes.

MDG 3: Gender Equality and Empowerment of Women

Malaysia has achieved gender parity in primary, secondary and tertiary education. Female labour force participation rate (LFPR) has risen from 47.2% to 49% between 2000 and 2012 to 53.6% in 2014 as more women join the labour force, although this is still lower than the OECD average of 61%. Women are also moving into the non-agricultural and higher value added sectors. The share of women among professionals is rising and women are also in decision-making roles in the public and private sectors, i.e. at 30%. However, there are concerns on the low participation of women in political and economic decision-making. Gender disaggregated data and gender related information need improvement. The reported domestic violence and gender-based violence is increasing. Although the number of reported rape offences has declined, the alleged perpetrators of rape by boys and young men are rising, with half of the victims being children (13 to 16). Under-age marriages, pregnancies and adolescent births, too, are on the rise.

MDG 4: Reducing Child Mortality

Malaysia's child mortality rates are comparable to rates in high-income and developed nations. However, the majority of under-five deaths occur in the 1st year of life, particularly in the first 28 days (neonatal). There is high immunisation coverage of the one-year olds for measles, mumps and rubella. The remaining issues under this goal are to address perinatal and neonatal mortality, the non-health determinants of child death, the needs of vulnerable children and the persistent high rates of child mortality amongst indigenous people; and also to improve medically certified deaths.

MDG 6: Combating HIV/AIDS, Malaria & Other Diseases

HIV/AIDS - Under this goal, Malaysia successfully halted and reversed the spread of HIV/AIDS since 2002 while HIV/AIDS-related deaths peaked in 2007 and have since declined. HIV/AIDS transmission amongst people who inject drugs (PWID) has declined significantly. Malaysia's HIV epidemic shows the characteristics of a concentrated epidemic – as defined by WHO, the prevalence is concentrated amongst key populations. Intervention programmes have reached more than half the key of less than 0.5 percent in general affected populations, which is significant progress in terms of universal treatment access. The remaining issues are to further curb the spread of HIV. AIDS in particular through sexual transmission, creating a balance between preventive and curative interventions, as well as creating an enabling environment and providing resources for sustained treatment coverage so that achievements are not reversed.

Malaria - Malaysia has successfully halted and reversed the incidence of human malaria ahead of the 2015 target - 76% reduction in incidence between 2000 and 2014. Most malaria reductions are from locally-transmitted cases while imported cases are fairly constant. Mortality rates and case fatality rates of malaria are low. However, there is an emergence and re-emergence of new and virulent strains; a lack of surveillance amongst high risk populations; and the need to control *P.vivax* which is harder to detect, and continue surveillance of *P.knowlesi* (zoonotic malaria).

Tuberculosis (TB) - Malaysia has maintained relatively high cure rates (78%) but the number of deaths has increased gradually since 2000. TB-HIV co-infection peaked in 2008, and has since declined. Multi-drug resistant TB is relatively low in Malaysia compared to globally. Malaysia must address the TB issue as it has re-emerged since 1985, mostly among Malaysians who accounted for 85.8% of all TB cases in 2013. Detection rates have gone up, especially amongst vulnerable groups. Sustainability of the National Tuberculosis Programme is a must and continuation of meaningful and effective partnerships to improve treatment outcomes is needed. There is also a need to manage high-risk groups.

MDG 7: Ensure Environmental Sustainability

Under MDG 7, Malaysia is a signatory to several multi-lateral environmental agreements and national initiatives have incorporated environmental concerns. The carbon intensity per GDP has declined by 33% in 2015, ozone depleting substances namely CFC, Halons, CTC and MTC have been

successfully phased out since 2010, More than 50% forest cover has been maintained since 1990s, and a network of protected areas (terrestrial & marine) established, efforts have been made to conserve threatened species; treated water supply; and improved sanitation coverage has been sustained at high levels, even in rural areas; and the number of households in living in squatter conditions have declined. However, Malaysia still has a high ecological footprint, hence, there is a need to achieve sustainable development and increase resilience. A high number of threatened species and increased pressures on fisheries resources – all point to the need for improved conservation efforts. There is also a decline in the availability of clean water resources, while water demand is rising. There are also issues of decent housing affordability and the need to improve the living conditions of public housing.

MDG 8: Global Partnership for Development

Malaysia is an active contributor to development assistance and provide assistance to other countries by continuing its subscription to multi-lateral development banks and through its Malaysian Technical Cooperation Programme (MTCP), as well as the sharing of its experiences of the Economic Transformation Programme (ETP) and Government Transformation Programme (GTP). Malaysia has promoted global partnerships via bilateral, multilateral and regional collaborations and works closely with the UN System and supports initiatives through Malaysian NGOs and the private sector. Moving forward, there is a need to have a strategic framework for future partnerships, ensure sustainability, relevance and efficiency of partnerships for development and to further explore and enhance public-private partnerships for this MDG.

NAD noted through the MDGR 2015, absolute poverty and hunger have been largely eliminated in Malaysia; universal primary education has been achieved for both boys and girls; child mortality is very low and is comparable to levels in high income nations; maternal deaths have fallen by more than half, while safe deliveries and antenatal care coverage are high; infectious diseases like HIV/AIDS and malaria have been halted and reversed; sustainability of the environment has been incorporated into key plans and policies; there is near universal coverage of clean water supply and basic sanitation and squatter households have been reduced; and Malaysia has gradually become an important and active contributor to global development as the nation graduates from being a recipient country to sharing its development experience with other countries.

NAD concludes that the government has recognised the achievement and weaknesses/challenges of MDGs.

5.3.2. Improved the Existing MDGs into SDGs

5.3.2.1. On 25 September 2015, during the 70th session of the General Assembly, United Nations (UN), Member States adopted the outcome document of the UN summit for the adoption of the post-2015 development agenda titled 'Transforming our world: The 2030 Agenda for Sustainable Development. The 2030 Agenda is ambitious, universal and more holistic than its predecessor. It applies to all countries at all income levels instead of just developing countries. One of the key challenges is for the SDGs to move away from being aspirational at the international level and bring them into actions at the country level and to local levels. The SDGs will have to be relevant and prioritized according to national, sub-national and local development needs; and mainstreamed into development policies, plans and strategies for effective implementation. Therefore, the government are required to improvise the existing MDGs into SDGs according to the national context.

5.3.2.2. NAD found that, Malaysia had achieved relatively good development outcomes, such as in eradicating extreme poverty, achieving close to universal primary education, and reducing infant mortality. Building on these achievements, Malaysia then moved beyond the basic targets of the MDGs and pursued more ambitious targets and addressed other development concerns in the spirit of the MDGs. Thus, Malaysia continues to work on agenda such as environment, inclusiveness and gender empowerment and improvised all the MDGs targets into SDGs. In this light, the National SDGs Roadmap is formulated to guide the implementation of the 2030 Agenda. Indeed, having addressed the basic aspects of development, Malaysia will need to ensure that its achievements and future human development are sustainable and resilient to shocks and disasters. Equally important is that human and social development should be pursued in an inclusive and equitable manner. The challenge is therefore to ensure that current policies and programmes are realigned to be sustainable, resilient and inclusive and to build a foundation for a quality life.

5.3.2.3. NAD noted through the MDGR 2015, there are still some remaining issues and there are efforts in the pipeline towards furthering past achievements. As a lesson learned, it highlights in a larger development aspects that require additional effort as follows:

i. Environment

Malaysia's achievements in social and economic development have been built on natural and environmental resources, not only as inputs for economic production but also as provisioning environmental services for the country's people. The environment has an additional role in disaster risk prevention and management. Yet, the environment and its relationship with increasing and rapid urbanisation are much less understood in comparison to the economic and social spheres of development. Without a serious look at the environment, and at climate change issues, the pursuit of sustainable and resilient development is difficult and may even be out of reach.

ii. Gender Empowerment

Another development focus that requires attention is gender empowerment. In education and health, Malaysia has done well to ensure gender parity. However, stereotyped gender roles persist with implications for other development achievements. Gender empowerment in so far as it improves the overall welfare of men and women should be pursued. For example, the burden of care and lack of supporting infrastructure for women and men alike have inhibited the labour force participation of women. This, in turn, has trapped some families within the low income status, and exposed their vulnerability to falling through the safety net. So far as gender wage discrimination, the government need to focus on policies to remove all unfair practices, especially in the private sector, in order that the principle of equal pay for equal work can apply in spirit and practise in Malaysia.

iii. Inclusiveness

a) Malaysia's development philosophy according to the 11MP is to leave no one behind. The approach, which started in 1971 (the Mid-Term Review of the Second Malaysia Plan (2MP)) was to generate jobs and keep employment high, and to provide basic education in order to create a skilled workforce for the needs of the economy. The experience of creating a single national public education system has been very challenging but a national public education system has emerged providing universal education for all Malaysians. A similar approach was taken in healthcare, where a national public healthcare system was developed comprising clinics in rural and urban areas with referrals to state and national facilities. Concurrently, a rural sanitation and water supply programme, first launched in the 1960s, has reduced water-related infectious diseases and improved healthcare.

- b) The successes of Malaysia's development are evident even at the subnational level. The "no one left behind" approach required huge levels of effort, investment and resources. A focused and targeted approach is necessary. In the Tenth Malaysia Plan (10MP) (2011-2015), the outcome-based approach was announced, which aimed to deliver the desired outcomes with the least cost. This approach emphasises the effectiveness of achieving the intended development outcomes. On the international front, there are new challenges, as well as new opportunities, as globalisation continues apace and the impact of international migration changes the dynamics of local regions and nation states. On the domestic front, various problems have emerged such as the increasing cost of living, persistent inequality of income and wealth distribution, low savings rate and high household indebtedness, particularly amongst the lower income groups.
- c) Additionally, climate change will likely impact on many regions that were formerly free of natural disasters and affect more vulnerable populations as exposure levels rise with rapid urbanisation. Global and economic uncertainties will pose new challenges, and stronger social protection programmes needed to catch those who are unable to make it through the system or suffer from unintended outcomes.
- d) The inter-connectedness of the various problems requires a multi-dimensional approach. The Eleventh Malaysia Plan's (11MP) multidimensional poverty index is an attempt to try to quantify and measure the various dimensions and quality of development so that appropriate action can be taken. The government has started to take new initiatives, unconventional by Malaysian standards, to tackle these new challenges by harnessing the strength of community organisations to reach vulnerable populations. For instance, the government sponsored dropout programme at MySkills Foundation has shown unexpected results where almost 80 per cent of the targeted group have found jobs, and another eight per cent are pursuing further education. This second chance programme is an extremely good complement to the current educational system. While this is a specific example, it signals a need for a strategic relook at the social protection system: one that is flexible and can respond to needs that may emerge from unintended circumstances or situations. The 11MP has noted that a review of the social protection programmes will be undertaken.

iv. Quality of Development

- a) The world today is vastly different from the time when the first national policies were developed. Then, the needs of the population were more in terms of jobs and the need for infrastructure that supported schools and health centres. Having satisfied the people's basic needs, other needs and requirements have emerged, such as decent jobs and higher incomes, a high quality of life enriched by arts or sports, good and safe living environments, and the opportunity to develop culturally, intellectually and scientifically and to live a more fulfilling life.
- b) This multidimensionality of development was stated in a slightly different way in Malaysia's Vision 2020. It is essentially a paradigm shift in terms of development for the people, which can be summarised succinctly as "quality" over "quantity". Pursuing quality development is essentially the thrust (replaced as "pillars" under the 11MP Mid Term Review in October 2018) of the government's plans as enunciated in the more recent 11MP, New Economic Model (NEM), Economic Transformation Programme (ETP) and Government Transformation Programme (GTP).
- c) On the economic front, the green growth strategy (11MP) is a move away from resource intensive growth toward sustainable consumption and production, which emphasises improving the quality of economic growth through responsible consumption, waste minimisation and efficient production. The Malaysia Education Blueprint 2013-2025 posits that the next challenge is improving the quality of education and developing its human capital whilst transforming the educational institutions into efficient and effective operations.
- d) Similarly, the Strategic Paper of the 11MP on Labour Market skills for an Advanced Nation will prioritise upgrading skills, raising productivity and managing the foreign worker population. On these fronts, the challenge is to effectively implement plans and strategies to attain the desired quality in development. Although the 10MP and 11MP contain the strategy for a shift in the quality of economic growth, fine-tuning of plans and programmes are necessary. It is important to recognise that not all aspects of development have been fully considered under the "quality" lens. Identifying these gaps and subsequently addressing them will be important to improve the quality of development all-round.

- e) One area where a transformation is important but little progress made is the quality of living conditions in public housing. Local governments are directly responsible, but they have insufficient resources and capacity to deliver the outcomes and meet the expectations of the people. More capacity (skills, and people) and finance are necessary to deliver better outcomes in this area. A transformation plan that involves the local communities in these areas needs to be on the agenda.

NAD concludes that the Malaysian government has anticipated lessons learnt from the MDGs and formulated improvised policies in tandem with the 2030 Agenda framework.

5.3.3. Recognise the Gaps from Achieving the MDGs to National Context

The government has to recognise the gaps from achieving the MDGs. NAD noted that in 2014, EPU, in collaboration with the United Nation Country Team (UNCT), conducted inclusive and extensive consultations on the post-2015 development agenda (MDGs).

In 2015, Malaysia conducted a study on the policy coherence, governance, human capital and data responses for the SDGs, in partnership with United Nations Development Programme (UNDP) and the Institute for Strategic and International Studies Malaysia. The 11MP document has outlined a strategy and the priorities for development of the country and people. They point to elements of common challenge that need to be addressed at the national level and an associated need for a stronger global partnership for development. In that respect, the Malaysian development agenda is somewhat aligned with the post-2015 human development agenda.

According to EPU, when the MDGs were globally adopted in 2000, Malaysia was well-positioned to achieve the MDGs aspirations. In line with this, Malaysia continued to address issues such as poverty, universal primary education, gender equality and empowerment of women as well as child and maternal health. In turn, by 2015 Malaysia largely had eliminated absolute poverty; achieved universal primary education for both boys and girls; lowered child mortality to levels comparable to high-income nations, achieved near-universal coverage of clean water supply and basic sanitation; and reduced the number of households living in squatter settlements. Nevertheless, there were remaining issues that require special

attention from the Government such as relative poverty, school dropout, gender wage discrimination, gender-based violence and biodiversity loss. Therefore, Malaysia acknowledged the emergence of these issues and incorporated the unfinished business into SDGs.

The strategic directions that the 11MP has sketched for Malaysia and the detailed targets and indicators of the SDGs are complementary and the latter would provide the means for measuring future Malaysia's development.

According to EPU, there are several key development areas that need to be addressed in moving forward such as:

i. Crosscutting Nature of Development

Addressing development issues in an integrated manner is the next major challenge for Malaysia's development as government ministries and agencies often times operate in "silo" based on their legal or defined jurisdictions.

ii. Demands for Public Participation and Social Trust

Timely, consistent and engaging communication between institutions and stakeholders are needed in order for meaningful participation to occur. Effective engagement and communication are important for enhancing public perceptions about the transparency, accountability and openness of institutions.

iii. Effective Implementation

Strengthening local implementation capacities would give a better chance for achieving the desired outcomes. In moving forward, taking that leap to invest in and enhance local capacities will require improvements that will bring better quality to Malaysia's development outcomes. Empowering local capacities is the final leap towards becoming a developed nation.

iv. Resilience and Sustainability

a) As Malaysia moves to complete the "last mile" of development, new challenges are emerging: globalisation and economic competition, declining and scarce natural resources, new technologies that are

changing the business and societal landscape, climate change, mass movements of people, unsustainable lifestyles, and urbanisation.

- b) To empower and provide opportunities for the people to meet these challenges, the imperative is to invest even more in them, increase their capacity to be creative and innovative in deriving solutions, their ability to handle crises and disasters, whether natural or man-made and to be able to rise to the demands of a globalised world and economy.

NAD concludes that Malaysia has recognised the gaps from achieving the MDGs to the national context.

5.3.4. Incorporated the Lessons Learnt From MDGs into the Development of the New SDGs Country Reporting Guidelines

Since the adoption of the MDGs, Country Reports have been used as a means to monitor the progress of the MDGs. These reports documented the achievements, challenges, lessons learnt and way forward for the country. Important on an international front, these reports also serve as important exercises for the country to reflect on its own development – to recognise what has been achieved and what remains to be done. As 2015 marks the target year for the MDGs, the country reports are no longer only a tool for tracking performance or documenting experience but an invaluable contribution to inform the discussions for future human development.

NAD noted that there are several key development areas that need to be addressed in moving forward for MDGs:

- **Crosscutting Nature of Development.**

- a) The inter-linkages and crosscutting nature of development are becoming increasingly important. For example, what we have seen in Malaysia's experience is that health and education contribute to employment and better incomes, which in turn, directly contribute to poverty eradication.
- b) As described in MDG 4, interventions to prevent infants and children under five from dying can range from improved parental knowledge of the causes, better quality and safety considerations in childcare centres, prevention and early interventions to stop child abuse in

homes and institutions, dealing with domestic violence and gender-based violence and increasing road safety in general.

- c) Medical interventions alone would not be sufficient to deal with this aspect of child health. Similarly, teenage pregnancies are not only a social issue. They are very much a gender empowerment issue, an education issue, a health issue and an economic issue as described in the MDG 5 chapter. Indeed, this interplay between sociocultural determinants and health is very much applicable to overall maternal and child health and reproductive health, and requires the engagement of the full public health spectrum to manage.
- d) Other examples include the inter-linkages between gender parity in education and occupations and the educational outcomes of boys and the implications on possible shortages of skilled labour in the future (MDG 3 chapter), the relationship between female labour force participation and improved facilities and services (MDG 3 chapter).
- e) In MDG 7, the relationship between environmental resources and economic growth is so vital that the basis of future development could be affected, especially under conditions of uncertainty, whether manmade, as in global competition, or natural, as in disasters arising from climatic changes. Hence, addressing development issues in an integrated manner is the next major challenge for Malaysia's development as government ministries and agencies often times operate in "silo" based on their legal or defined jurisdictions. The 11MP aims to rationalise public sector institutions for greater productivity and performance and will have to approach integrated development in a holistic manner.

- **Demands for Public Participation and Social Trust.**

- a) The demand for public participation in all levels of society is growing and the availability, or lack of, mechanisms to positively harness this contribution can greatly influence the inclination for and fostering sustainable, resilient and inclusive development.
- b) It is also an important aspect of inclusiveness in that people both benefit from development as well as the right to have a voice in deciding the forms and nature of development to pursue. On this note, public engagement is another area that could contribute to filling the gap between expectations and actual development.

c) In the post-2015 public consultations undertaken in Malaysia, this gap and many others were clearly expressed in the discussions at the local levels. Timely, consistent and engaging communication between institutions and stakeholders are needed in order for meaningful participation to occur. Effective engagement and communication are important for enhancing public perceptions about the transparency, accountability and openness of institutions. This social trust will be critical when Malaysia is faced with making tough decisions to ensure sustainable futures.

- **Effective Implementation.**

a) While effective engagement and communication play a role in building social trust, implementation on the ground level speaks the loudest. Ensuring that plans, policies and programmes achieve their intended outcomes will need sustained and focussed effort, requiring increased local capacities of people and institutions. Indeed, this could well be the Achilles heel of development.

b) In the area of conservation, the local capacities and resources for the protection of mega biodiversity are well below the required level. In moving forward, strengthening local implementation capacities would give a better chance for achieving the desired outcomes. In addition to the important issue of biodiversity conservation, providing resources to local authorities for the transformation of the urban low cost areas would contribute towards building a fully developed society from the ground up.

c) Malaysia has developed strong local capacities in its maternal and child health and malaria control efforts, which have achieved levels approaching those of developed countries (see chapters on MDGs 4, 5, and 6). The LA21 agenda is an example of local participation, but it is far from the mainstream of local development. In moving forward, taking that leap to invest in and enhance local capacities will require improvements that will bring better quality to Malaysia's development outcomes.

d) Empowering local capacities is the final leap towards becoming a developed nation. Realising local empowerment requires a change in the system of governance. It will require recognition that NGOs and community-based organisations can make a contribution to local development; and that empowering them is essential to realise this potential.

e) In working together, the core principles of accountability, transparency and co-ownership of outcomes must be fully practised. In this regard, the government needs to take the initiative to make this transformative change.

- **Resilience and Sustainability.**

a) Malaysia has been very successful in delivering the physical aspects of development, but in the future, the challenge is to ensure sustainable development and the nation's resilience.

b) For almost all the MDG goals, Malaysia made significant gains because of its policies, such as in job creation, building schools in and delivering health services to rural areas, establishing a robust system for production and trade, and connecting the country, especially Peninsular Malaysia, with roads and other transport modes. The outcomes as measured by the MDG indicators show progress even in subnational and sub-regional levels.

c) As Malaysia moves to complete the "last mile" of development, new challenges are emerging: globalisation and economic competition, declining and scarce natural resources, new technologies that are changing the business and societal landscape, climate change, mass movements of people, unsustainable lifestyles, and urbanisation. To empower and provide opportunities for the people to meet these challenges, the imperative is to invest even more in them, increase their capacity to be creative and innovative in deriving solutions, their ability to handle crises and disasters, whether natural or man-made, and to be able to rise to the demands of a globalised world and economy. As eloquently discussed in the 11MP, the next frontier is anchoring growth on the people.

- **Global Partnerships.**

a) Malaysia has taken important steps to share its development experience through its well-known Malaysian Technical Cooperation Programme. This programme has enabled other countries to think about their own plans using Malaysia's experience as an example.

b) Malaysia has shown that it is a global partner for development; two examples being its support of UNICEF's global mandate through innovative financing in Malaysia and the recognition of WHO

Collaborating Centres. This foreign policy element is very much in line with the inclusive nature of the sustainable development goals, by providing opportunities for those in need.

- c) As the global arena continues to change both in the dynamics and the needs, Malaysia will need to enhance its model for global partnership in order to continue being an effective partner in global development.
- d) What's more, in furthering the inclusive approach to development, there is the challenge of including the subpopulations of refugees, undocumented and stateless persons in the country's development journey.
- e) In terms of human rights, they should be included. They are also a potential human resource for the nation. Yet at the same time, the country is faced with the dilemma that including these subpopulations currently in the country in development programmes and initiatives will risk opening the flood gates for more to come. This raises the concerns on the sufficiency and security of resources which are needed to sustain the development achievements attained. This balancing act without compromising the human rights of these vulnerable populations poses a pressing challenge especially for a nation that already hosts a substantial population of documented migrants. As Malaysia stands at the "crossroads" of regional migration and cross border movement, its leadership on this is critical.

- **Monitoring and Evaluation.**

- a) There is currently no institution that is assigned to do the monitoring and evaluation of the MDGs.
- b) This review effort has instead used an ad-hoc approach.
- c) In the post-2015 period, a coordinated institutional effort shall be put in place to facilitate this process, as the SDGs have more goals, targets and indicators.

NAD concludes that Malaysia has well incorporated the lessons learnt from MDGs into the development of SDGs Country Reporting Guidelines.

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1. General Conclusion

6.1.1. The Government is still in the phase of prioritising SDGs according to 11MP and the process is on-going until 2020. NAD concludes that EPU and DOSM have demonstrated systematic and dedicated efforts in ensuring the Government in the right direction for implementation of SDGs by 2021. The conclusion derived based on the audit objectives are as follows:

6.1.2. The Government has adapted the 2030 Agenda into the national context, institutional framework, integration and inclusiveness by:

- i. put in place an enabling environment in a systematic and measurable manner;
- ii. established structures and processes to mobilize stakeholders and to effectively incorporate their inputs into the definition of SDGs policies and plans;
- iii. ensure sufficient and effective communication and coordination mechanisms in the Government for bringing various government agencies; NGOs and CSOs together to develop and implement integrated SDGs policies;
- iv. implemented specific efforts to integrate the SDGs into the country's policies, plans and programs, including the existing sustainable development strategy;
- v. established institutional coordinating mechanisms and there is institution in charge of coordination and integration to foster partnerships and coordination across all levels;
- vi. established mechanism and procedures in mapping SDGs interconnections for identifying and understanding potential co-benefits and trade-offs to inform strategies and priorities; and identifying SDGs gaps in existing strategies and plans; and
- vii. established a mechanism to align, prioritize and harmonize SDGs with existing national visions, and national, local and sectoral development in mainstreaming the principles of 2030 Agenda.

6.1.3. In regards to the means of implementation in terms of secured resources and capacities needed to implement the 2030 Agenda, the Government has implemented sufficient and specific efforts in recognising financial resources and partnerships.

6.1.4. In regards to establishing mechanisms to monitor, follow up, review and report on the progress towards the implementation of the 2030 Agenda, the Government has implemented sufficient and specific efforts in strengthening the national statistical system; and engaged in systematic monitoring, follow-up, review and report on its progress.

6.1.5. The Government has determined the lessons learnt from previous Millennium Development Goals (MDGs), recognised the gaps and has incorporated it into the development of the new SDGs in much more improvised development policies.

6.2. Audit Recommendations

It is recommended that the Government should;

6.2.1. Consider specific efforts in breaking down the operational culture of working in “silos”.

EPU’s Feedback on 13 November 2018:

The recommendations are in line with EPU’s objectives and the issue of working in “silo” has been mooted many times at the top level meetings. In fact, the Government has in the past monitored and stressed for shared responsibility when implementing various initiatives under the 5-year Malaysia Plans.

Under the Mid-Term Review of the Eleventh Malaysia Plan, efforts to further enhance the vertical integration between Federal and State levels will be further improved, in which a high-level committee will be established to enhance Federal-State planning coordination while the institutional framework will be strengthened to improve coordination on the management of environment and natural resources at the Federal, State and local levels.

6.2.2. Focus in framing the indicators accordingly in the needs of the national context and its players.

EPU's Feedback on 13 November 2018:

This recommendation is in line with EPU's strategy to ensure focus is given to indicators that are relevant and applicable to Malaysia. In this relation, engagement with the Department of Statistics Malaysia will be conducted to explore and discuss further on the suggestion.

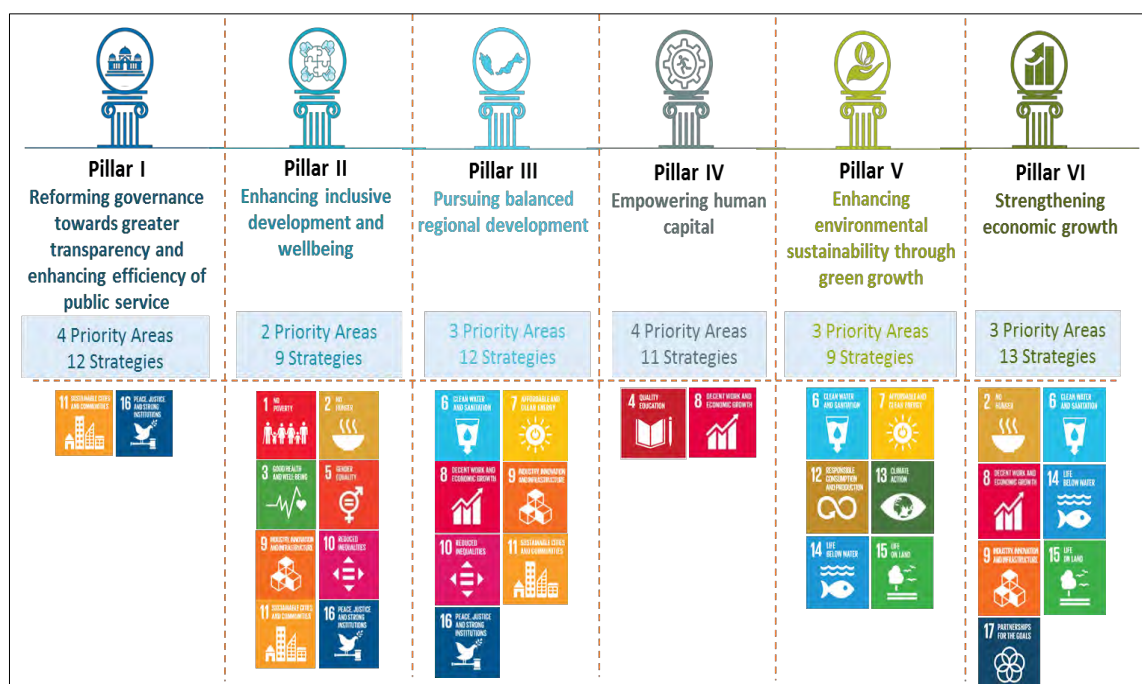
6.2.3. Ensure development in pace with sustainability, resilient and inclusive in the true spirit of the SDGs.

EPU's Feedback on 13 November 2018 and during Exit Conference on 28 January 2019:

Sustainable development has always been the utmost agenda for Malaysia. This commitment has been reaffirmed by the Honourable Prime Minister during the tabling of the Mid-Term Review of the Eleventh Malaysia Plan, 2016-2020. Under the Mid-Term Review, efforts will be intensified to enhance the resilience of the nation's economic fundamentals and wellbeing of the people through new priorities and emphases based on six policy pillars. These six pillars have replaced the earlier six strategic thrusts which were stipulated in the Eleventh Malaysia Plan launched in 2016 and all 17 goals were remapped according to the new pillars. These six pillars cover all the three dimensions of sustainable development, namely social, environment and economy as shown:

- a. Reforming governance towards greater transparency and enhancing efficiency of public services;
- b. Enhancing inclusive development and wellbeing;
- c. Pursuing balanced regional development;
- d. Empowering human capital;
- e. Enhancing environmental sustainability through green growth;
and
- f. Strengthening economic growth.

**FIGURE 10
THE MAPPING OF SDGs TO MID TERM REVIEW
OF THE ELEVENTH MALAYSIA PLAN**



6.2.4. Establish mechanism in terms of risk assessment consistently and comprehensively on any emerging issues or challenges for ensuring the achievement of the 2030 Agenda.

EPU’s Feedback on 30 November 2018:

EPU takes note the need to establish a consistent and comprehensive risk assessment mechanism on any emerging issues or challenges towards achieving 2030 SD Agenda. Currently, there are five SDG CWCs which consist representative from ministries, agencies, civil societies, private sector, academics and United Nations agencies. The committees are tasked to not only develop and implement programs but also to report progress and identify any emerging issues or challenges. Hence, the present governance structure i.e. SDG CWCs will provide a platform to ensure that all related SDG issues be addressed in an inclusive and participatory manner and all risk be assessed consistently and comprehensively. For example, in disaster management sector (as reflected in SDG 1, SDG 2, SDG 11 and SDG 13) which has cross-cutting issues involving various sectors, among others, health, security, food and shelter, the issues including risk assessment and challenges in regard to disaster will be led by the National Disaster Management Agency (NADMA) with supports from relevant ministries and departments. The SDG CWC

meeting will be one of platforms for NADMA and relevant agencies to share and report issues in an inclusive and participatory manner as well as assessing related risks consistently and comprehensively.

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ANNEX 1
MALAYSIA'S MDGs ACHIEVEMENTS FROM 1990 TO 2015

GOALS AND TARGET	INDICATORS FOR MONITORING PROGRESS	MALAYSIA'S PROGRESS (AGGREGATED)			NOTES
		1990	2009	2014	
GOAL 1: ERADICATE EXTREME POVERTY AND HUNGER					
Target 1.a: Halve, between 1990 and 2015, the proportion of people whose income is less than US\$ 1 a day.	Proportion of population below US\$ 1 (PPP) per day (Poverty rate).	16.5% (1989)	3.8%	0.6%	Poverty incidence has been halved for all states. As of 2014, all states have poverty rate of less than 1 per cent except Sabah and WP Labuan. Sabah's poverty rate was 4.0 per cent (2014).
	Poverty gap ratio.	3.75%	0.80%	0.1%	
	Share of poorest quintile in national consumption.	5.00%	5.10%	0.1%	
Target 1.b: Achieve full and productive employment and decent work for all, including women and young people.	Growth rate of GDP per person employed.	10%	14%	2.4%	Female labour force participation rate increased to 53.6 per cent (2014). Youth unemployment decreased to 11.9 per cent (2009) and further to 10.2 per cent (2014). Informal sector workers constitute 9.7 per cent of total employment.
	Employment-to-population ratio.	62.5%	60.6%	65.6%	
	Proportion of employed people living below US\$ 1 (PPP) per day.	<1%	<0.5% (2007)	0%	
	Proportion of own-account and contributing family workers in total Employment.	31.1%	21.5%	22.2%	
GOAL 2: ACHIEVE UNIVERSAL PRIMARY EDUCATION					
Target 2.a: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.	Net enrolment ratio in primary education.	92.7%	95.7%	97.9%	Uses gross enrolment rate, which does not exclude children outside the official age group on the Enrolment side. Literacy rate is based on school attendance. Parity between genders achieved for enrolment, completion and literacy rate.
	Proportion of pupils starting grade 1 who reach last grade of primary.	98.1%	99.0%	99.2%	
	Literacy rate of 15–24-year-olds, women and men.	98.7% (men) 97.2% (women)	98.5% (men) 98.4% (women)	97.9% (men) 98.0% (women) (2013)	
GOAL 3: PROMOTE GENDER EQUALITY AND EMPOWER WOMEN					
Target 3.a: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.	Ratios of girls to boys in primary, secondary and tertiary education.	Primary 1	Primary 1	Primary 1	Gender parity achieved in primary education. Better than parity achieved in secondary and tertiary education.
		Secondary 1.05	Secondary 1.06	Secondary 1.07	
		Tertiary 1.08	Tertiary 1.6	Tertiary 1.31	
	Share of women in wage employment in the non-agricultural sector.	35.3 %	39.1 %	39.5 %	Females comprise 38% of total labour force.
Proportion of seats held by women in national Parliament.	5.3 %	10.4 % (2008)	10.4 %	Female candidates who are contesting in general elections have increased.	

GOALS AND TARGET	INDICATORS FOR MONITORING PROGRESS	MALAYSIA'S PROGRESS (AGGREGATED)			NOTES
		1990	2009	2014	
GOAL 4: REDUCE CHILD MORTALITY					
Target 4.a: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate.	Under-five mortality rate (per 1,000 live births).	16.8	8.5	7.6 (2012)	The achievement in 2012 is close to high income and developed countries average rate of 6 per 1,000 LBs (2013).
	Infant mortality rate (per 1,000 live births).	13.1	6.9	6.2 (2012)	The 2012 achievement is close to the average rate of 5 per 1,000 live births in high income and developed countries (2013).
	Proportion of one-year-old children immunised against measles.	70.0%	94.3% (2008)	95.3% (2013)	States have also achieved high immunisation rates. Malaysia uses a combined vaccine of measles, mumps and rubella (since 2002).
GOAL 5: IMPROVE MATERNAL HEALTH					
Target 5.a: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.	Maternal mortality ratio (per 100,000 live births).	44.0% (1991)	27.0%	23.2% (2012)	Year 1991 is used as a comparison because it is more accurate after implementing the Confidential Enquiries into Maternal Deaths.
	Proportion of births attended by skilled health personnel (Safe deliveries).	92.9%	98.6% (2008)	98.7% (2012p)	Safe deliveries have been sustained at high levels for more than decade.
Target 5.b: Achieve, by 2015, universal access to reproductive health.	Contraceptive prevalence rate.	51.4% (1984)	51.9% (2004) – Peninsular Malaysia	54.0% (2014p) - Malaysia	Data for 2014 is the preliminary result of the 5th Malaysian Population and Family Survey 2014.
	Adolescent birth rate (births per 1,000 women aged 15-19 years).	28 (1991)	15	14 (2012)	On average, adolescent mothers delivered close to 17,000 live births a year in the period of 2000-2012.
	Antenatal care coverage (at least one visit).	78.0%	90.7%	98.0% (2013)	The average number of antenatal visits per mother is 10 as of 2012.
	Unmet need for family Planning.	NA	24.7% (2004) - Peninsular Malaysia	15.9% (2014p) - Malaysia	Data for 2014 are the preliminary results of the 5th Malaysian Population and Family Survey 2014.

GOALS AND TARGET	INDICATORS FOR MONITORING PROGRESS	MALAYSIA'S PROGRESS (AGGREGATED)			NOTES
		1990	2009	2014	
GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES					
Target 6.a: Have halted by 2015 and begun to reverse the spread of HIV/AIDS.	Notification rate: the number of cases detected (cases per 100,000 population).	28.5 (2002)	10.8	11.7	Malaysia's surveillance data on HIV/AIDS are compatible with modelling done either via estimation and projection or Asian Epidemic Model. On track to reach the target provided steps in handling sexual transmission is properly implemented.
	Case detection: the percentage of cases detected out of total screened.	0.82 % (2002)	0.25 %	0.09 %	Number of screenings have increased from 1.2 million (2009) to almost 1.5 million (2014).
	Reported AIDS-related Deaths.	1,377 (2007)	805	756	Refers to both HIV and AIDS-related deaths. Deaths peaked in Malaysia in 2007. Mortality rate is 2.5 per 100,000 population (2014).
Target 6.b: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it.	Number of people living with HIV who have received antiretroviral treatment.	NA	9,962	21,654	Measurement of treatment coverage is dependent on estimates of people living with HIV. Estimated coverage rate was 37.3 per cent in 2009 (Eligibility: CD4 counts of <200 cells/mm ³). Coverage in 2014 estimated to be 47.6 per cent. Estimated 45,476 eligible people using CD4 counts of <350 cells/mm ³ .
Target 6.c: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.	Incidence of malaria.	50,000 cases	7,010 cases	3,923 cases	Have achieved target of halting and reversing the incidence of malaria. Currently making efforts and progressing towards complete elimination of malaria by 2020.

GOALS AND TARGET	INDICATORS FOR MONITORING PROGRESS	MALAYSIA'S PROGRESS (AGGREGATED)			NOTES
		1990	2009	2014	
Target 6.c: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.	Malaria mortality rate (per 100,000 population) and Case fatality rate (%).	Mortality rate: 0.05 (1995)	Mortality rate: 0.09 Case fatality: 0.37 %	Mortality rate: 0.03 Case fatality: 0.30 %	Case fatality used to complement mortality rates since the fraction of all malaria deaths is small.
	Number of deaths related to tuberculosis.	571 (1995)	1,582	1,597 (2013)	Mortality rate is 5.37 per 100,000 population (2013). Notification rate of TB increasing as number of screenings for vulnerable groups also increase. Have not achieved target of halting and reversing the incidence of tuberculosis. Unlikely to achieve by 2015.
	Tuberculosis case detection rate.	70.1 % (2000)	76.2 %	95.0 % (2013)	-
	Tuberculosis cure rate under directly-observed therapy, short course.	NA	78.0 %	78.0 % (2013)	-
GOAL 7: ENSURE ENVIRONMENTAL SUSTAINABILITY					
Target 7.a: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.	Proportion of land area covered by forest.	56.9 % (1990)	54.3 % (2010)	54.5 % (2012)	Malaysia is committed in ensuring at least 50 per cent of the country's land area remains as forest, as pledged in the Rio Summit in 1992.
	CO2 emissions, total, per capita and per \$1 GDP (PPP).	3.2 tonnes of CO2 eq/capita (1994)	7.2 tonnes of CO2 eq/capita (2006)	7.6 tonnes of CO2 eq/capita (2010)	Refers to carbon dioxide equivalent of all greenhouse gases. Malaysia adopted a voluntary reduction of up to 40 per cent in terms of carbon emission intensity of GDP by 2020 compared to 2005 levels, conditional on the provision of finance and technology transfer from developed countries.

GOALS AND TARGET	INDICATORS FOR MONITORING PROGRESS	MALAYSIA'S PROGRESS (AGGREGATED)			NOTES
		1990	2009	2014	
<p>Target 7.a: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.</p>	Consumption of ozone depleting substances.	<p>CFCs: 3,383.4 ODP tonnes,</p> <p>Halons: 809.5 ODP tonnes;</p> <p>Methyl bromide Non QPS: 19.9 ODPT,</p> <p>Methyl bromide QPS: 14.5 ODPT,</p> <p>Methyl Chloroform: 17.2 ODPT, HCFC: 65.5 ODPT</p>	<p>CFCs: 105.2 ODP tonnes,</p> <p>Halons: 0 ODP tonnes,</p> <p>Methyl bromide Non QPS: 3.4 ODPT,</p> <p>Methyl bromide QPS: 37.9 ODPT,</p> <p>Methyl Chloroform: 1.9 ODPT, HCFC: 494.0 ODPT</p>	<p>CFCs: 0 ODP tonnes,</p> <p>Halons: 0 ODP tonnes</p> <p>Methyl bromide Non QPS: 4.1 ODPT,</p> <p>Methyl bromide QPS: 94.7 ODPT,</p> <p>Methyl Chloroform: 0 ODPT,</p> <p>HCFC: 445.8 ODPT (2013)</p>	Specific pre-2010 targets for ozone depleting substances under the Montreal Protocol have been achieved. Malaysia is on track to comply with the post-2010 targets of the Montreal Protocol10.
<p>Target 7.b: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss.</p>	Proportion of terrestrial and marine areas protected.	NA	Terrestrial: 10.4 % (2010)	Terrestrial: 10.76 % (2013) Marine: 1.05	The Aichi targets of 17% terrestrial and 10% marine protected areas are recommended for all countries.
	Proportion of species threatened with extinction.		1,167 (2010) Threatened species	1,236 (2014) Threatened species	Total threatened species is based on the International Union for Conservation of Nature (IUCN), Red List that includes mammals, birds, reptiles, amphibians, fishes, molluscs, other invertebrates and plant species. The Wildlife Conservation Bill was passed in Parliament in 2010 to provide a stronger legal basis for deterring wildlife offences particularly in relation to illegal wildlife trade in Peninsular Malaysia and FT Labuan.
	Quantity of fish stocks within safe biological limits.	0.8 million tonnes	1.4 million tonnes (2008)	1.5 million tonnes (2013 estimates)	Fish landing data are used as proxy to fish stock.

GOALS AND TARGET	INDICATORS FOR MONITORING PROGRESS	MALAYSIA'S PROGRESS (AGGREGATED)			NOTES
		1990	2009	2014	
Target 7.b: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss.	Proportion of total water resources used (million litres per day per 1,000 capita).	Domestic consumption: 0.191 (2005) Non-domestic consumption: 0.091 (2005)	Domestic consumption: 0.197 Non-domestic consumption: 0.108	Domestic consumption: 0.203 (2013) Non-domestic consumption: 0.127 (2013)	This indicator is used to assess water scarcity. As an adjustment, this indicator is analysed based on the quantity of raw water sources, production, demand and supply. Domestic and non-domestic water consumption has increased. Non-revenue water is about 40% each year (2010-2014).
Target 7.c: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.	Proportion of population using an improved drinking water source.	92.4 % (2007)	92.9 % (total treated)	95.1 % (total treated)	Efforts are being made to increase water supply coverage to 97 per cent of the population by 2015.
	Proportion of population using an improved sanitation facility.	97.9 % (2007)	98.4 %	99.5 %	Efforts are being made towards providing full sanitation coverage.
Target 7.d: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers.	Proportion of urban population living in slums (squatters).	108,704 households (2004)	99,022 households	73,084 households (2012)	The People Housing Programme, introduced in 1999, will continue to be implemented to reduce the number of households living in squatter settlements.

Sources: Malaysia Millennium Development Goals Report 2015