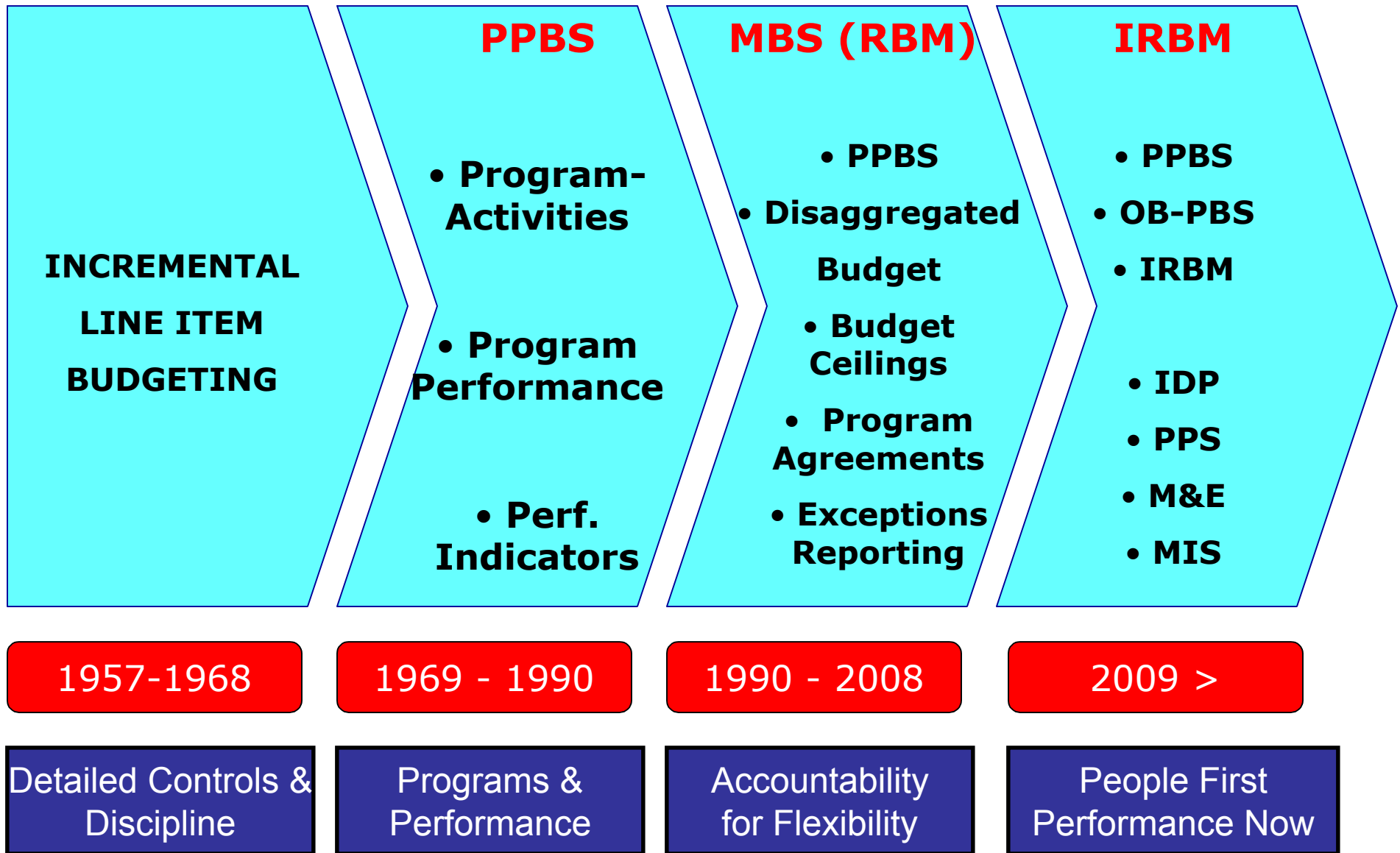


# **Results-based Budgeting under Modified Budgeting System**

**CoP-MfDR Annual Meeting  
23 November 2009**

**Koshy Thomas  
Ministry of Finance, Malaysia**

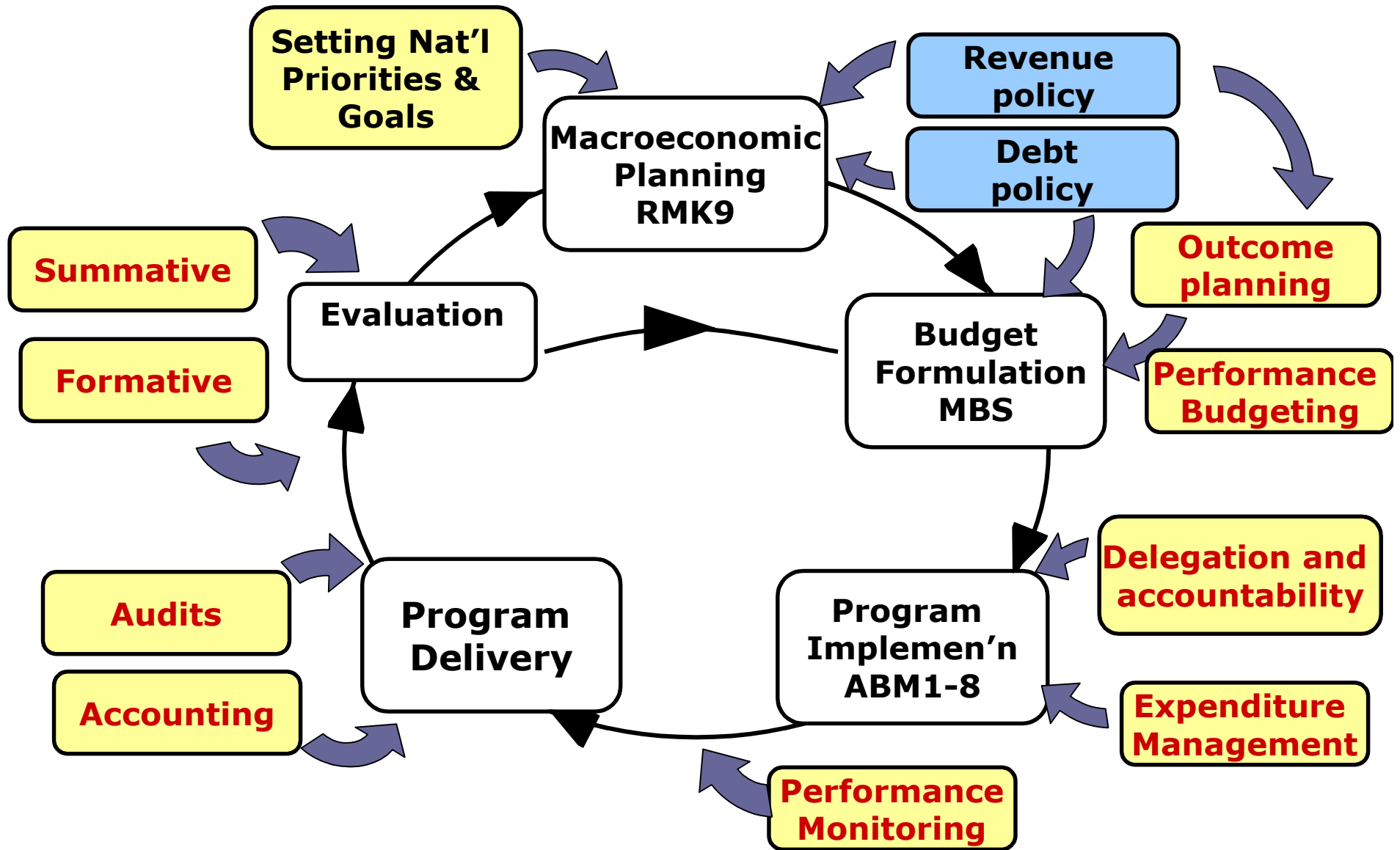
# Malaysia's Budgeting System in Perspective



# **Modified Budgeting System**

- **Focus will be on the Strategic Features**
- **Other features:**
  - **Output Based**
  - **Decentralization**
  - **Accountability is assigned**
  - **Use of a Performance Agreement**
  - **Focus on Program Evaluation**
  - **Performance Reporting by Exception**
- **Budgets Reviewed by Recurrent, New and One-Off Policies**

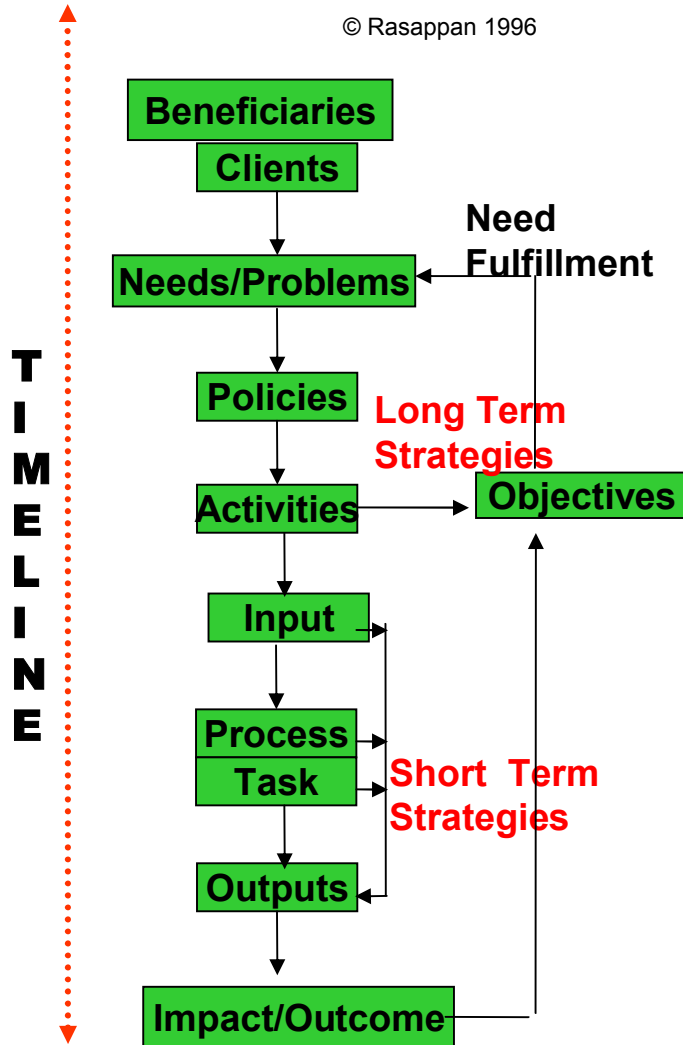
# Program Results Chain



# PROGRAM AGREEMENT & PROGRAM LOGIC RELATIONSHIP

## ProLL CHART

© Rasappan 1996



## PROGRAM AGREEMENT

### CLIENT IDENTIFICATION

- Client (Internal, External, Direct, Indirect)
- Stakeholders (Direct Indirect)
- Target Groups
- Service Providers (Internal & External)

### NEEDS/PROBLEM ASSESSMENT

- Identify Real Needs & Problems
- Associate it with Clients Groups
- How to Address These Needs

### Problems

### POLICIES

- Activity Mandates (Legal/Administrative)
- Sectoral & National Policies

### ACTIVITIES & OBJECTIVES

- Identification of Functions
- To Achieve Objectives
- To fulfill Needs & Overcome Problems

### INPUTS & STRATEGIES

- Seek Money, Man & Methods by Function
- To Implement Activities by Function
- Through Specific Strategies

### TASK

- Undertaken by Man using Money and Methods
- Resource Optimisation key to Success

### OUTPUTS

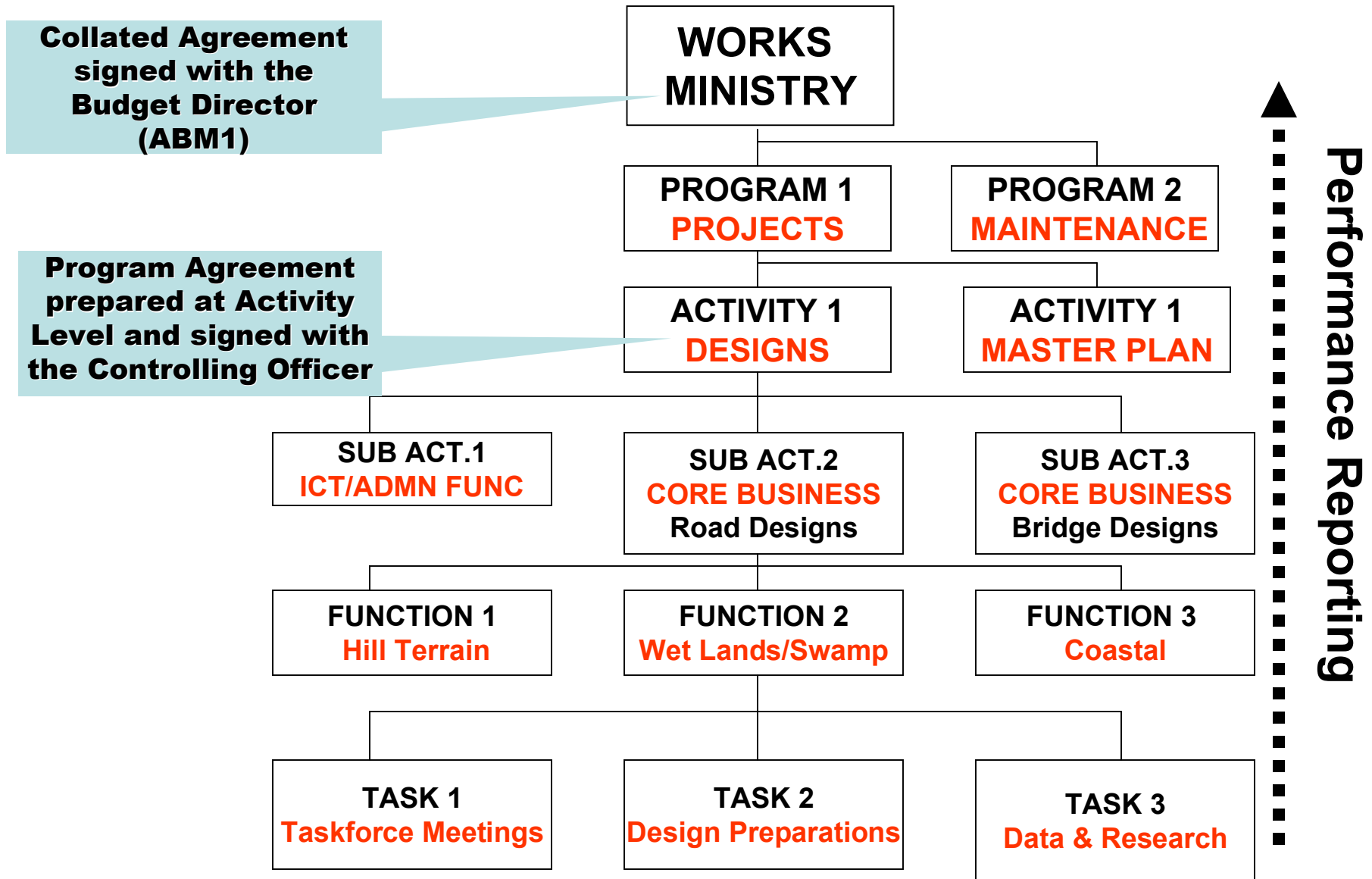
- Specification of Goods and Services in
- Qty, Qlty, Time & Cost

### IMPACT INDICATORS/EVALUATION

- Key Performance indicators
- Key Result Areas
- Proposed Evaluation Plan

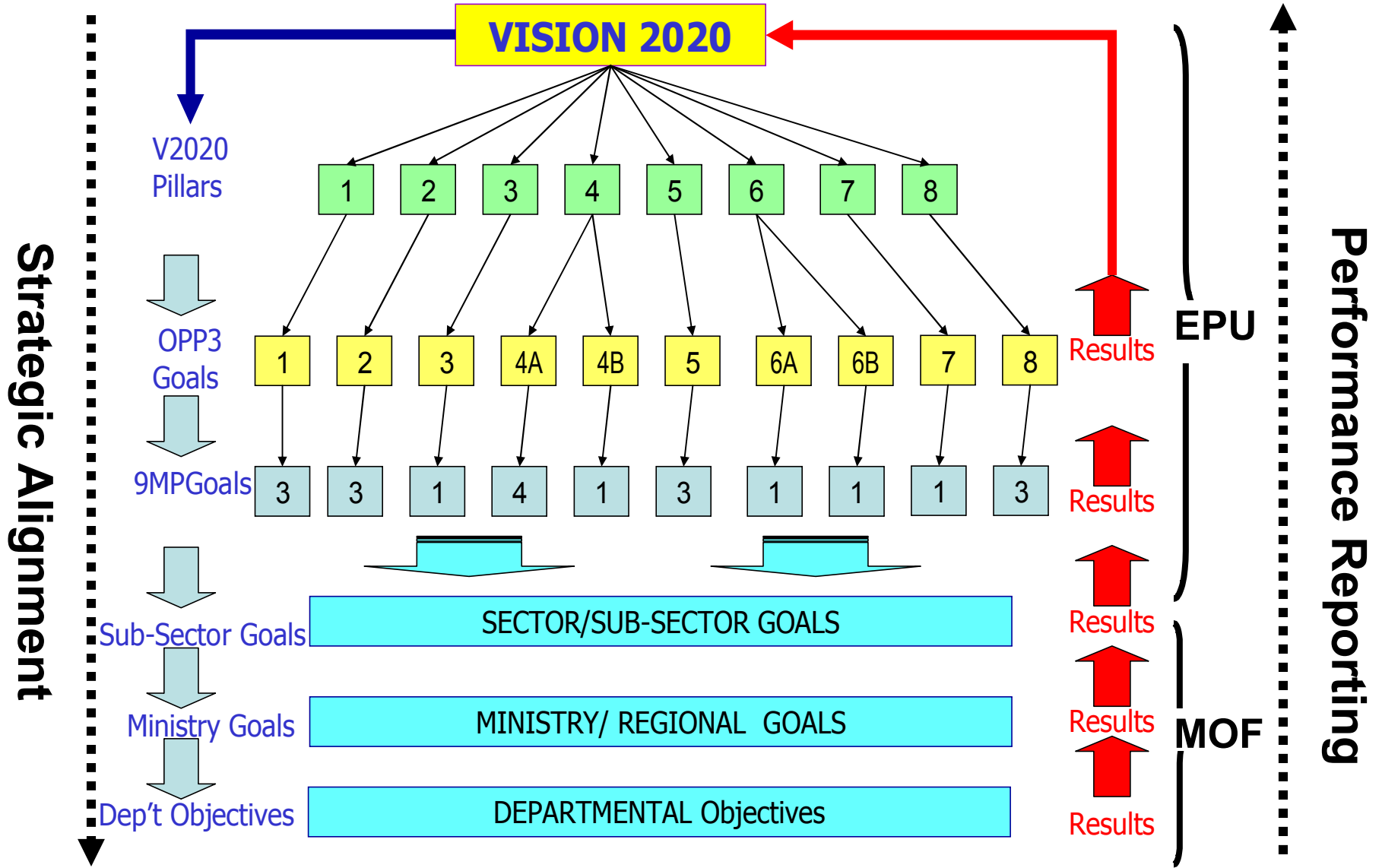
**OBJECTIVE ACHIEVED**

# Program Activity Structure

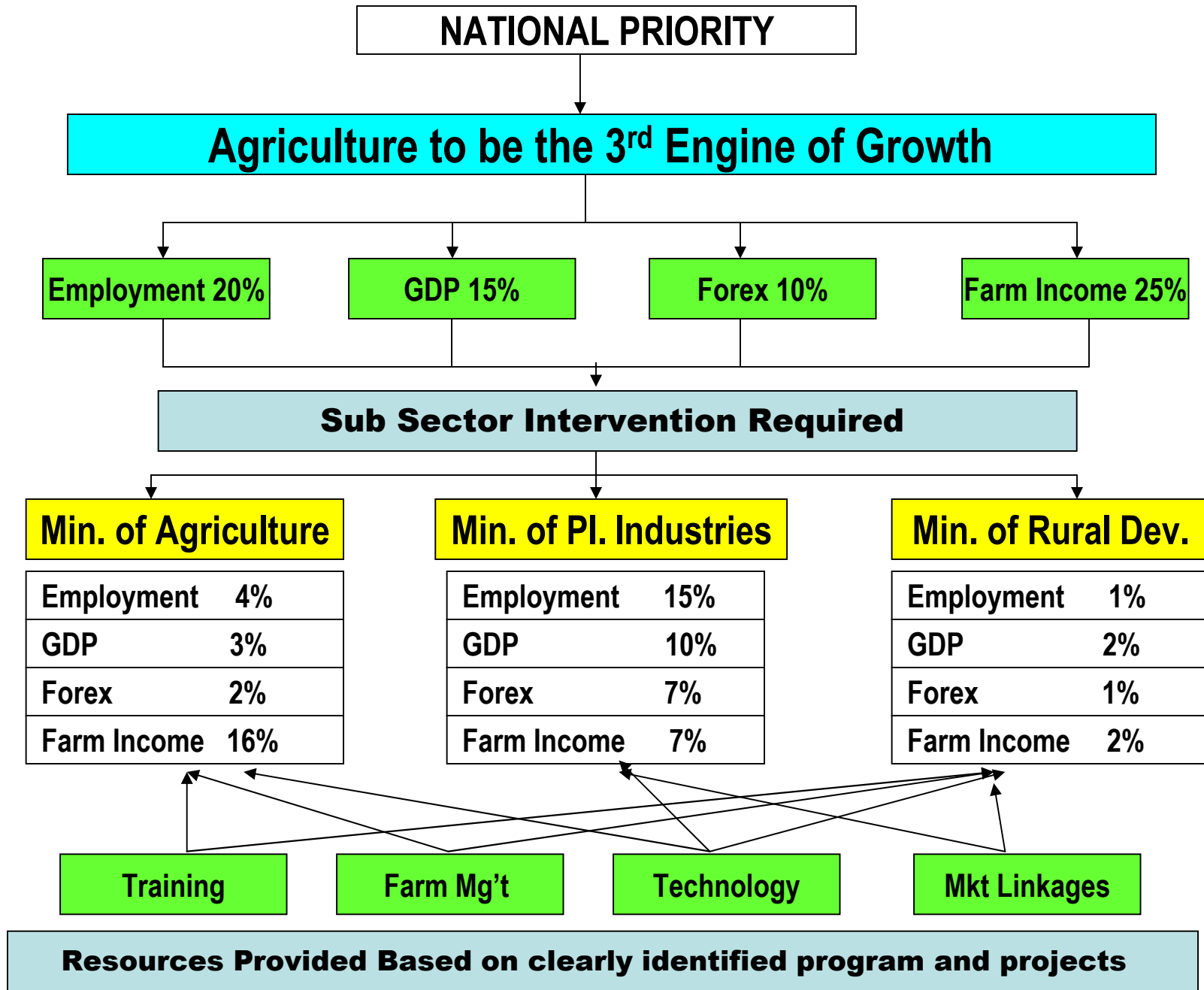


# What Prompted Changes

- **Greater Fiscal Challenges**
- **Became too Compliance Oriented**
- **Lack of Management Involvement in Strategic Elements**
- **Lack of Clear Strategic Alignment from National Priorities**
- **Lack of Horizontal Integration**
- **Overlapping Programs**
- **Institutional Approach to Appropriation**
- **Cross Cutting Issues**







**NATIONAL PRIORITY**

**Agriculture to be the 3<sup>rd</sup> Engine of Growth**

Employment 20%

GDP 15%

Forex 10%

Farm Income 25%

**Sub Sector Intervention by MoF**

Min. of Agriculture

Min. of Pl. Industries

Min. of Rural Dev.

Training

Farm Mg't

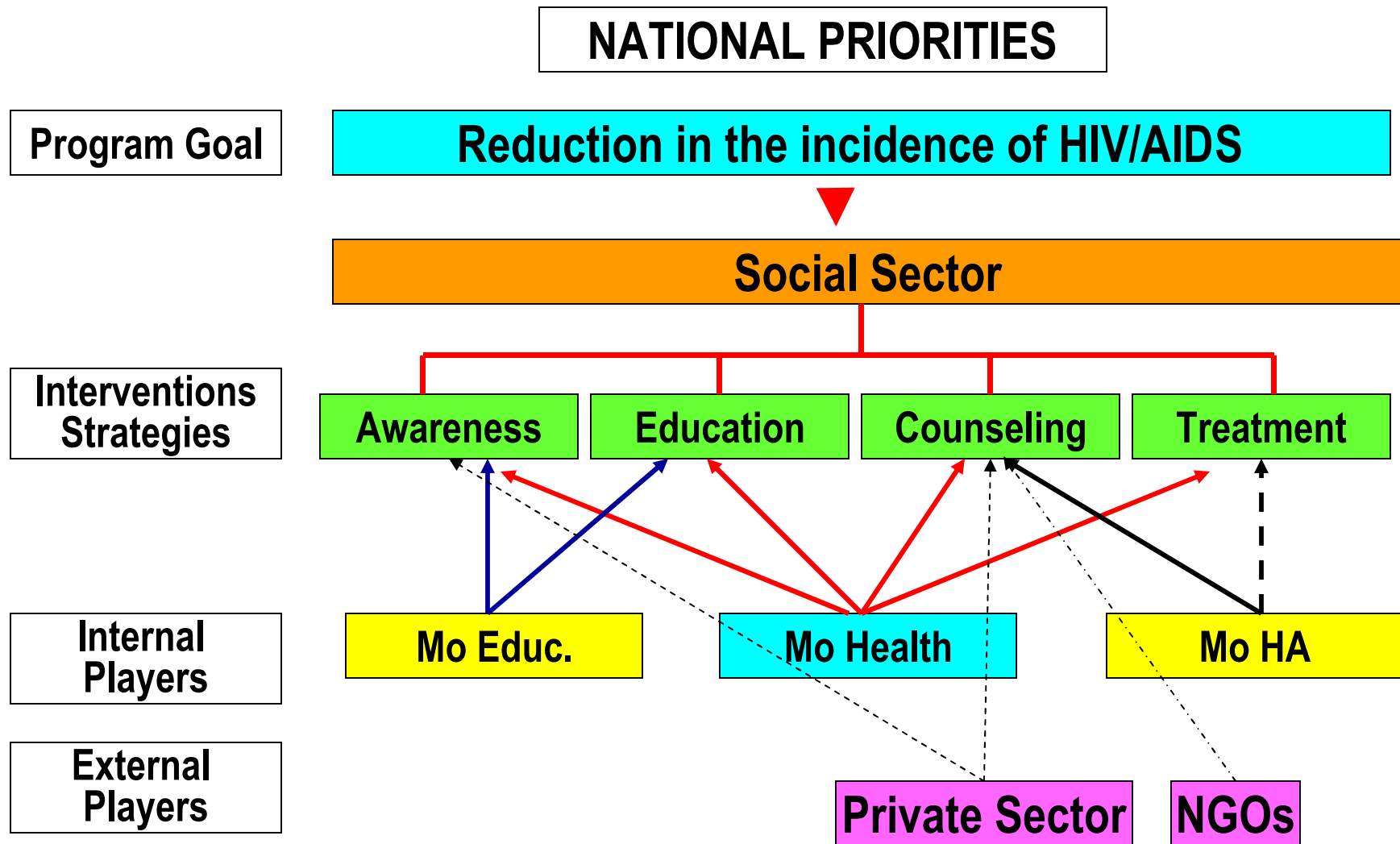
Technology

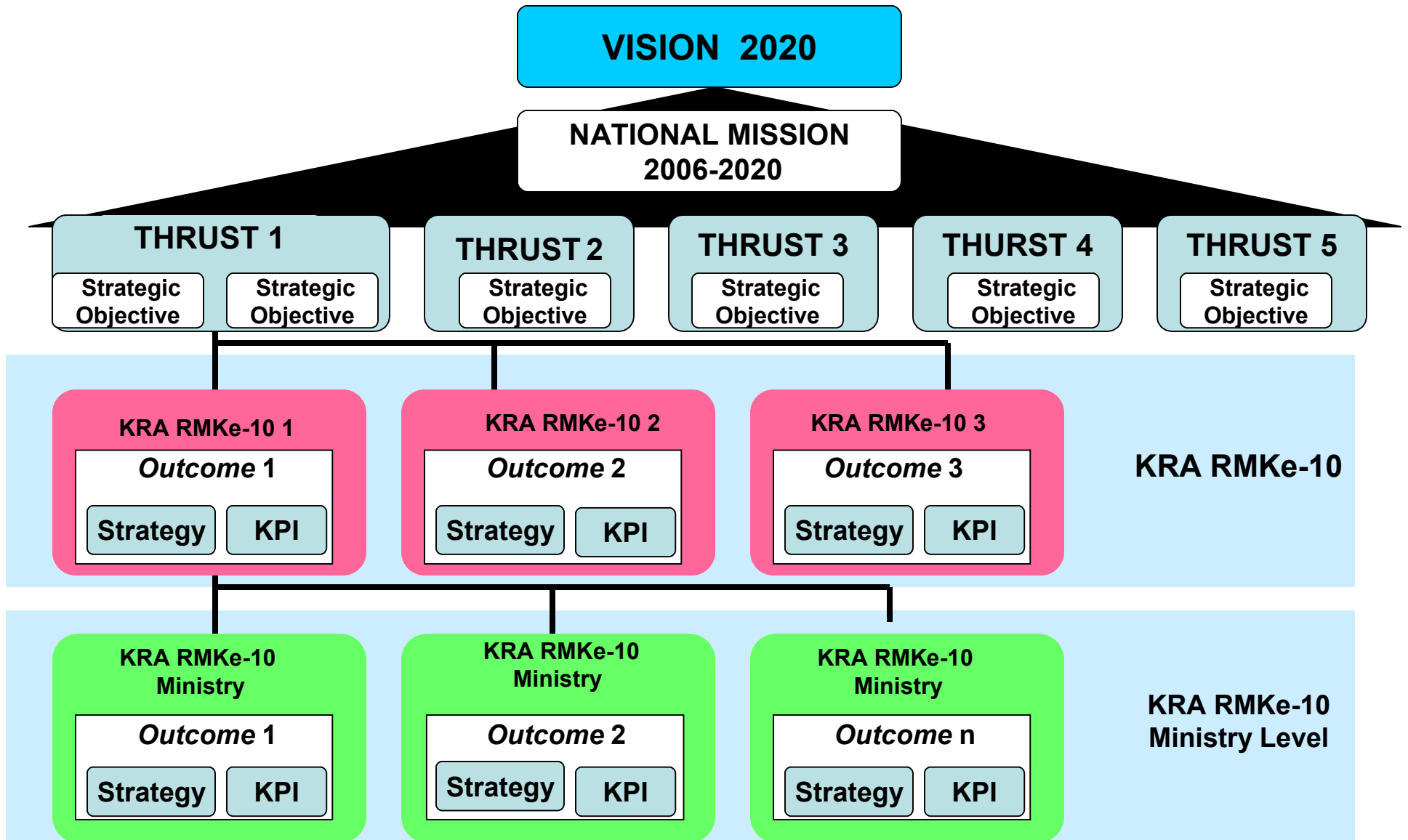
Mkt Linkages

**Resources Provided Based on Clearly Identified Program and Projects**



# Program-Based Approach: Horizontal Linkages in Program Delivery





Thrust 1: Moving Up the Value Chain

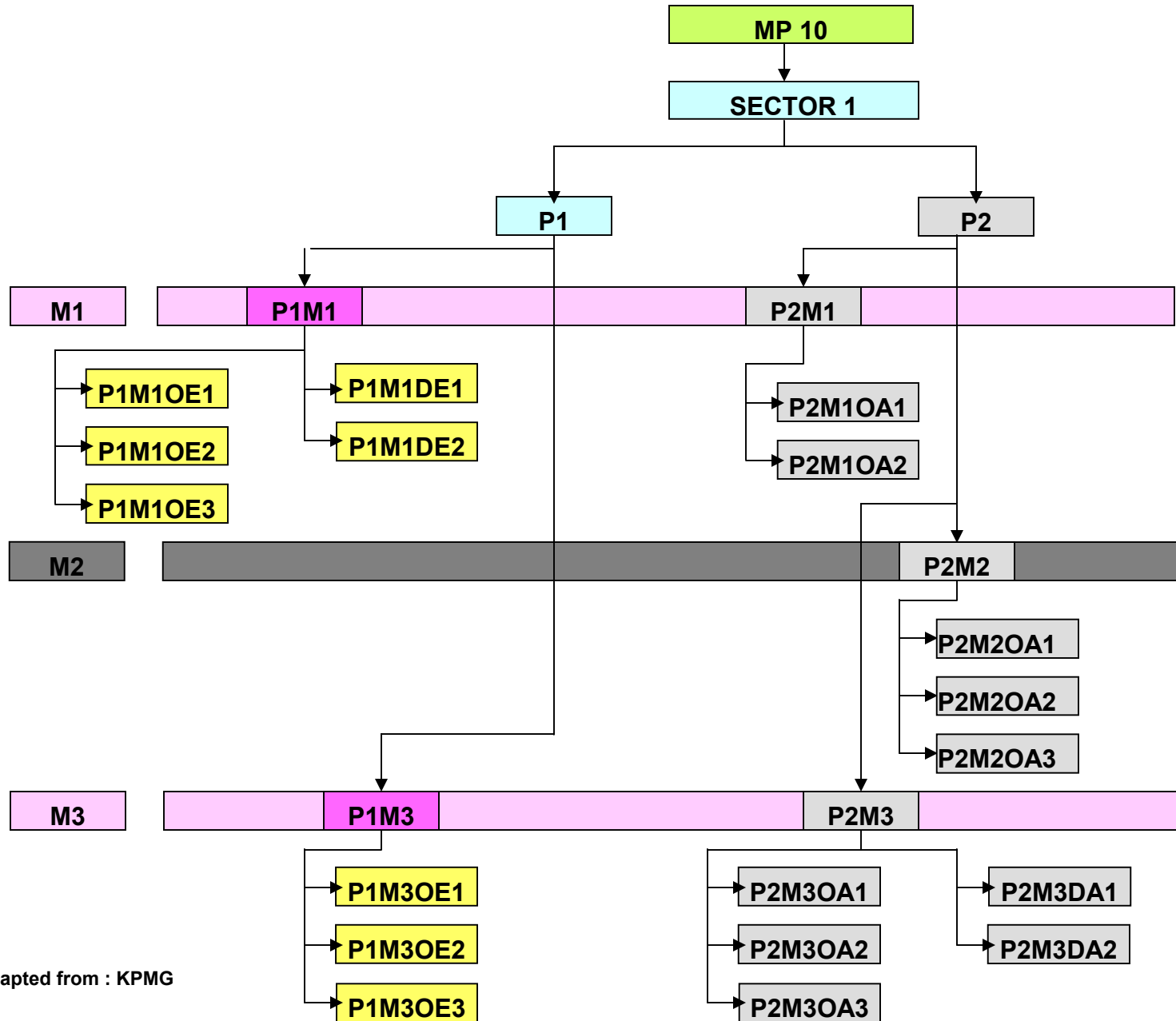
Thrust 2: Rising the Capacity for Knowledge & Innovation & nurturing “first class mentality”

Thrust 3: Addressing Persistent Socio Economic Inequalities

Thrust 4: Improving Quality of Life

Thrust 5: Strengthening Intuitional & Implementation Capacity

# Track and Trace in Program Identification and Cascading under IRBM



↑  
**PERFORMANCE REPORTING**

Adapted from : KPMG

thank you  
terima kasih

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