

*Evaluation of the European Commission's
Co-operation with Malaysia*

Final Report

Volume 2

July 2009

Evaluation for the European Commission





Development
Researchers' _
Network

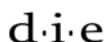
Italy



Aide à la Décision
Economique
Belgium



PARTICIP GmbH
Germany



Deutsches Institut für
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German Development
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United Kingdom



European Institute for Asian
Studies
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ICEI Instituto Complutense
de Estudios Internacionales

Istituto Complutense de
Estudios Internacionales
Spain

This evaluation was commissioned by:

the Evaluation Unit common to:

EuropeAid Co-operation Office,
Directorate-General for Development and
Directorate-General for External Relations

The evaluation was carried out by Particip GmbH within a consortium led by DRN. The external evaluation team was composed of Max Hennion (team leader), Jörn Dosch, Steven Ney, Florence Burban, René Madrid, Christopher Veit, Marcel Goeke. Particip GmbH was the evaluation contract manager.

The evaluation was managed by the joint evaluation unit who also chaired the reference group composed by members of EC services (EuropeAid, DG Dev, DG Relex), the Embassy of Malaysia, Brussels and the EC Delegation to Malaysia.

*Full reports of the evaluation can be obtained from the evaluation unit website:
http://ec.europa.eu/europeaid/how/evaluation/evaluation_reports/index_en.htm*

The opinions expressed in this document represent the authors' points of view, which are not necessarily shared by the European Commission or by the authorities of the countries concerned.

Evaluation of European Commission's Cooperation with Malaysia

Country Level Evaluation

Final Report

The report consists of 2 volumes:

Volume I: FINAL report

Volume II: Annexes

VOLUME I: FINAL REPORT

1. Introduction
2. Evaluation process and its limits
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5. Conclusions
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ANNEX 1: LIST OF PEOPLE MET

Name	Organisation	Location
Geert Anckaert	EC Delegation in Malaysia	Kuala Lumpur
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Philippe van Amersfoort	RELEX H5	Brussels
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Tom Roberts	Principal Administrator, Southeast Asia Unit, RELEX	Brussels
Pierre Clestrate	Coordinator, Transregional Threats RELEX	Brussels
Shamsiah Kamaruddin	Head, Patent formality Section Intellectual Property Corporation of Malaysia (MyIPO)	Kuala Lumpur
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Abd. Aziz Ismael	Head, Trademark Division Intellectual Property Corporation of Malaysia (MyIPO)	Kuala Lumpur
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Mohd Hakimi Bin Uda Ahmad	Senior Executive Environment & Bioprocess Technology Centre SIRIM	Shah Alam
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Wei-Nee Chen	Technical Advisor Malaysia Energy Centre	Selangor
Steve A. Lojuntin	Energy Manager Malaysia Energy Centre	Selangor
Yuslina Mohd Yusopp	Programme manager Malaysia Energy Centre	Selangor
Muhammad Fendi Mustafa	Research Officer Malaysia Energy Centre	Selangor
Dato' Dr Freesailah B. Che Yeom	Chairman Malaysian Timber Certification Council	Kuala Lumpur
Prof. Datuk Dr Roziah Omar	Executive Director Euro-Asia Institute	Kuala Lumpur
Dr Rita Manurung	Chief Operating Officer Sarawak Biodiversity Centre	Kutchin
LEE Hua Seng	Chief Executive Officer Sarawak Timber Association	Kutchin
Sapuan Ahmad Al-Hadj	Senior Assistant Director of forests Forest Department of Sarawak	Kutchin
Dayang Nena Anbang Bruce	Senior Assistant General Manager Sarawak Timber Industry Development Corporation	Kutchin
Eda Haji Adan	Publication Manager Sarawak Timber Industry Development Corporation	Kutchin
	Timber producer association representative	Kutchin
	UNDP forest community development beneficiaries	Kutchin
	Respondent I: UPM, Dr. Wan Nor Azmin & Dr. Ahmad Makmom Respondent J: Melissa Chin Respondent K: Omar, 2008 Respondent M: Pelangi, 2008 Respondent N: PTM, 2008 Respondent O: Gurmit Singh, 2008 Respondent P: Datuk Freezaillah	

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EU Policy and Strategy

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ANNEX 3: INFORMATION MATRIX

EQ1 - To what extent have the Commission's interventions contributed to improve trade and economic partnership with the country while improving EC visibility?

Overview of main EC-funded interventions in the trade and economy sector 1997-2007				
Programme	Project	Malaysian stakeholders involved	EC Contribution	Evaluation
ASEM Trust Fund	Financial Sector Strengthening; Enhancing Industrial and Export Competitiveness; Strengthening Institutional Capacity in Labour Market Policies	Malaysian government; Malaysian central bank	Total disbursement: 2,185,675 US\$ (EC contribution not known; Only 8.5% percent of total grant funds were utilised)	World Bank, Asian Financial Crisis Response Fund 1, Completion Report, Washington DC. 2003
Asia Invest	Asia Invest ALLIANCE, South East Asian Chamber Academy	Federation of Malaysian Manufacturers	190,995 €	
Asia Invest	Asia-INTERPRISE, Advancing EU-Malaysian SME Partnership in Environmental Technology Solutions (ADSENTS)	The Malaysian Water Association, Malaysia, NQS Sdn Bhd, AMB Exhibitions Sdn Bhd	115.414 €	
Asia Invest	“Asia-Enterprise” Machinery: Italy, Thailand and Malaysia	Federation of Malaysian Manufacturers, Malaysia	127,972 €	MR-20398.01 – 21/03/06
Asia Invest	EU-Asia Equipment Manufacturing Alliance 2005	Federation of Malaysian Manufacturers, Malaysia	132.032 €	
Asia IT&C	EAPSTRA (EurAsian Network for Product Lifecycle Support & Training)	Universiti Teknologi Malaysia	298,012 €	
Asia Pro Eco	Transfer and adaptation of the EU perspectives, methodologies, and know-how to Malaysia in the field of Eco-Tourism	EU-Malaysia Chamber of Commerce and Industry, Kuala Lumpur/World Wide Fund for Nature Malaysia (WWF Malaysia)/	495.571 €	MR-20288.01 – 29/04/05

		Malaysia Nature Society (MNS)		
ECAP II	EU-ASEAN Intellectual Property Rights Co-operation Programme	Minister of Domestic Trade and Consumer Affairs, Malaysia	5,000,000 €	Final Evaluation of EC-ASEAN Intellectual Property Rights Co-operation Programme (ECAPII), Contract Number no 2008/157-270, Draft Final Report, 2 September 2008)
Asia Trust Fund	Support to Malaysian Enterprises on Compliance with Green Procurement Policies and Guidelines in the EU	SIRIM	185,500 €	Support to Malaysian Enterprises on Compliance with Green Procurement Policies and Guidelines in the EU. A project under the Asia Trust Fund, Final Report, Project No: MAL/A1/01A, June, 2007
Asia Pro Eco	Sustainable production – Greening the industry, saving resources & protecting the environment	SIRIM, Penang state government	338,400 €	Currently being evaluated
Asia Invest	European-Malaysian Alliance and Capacity Building of Malaysian Intermediary Institutions in European Management Information Systems (MIS) to enhance corporate social responsibility in export-oriented Malaysian SMEs (EMIT-CSR)	Malaysia Multimedia University (MMU)	198,702 € (up to July 2008, project is ongoing)	MR 106601.01 - 25/07/2008

In the second half of the 1990s the EC and Malaysia interacted mainly through regional and inter-regional programmes, such as ASEM and the EU-ASEAN dialogue. Explicit initiatives directed at the improvement and strengthening of bilateral relations were rare and only slowly gained momentum. An important first step was the establishment of a European Business Information Centre in Kuala Lumpur to promote two-way trade in July 1996. However, cooperation between the EC and Malaysia had almost reached a standstill by 2003, with little ongoing bilateral cooperation and Malaysia being a strikingly marginal beneficiary of EU-funded regional cooperation programmes. Since the opening of the EC Delegation in April 2003, the cooperation between EC/EU and Malaysia has improved: the most visible indicator is the quantitative increase in both the total number project activities and the

overall financial volume. The only notable pre-2003 interventions were three small national components of the ASEM Trust Fund I. For political reasons Malaysia only utilised a small portion (8.5% of available grants) In qualitative terms the presence of the Delegation has facilitated a regular dialogue with government agencies and other stakeholders. Various Malaysian stakeholders have sought advice from the Delegation on matters of the EC's regional programmes and funding opportunities. Based on information gathered from interviews, it is likely that the direct contact between the Delegation and Malaysian stakeholders has contributed to the increase to the relative growth of Malaysia's participation in regional programmes.

The presence of the Delegation also improved the visibility of the EC in Malaysia. Malaysian stakeholders who have already established contact with the Delegation highly appreciate close relationships with the EC. However, not all Malaysian government agencies – even line ministries such as MITI have a clear idea about the role of the EC Delegation. Given the main focus on regional programmes and the fact that the (small) Delegation in Malaysia was only established in 2003 the relevance of the EU as trade partner and investor is not matched by an equivalent visibility of the EU in Malaysia (JC 1.5) The dialogue between the Malaysian government and the EC has different contexts and locations: consultations were in many cases also taken in the context of ASEM, of EU-ASEAN or of meetings of the Malaysian Ambassador with his counterparts in the EC. Many important decisions concerning trade were taken in the context of ASEAN meetings with dialogue partners (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 18). Others, like GPS or trade regulations, were taken by EC head-quarters in Brussels or were a consequence of commitments taken during WTO discussions.

However, the Delegation played a decisive role in resolving recent (small) disturbances in trade relations. While tariff and non tariff barriers (NTB) did not constrain EU-Malaysia trade relations during the assessment period, some NTB issues surfaced in 2007 and 2008 (import restrictions on wine, cheese and chicken from the EU). These issues could be resolved mainly as the result of effective coordination among the EC Delegation in Kuala Lumpur, the Embassies of the affected Member States and other stakeholders, such as the EU-Malaysian and bilateral Chambers of Commerce and Industry and successful negotiations with the Malaysian government and line ministries in which the EC took the lead (JC 1.2). Since 2000 economic cooperation has suffered from concerns or objections on the Malaysian side. The NIP 2002-2004 was to be implemented fully through a new instrument, the Small Projects Facility (SPF). SPF was designed to focus on the provision of technical assistance and capacity building to help Malaysia in implementing its WTO commitments, specifically in key areas agreed at Doha, support to help the Malaysian administration and companies to adapt to developments in EC legislation, and the promotion of EC investment and market access in Malaysia. The programme also aimed to contribute to a wider presence of Malaysian economic operators in the EU and a greater understanding of the EU's monetary Union (NIP 2005-2006, p.4). However, due to the extent and nature of Malaysia's concerns or objections to the standard and non-negotiable EC Financing Agreement, the Commission decided in November 2004 to withdraw the SPF (I 1.5.2). The amount was de-committed at the end of December 2004. The country envelope was used for national components of regional projects (Erasmus Mundus) and other projects without FA. The successor NIP, for the period 2005-06, has operated differently: the full amount available was committed to the "Malaysia Window" under the global Erasmus Mundus programme (CSP 2007-2013, p. 20).

It is not clear whether and to what extent the EC Delegation and the Malaysian government had been in contact before the government made its decision on SFPSPF and the AFT and whether all channels of communications had been used. However, according to the 2005 Strategic and Programming Mission, *"the Delegation has close contacts with most ministries and a direct access to them. Working relations are open in many fields with technical ministries and the initiatives taken build on a clear knowledge and understanding of*

national policies and approaches. In some circumstances, such as for the delivery of the Small Project Facility, it has been impossible to reach an agreement that would have enabled disbursement of project funds.” (Sema Belgium, Final Report, Strategic Review and Programming Mission For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p.18).

In 2005, the EU was the fifth most important source of imports for Malaysia with a share of 9.5%, and its third most important export market with a share of 13.2% (Eurostat). Between 1996 and 2007 overall trade between EU and Malaysia increased by 73.3% from € 16.9 bn to €29.29bn (I.1.1.1 and 1.1.2). It is interesting to note that the EU-Malaysia trade volume was almost identical to EU-Thailand trade in 1996 but that the former has grown much faster than the latter despite the absence of a noteworthy bilateral cooperation for most of the assessment period in the case of Malaysia. At the same time, due to its very small financial volume and small number of projects it is unlikely that the official cooperation programme has had any measurable effect on trade relations with Malaysia. The development of trade relations has primarily been subject to other dynamics, including the implementation of the new GSP regime, that are outside the scope of this evaluation (JC 1.1).

However, evidence was found in the respective monitoring and evaluation reports (stakeholder interviews confirmed these findings) that the small Malaysia components of regional EC-ASEAN/Asia programmes (particularly ECAP II, Asia Pro and ATF) were efficiently and effectively implemented and helped Malaysian government agencies and the private sector to adopt to EU standards. For example, Malaysian IP officials valued ECAP II as a decisive contribution to the modernisation of Malaysia legal IP framework in line with international standards (JC 1.2). Although it was not possible for the evaluation team to interview project beneficiaries directly, in-depth interviews with senior personnel at the Malaysian implementing agency SIRIM strongly suggested that two small projects under AsiaPro Eco and the ATF enabled the participating export-oriented SME to respond to the green procurement policies in the EU and thus become more competitive in trade relations with the EU (JC 1.3).

Foreign direct investment flows from the EU to Malaysia increased over the assessment period but had been subject to significant annual fluctuations (JC 1.4). In 1997 EU FDI flows into Malaysia amounted to € 648 million; in 2006 EU FDI totalled €1692 million - 2.6 times more than in 1997 (Eurostat). The EU represented the largest source of funds in the manufacturing and related services sector in the period 2000-05, accounting for 26% of the total value of approved projects (CSP 2007-2013, p. 2-3). In the current decade Malaysia has been the most profitable East Asian destination for EU FDI (Eurostat, European Union foreign direct investment yearbook 2007, Data 2001-2005, Brussels 2007, p. 76). At the same time the share of European FDI (net applications) in Malaysia's GDP roughly doubled from 0.46% in 2000 to 0.95 % in 2007...

Interviews conducted with European stakeholders, particularly MS embassies and the EU-Malaysia Chamber of Commerce and Industry, suggest a high level of satisfaction of European enterprises with EC support for private sector initiatives and generally trade and investment facilitation. However, it also became clear that for firms from the large member states, the first (and often only) point of call are the respective national/bilateral chambers of commerce and industry such as the German and the French chambers (I 1.4.1). While administrative hurdles and delays on the Malaysian side in the process of FDI approval were quoted as the most common obstacle to economic by European stakeholders, Malaysian stakeholders identified awareness of, and compliance with, EC regulations as the biggest challenge in trade relations (I 1.3.2).

Overall, it can be concluded that while the quantitative scope of the cooperation programme has been very small since 2003 (cooperation prior to the 2002-2006 CSP was marginal), its impact has nevertheless been positive because project activities contributed to the general strengthening and maturing of political and economic relations between the EC and Malaysia. However, it is empirically impossible to identify and 'measure' the specific impact of the cooperation programme relative to the value that GSP and the evolution of trade regimes in general and also diplomacy added to EC-

Malaysia relations. The most visible and most significant (in terms of disbursement and impact) of all trade-related EC projects in Malaysia has been ECAP II which was designed to increase the level of legal certainty and, thereby, to facilitate trade between the EU and ASEAN. The Malaysia component of ECAP II covered some 25 activities over a two year period (start date March 2005). Malaysian IP officials valued ECAP II as a decisive contribution to the modernisation of Malaysia's legal IP framework in line with international standards. In 2006 Malaysia signed the Patent Cooperation Treaty (PCT) and in June 2007 a Malaysian IP Court was established. The number of granted/approved patent applications has increased continuously from a total of 1.492 in 2000 to 6.983 in 2007. While it seems difficult to attribute these significant advances to ECAP, there is indication – mainly based on stakeholder interviews - that ECAP II played an important part (JC 1.2).

Related facts, figures, and references:

Note: Ringgit-Euro exchange rates are for 10 December of the respective year; changes in percentages refer to the amount in Baht.

Additional Sources:

Malaysian National News Agency, March 3, 2005, Malaysia to gain more access into EU market under new GSP

JC 1.1 Trade and economic relations between EU Member States and Malaysia increased

Between 1996 and 2007 overall trade between EU and Malaysia increased by 73.3% from € 16.9 bn to €29.29bn. It is interesting to note that the EU-Malaysia trade volume was almost identical to EU-Thailand trade in 1996 but that the former has grown much faster than the latter despite the absence of a noteworthy bilateral cooperation for most of the assessment period in the case of Malaysia. While the increase in Malaysian exports to the EU has been stronger than the growth of Malaysian imports from the EU since 1996, the EU's trade balance deficit with Malaysia was lower in 2007 (€6.55bn) than in 1999 (€7.43bn). At the same time, the relative importance of Malaysia as trading partner has slightly decreased (I 1.1.1).

By comparison, trade between Malaysia and the US grew slightly less substantially, from US\$26.37bn (1996) to US\$ 44.31bn (2007), representing a 68% increase.

Related facts, figures, and references:

Note:

EU 1996 data is for EU-25, all other data is for EU-27)

Extra-EU trade by main partner countries										
<i>Date of extraction: Wed, 18 Jun 08 11:23:30</i>										
<i>Last update: Mon Apr 28 11:03:08 MEST 2008</i>										
sitc	total Total - All products									
geo	eu27 European Union (27 countries)									
partner	my Malaysia									
	time	1999a00	2000a00	2001a00	2002a00	2003a00	2004a00	2005a00	2006a00	2007a00
indic_et										
imp_val Imports in 1 000 million of ECU/EURO		13.94	18.33	17.23	16.20	15.84	15.71	16.10	17.91	17.92
exp_val Exports in 1 000 million of ECU/EURO		6.51	8.53	9.49	8.49	8.41	8.76	9.25	10.27	11.37
bal_val Trade balance in 1 000 million ECU/EURO		-7.43	-9.80	-7.74	-7.72	-7.43	-6.95	-6.85	-7.64	-6.55
pc_eu_ex_imp Share in Total Extra-EU imports (%)		1.9	1.8	1.8	1.7	1.7	1.5	1.4	1.3	1.3
pc_eu_ex_exp Share in Total Extra-EU exports (%)		1.0	1.0	1.1	1.0	1.0	0.9	0.9	0.9	0.9

Sources:

Eurostat online database

CSP 2007-2013

Eurostat, External and intra-European Union trade. Statistical yearbook — Data 1958-2006, 2008 edition.

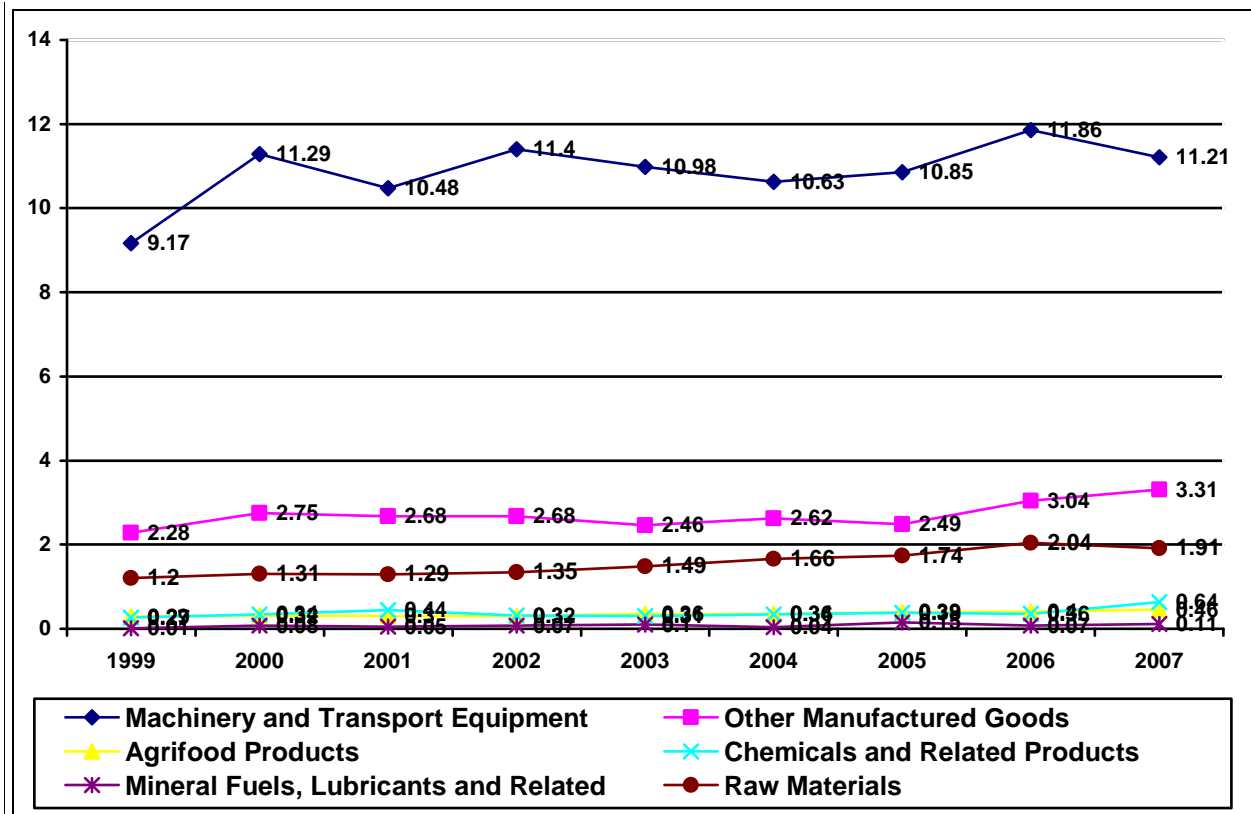
US Census Bureau, Trade in Goods (Imports, Exports and Trade Balance) with Malaysia, <http://www.census.gov/foreign-trade/balance/c5570.html>

I 1.1.1 Trends in proportion of Malaysia exports sold to EU market, by sector

The relative importance of the EU as Malaysia's trade partner has slightly decreased between 2000 and 2005 (no earlier/later comparable data available). In 2005, the EU was the fifth most important source of imports for Malaysia with a share of 9.5% (down from 10.8% in 2000), after ASEAN, Japan, US and China (including Hong Kong), and its third most important export market with a share of 13.2% (down from 13.7% in 2000). (CSP, 2002-2006 and 2006-2013).

Related facts, figures, and references:

Malaysian Exports to EU-27, 1999-2007, billion ECU/EURO



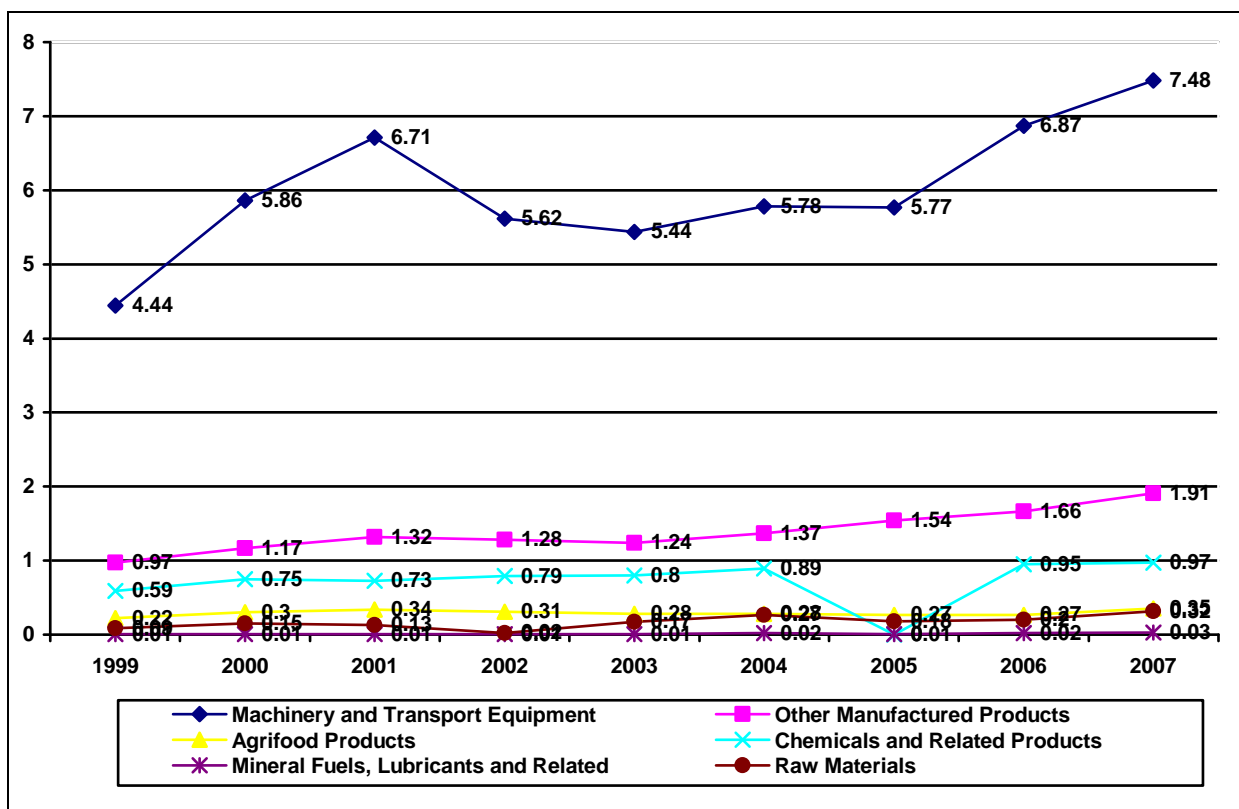
Source: compiled from Eurostat data

1.1.2 Trends in proportion of Malaysia imports originating in EU, by sector

EU exports to Malaysia (as a share of the EU's total exports) declined from 1% (1999) to 0.9% (2007), EU imports from Malaysia (as a share of the EU's total imports) decreased from 1.9% (1999) to 1.3% (2007) (Eurostat).

Related facts, figures, and references:

Malaysian Imports from the EU-27, 1999-2007, billion ECU/EURO



Source: compiled from Eurostat data

Other sources:

World Bank, Bangkok Office, Malaysia Economic Monitor, November 2007

WTO, Trade Policy Review Malaysia, WT/TPR/G/191, 22 October 2007

JC 1.2 Tariff and non tariff barriers were reduced and other EU-Malaysia trade issues were resolved

Tariff and non tariff barriers (NTB) did not constrain EU-Malaysia trade relations during the assessment period. Some NTB issues surfaced in 2007 and 2008 (import restrictions on wine, cheese and chicken from the EU) but have been at a small scale as far as EU exports to Malaysia are concerned. These issues could be resolved mainly as the result of effective coordination among the EC Delegation in Kuala Lumpur, the Embassies of the affected Member States and other stakeholders, such as the EU-Malaysian and bilateral Chambers of Commerce and Industry and successful negotiations with the Malaysian government and line ministries in which the EC took the lead.

In the case of Malaysian exports to the EU, in early 2008 the EC restricted the import of Malaysian seafood products to EU member countries due to seafood industries in Malaysia failing to meet quality and safety standards and not meeting Good Manufacture Practices (GMP) standards. Under the joint directive of both the Minister of Health and the Minister of Agriculture & Agro-Based Industry of Malaysia, a technical committee and a financial committee were established. The roles of both the committees are to ensure that the seafood export industries meet EU standards in order to overcome the EU restrictions (I 1.2.1). Malaysia participated in the EC-ASEAN Intellectual Property Rights Co-operation Programme (ECAP II) which was designed to increase the level of legal certainty and, thereby, to facilitate trade between the EU and ASEAN. The Malaysia component of ECAP II covered some 25 activities over a two year period (start date March 2005) and mainly provided training measures i.e. for examiners as well as consultation on the necessity to increase examining capacity and assistance in office automation. The new automation system commenced. However,

there have been delays in the up-grading of Malaysia's Common Software administration system to the new web based SOPRANO system (the EU standard) due to availability issues on the side of the European contractor. Malaysian IP officials valued ECAP II as a decisive contribution to the modernisation of Malaysia's legal IP framework in line with international standards. In 2006 Malaysia signed the Patent Cooperation Treaty (PCT) and in June 2007 a Malaysian IP Court was established. The number of granted/approved patent applications has increased continuously from a total of 1.492 in 2000 to 6.983 in 2007. While it is empirically impossible to attribute these significant advances to ECAP, Intellectual Property Corporation of Malaysia (MyIPO) officers are convinced that ECAP II played an important part (I 1.2.2).

Related facts, figures, and references:

Malaysia shows no sign of lifting alcohol import ban, 15 May 2008,
<http://www.marketnewzealand.com/mnz/News/Story/14401/19087.aspx>

The Malaysian National News Agency, MALAYSIA LOST RM600 MILLION AFTER SEAFOOD IMPORT RESTRICTIONS BY EU, 30 August 2008.

I 1.2.1 Significant changes in customs, non tariff barriers

There is no evidence that tariff and non tariff barriers (NTB) constrained EU-Malaysia trade relations during the assessment period. Some NTB issues surfaced in 2007 and 2008 but have been at a small scale as far as EU exports to Malaysia are concerned. In October 2007 Malaysia imposed a ban on new alcoholic beverage imports. No new licenses were to be issued to importers who wished to bring in new wine labels and varieties as well as hard liquors. EU importers, distributors and the foreign embassies of some EU member states claimed that they had not formally been notified of the ban and that the new regulation was only discovered when shipments were held up at the port. European cheese and chicken exports to Malaysia have also recently affected by restrictions related to Halal standards (the issuance of new Halal certificates).

In the case of Malaysian exports to the EU, in early 2008 the EC restricted the import of Malaysian seafood products to EU member countries due to seafood industries in Malaysia failing to meet quality and safety standards and not meeting Good Manufacture Practices (GMP) standards.

According to information gathered from interviews with various stakeholders in Malaysia, all three issues could be resolved mainly as the result of effective coordination among the EC Delegation in Kuala Lumpur, the Embassies of the affected Member States and other stakeholders, such as the EU-Malaysian and bilateral Chambers of Commerce and Industry and successful negotiations with the Malaysian government and line ministries in which the EC took the lead. The ban on wine imports was lifted in July 2008.

With regard to fishery, the Malaysian Cabinet approved the establishment of the Seafood Safety Bureau that had a technical committee and a financial committee to overcome the EU restrictions. The role of the two committees is to ensure local seafood industries met EU standards

I 1.2.2 Changes in IPRs and Standards and Quality Assurance administration and enforcement

Malaysia participated in the EC-ASEAN Intellectual Property Rights Co-operation Programme (ECAP II) (ALA/96/25), designed in 1995-96 but only signed in 2000. Malaysia signed the financing agreement in 2004, resulting in further delays. ECAP II was designed to increase the level of legal certainty and, thereby, to facilitate trade between the EU and ASEAN. The Malaysia component of ECAP II covered some 25 activities over a two year period (start date March 2005) and mainly provided training measures i.e. for examiners as well as consultation on the necessity to increase examining capacity and assistance in office automation. The new automation system commenced.

However, there have been delays in the up-grading of Malaysia's Common Software administration system to the new web based SOPRANO system (the EU standard) due to availability issues on the side of the European contractor. MyIPO has entered into a MoU with the European Patent Office (EPO) for activities to continue until the completion of the implementation of SOPRANO.

Malaysia was not visited by the ECAP II evaluation mission (instead the evaluators conducted telephone interview) and consequently assessments of the Malaysia component of ECAP II do not feature prominently in the draft final report. The report concludes in general terms, "There is still a high degree of lack of awareness and professional education on IP among mid-level government officials, consumers, research institutes, universities and private companies, even of officials that are directly in charge of enforcing IPRs. IPRs are still widely perceived as serving foreign at the detriment of local interests." (ECAP II, final report, p. 8). While the observation may generally apply to Malaysia, a group interview with ten officials (from the director general to the technical officer level) of MyIPO demonstrated a high level of awareness and technical expertise on IP. Officers valued ECAP II as a decisive contribution to the modernisation of Malaysia legal IP framework in line with international standards.

In 2006 Malaysia signed the Patent Cooperation Treaty (PCT) and in June 2007 a Malaysian IP Court was established. The number of granted/approved patent applications has increased continuously from a total of 1492 to 6983 in 2007. The reduction of the backlog in the processing of patent applications was particularly impressive between 2005 and 2006 when patent grants nearly tripled from 2508 to 6749. Similar developments can be observed in the sectors of industrial designs and trade marks (MyIPO Industrial Property Statistics, 2008). While it is empirically impossible to attribute these significant advances to ECAP, MyIPO officers are convinced that ECAP II played an important part.

While MyIPO expressed a strong interest for a continued access to European technical expertise, they also voiced concern about current negotiations for ECAP III. According to one participant of the group discussion, "the EC language is very strong in some areas. The EC has demonstrated toughness on some issues, such as spelling out corruption that can be sensitive in Malaysia".

Related facts, figures, and references:

HTSPE Consortium (UK), Final Evaluation of EC-ASEAN Intellectual Property Rights Co-operation Programme (ECAP II), Contract Number no 2008/157-270, Draft Final Report, 2 September 2008.

JC 1.3 Malaysian firms and financial sector capacity to benefit from trade with EU was improved

During the assessment period various joint EU-Malaysian initiatives had been taken to improve capacity of Malaysian firms in their trade relations with the EU mainly under the Asia Invest Programme, the EC's business matchmaking initiative, but also Asia ProEco and the Asia Trade Fund (ATF) Results were mixed. Malaysian stakeholders identified awareness of, and compliance with, EC regulations as the biggest challenge in trade relations (I. 1.3.2). The EC has neither engaged in any direct efforts aimed at capacity building for Malaysia trade promotion in the EU nor given any direct or indirect support to the Malaysia External Trade Development Corporation (MATRADE) which maintains offices throughout the EU.

Two related small projects under AsiaPro Eco and the ATF enabled the participating export-oriented SME to respond to the green procurement policies in the EU and thus become more competitive in trade relations with the EU, according to SIRIM which implemented the projects.

1.3.1 Representative firms' perceived benefits from EC-sponsored trade

Due to time constraints the evaluation team was not able to speak to Malaysian firms directly. Representatives of MATRADE, which supports and lobbies on behalf of the Malaysian private sector, were not in the position to brief the evaluation team on companies' views of the EC.

1.3.2 Malaysian firms informed and adjusted to EC regulations influential for trade development

Malaysian stakeholders identified awareness of, and compliance with, EC regulations as the biggest challenge in trade relations.

As the only explicit activity in this area, the small project on "Support to Malaysian Enterprises on Compliance with Green Procurement Policies and Guidelines in the EU" (2006-2007, total disbursement € 185,500) under the Asia Trust Fund aimed at achieving the following outputs:

- To produce online and printed versions of a reference manual and related supporting materials on compliance with green procurement guidelines and requirements.
- To launch local services at SIRIM Berhad and its partner institutions in providing information support and training services to Malaysian companies on overall compliance with green procurement guidelines and requirements in the EU.
- To develop diagnostic and compliance verification services developed for enterprises in response to green procurement requirements in the EU, and project proposal formulated for delivering additional in-depth support to those sectors that are least prepared to meet these requirements.

Synergies were achieved with the project "Sustainable Production and Consumption as the Long-Term Solution to Reduce Urban Environmental Degradation - Developing a Reference Framework for Electrical and Electronic Products" under Asia ProEco. This project was also implemented by SIRIM, the national agency for industrial development, with Penang State government as the counterpart. While the project was small (comprising four Malaysian and four Thai SME; EC contribution: € 338,400) and had a implementation period of only 30 months (December 2005-June 2007) the project contributed to rebranding Penang from a electronics manufacturing hub into a green electronics manufacturing hub. It also enabled the participating export-oriented SME to respond to the green procurement policies in the EU and thus become more competitive in trade relations with the EU, according to SIRIM.

Related facts, figures, and references:

Support to Malaysian Enterprises on Compliance with Green Procurement Policies and Guidelines in the EU. A project financed by the EU and ITC under the Asia Trust Fund, Final Report, Project No: MAL/A1/01A, June, 2007

The Asia Trust Fund (ATF) (2004-2007) was managed by the International Trade Centre (ITC) as a channel to provide quick delivery of short-term Trade-Related Technical Assistance (TRTA), in response of an immediate need identified by a national government or regional organisations.

It is important to note that in EC and other documents (WB, for example) AFT is sometimes also used as the abbreviation for the ASEM Trust Fund. This leads to some confusion. The ASEM TF 1 was established under the cooperation framework of the Asia Europe Meeting (ASEM) and aimed at Asia's economic recovery after the 1997-98 crisis. The follow-up ASEM TF2 was established in March 2001 with the European Commission again as the largest contributor. ASEM TF2 maintained the focus of its predecessor on financial and corporate restructuring and on social welfare and safety nets. The ASEM TF1 and 2 were managed by the WB.

Unlike the Asia Trust Fund cooperation within the context of the ASEM Trusts Fund 1 did not live up to expectations in the case of Malaysia. Malaysia had been allocated 18 % of the budget of the ASEM Trust Fund (EC, Overview External Relations with Malaysia). While the Trust Fund is not explicitly directed at the improvement of trade relations, it contributes to economic relations in general through the strengthening of competitiveness. Some of the projects, such as Financial Sector Restructuring in Malaysia, failed to use their funding because of fundamental challenges with internal program management and a decision by the government not to seek ASEM TF resources in early 2000 (World Bank, Asian Financial Crisis Response Fund 1, Completion Report, Washington DC. 2003, p. 22). Only 8.5 percent of total grant funds had been utilized. The grant was designed to provide assistance to the Malaysian central bank to develop an early warning system including better monitoring of the country's banking system as well as determining an appropriate deposit insurance program for Malaysia. Delays in the initiation of the project were caused primarily by differences within the Government of Malaysia. The institutional responsibility for project implementation within the Malaysian Central Bank was split between two departments without a coordination body. There was also an absence of senior management commitment and support. This situation made it difficult to take action on overall project implementation issues, and ultimately resulted in the gross under-utilization of grant funds (ibid, p. 24). Malaysia did not receive grants under the ASEM TF2.

I 1.3.3 Capacity building for Malaysia trade promotion in EU

Trade promotion for Malaysian companies is the domain of the MATRADE which maintains offices in several EU member states. The EC has neither engaged in any direct efforts aimed at capacity building for Malaysia trade promotion in the EU nor given any direct or indirect support to MATRADE. According to managers at MATRADE's Europe section there had never been any contact between MATRADE and the Delegation in Kuala Lumpur. At the focus group discussion with trade officials MATRADE officials expressed an interest in exploring opportunities for collaborative activities with the Delegation but current knowledge about existing programmes and the role of the Delegation is very low.

Related facts, figures, and references:
 focus group discussion at MITI, 23/10/08

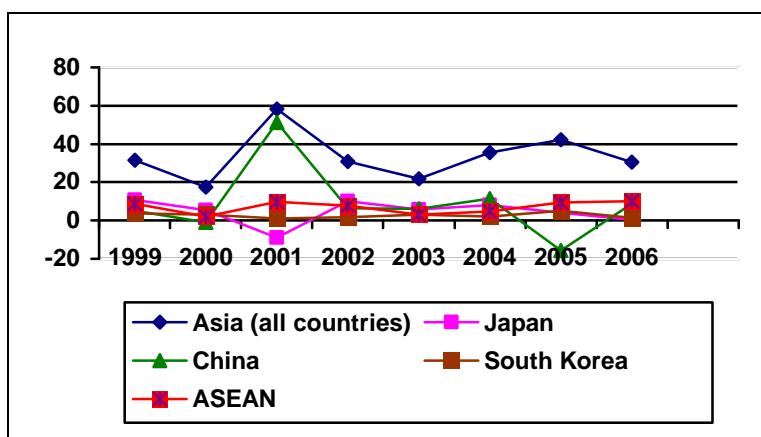
JC 1.4 Direct investments of EU firms in Malaysia increased (regional comparative approach)

The share of European FDI (net applications) in Malaysia's GDP increased markedly from 0.46% in 2000 to 0.95 % in 2007. In terms of the investment profitability of individual countries, for the period 2001-03 Malaysia was the most profitable East Asian destination, with the average rate of return reaching 16 %. In 2004, Malaysia continued to be the most profitable destination with a 19 % rate of return (Eurostat, European Union foreign direct investment yearbook 2007, Data 2001-2005, Brussels 2007, p. 76). While in 2006 EU FDI outward flows to most Asian countries were at about the same level as in the late 1990s (having gone through phases of heavy annual fluctuations), Malaysia stood out of the crowd. There is no evidence that bilateral or regional cooperation programmes contributed to Malaysia's comparatively strong attractiveness for European FDI (I 1.4.2). Interviewees stressed the difficulties in obtaining accurate data on approved FDI.

European and Malaysian stakeholders identified the interest of the Malaysian federal government and several state governments in "greening the industry" as a promising opportunity for European firms that are able to provide Malaysian companies with the needed technology to comply with green procurement policies as well as health and safety standards (I. 1.4.1).

Related facts, figures, and references:

EU FDI outward flows to Asia 1999-2006, in billion Euro



Source: data compiled from Eurostat and ASEAN Secretariat (for data on ASEAN).
 Note: comprehensive pre-1999 figures are not available

Sources:

ASEAN Secretariat, ASEAN Statistics, Table 26, ASEAN foreign direct investments net inflow from selected partner countries/regions, <http://www.aseansec.org/Stat/Table26.pdf>

New Straits Times-Management Times, December 11, 2001, EU confident trade ties with Malaysia will be strengthened.

Malaysian National News Agency, December 10, 2001, EU to invest more in Malaysia

1.1.4.1 Regulatory reforms, market opening in sectors where EU firms have comparative advantages

While the evaluation team was not able to speak to firms directly (due to time constraints) views gathered in interviews with the EU-Malaysia Chamber of Commerce and Industry (EUM) and trade councillors at the Embassies of EU Member States (Germany, France, UK, Denmark and Sweden) suggest a high level of satisfaction of European enterprises with EC support for private sector initiatives. However, it also became clear that for firms from the large member states, the first (and often only) point of call are the respective national/bilateral chambers of commerce and industry such as the German and the French chambers. Administrative hurdles and delays on the Malaysian side in the process of FDI approval were quoted as the most common obstacle to investment relations.

European and Malaysian stakeholders alike identified the interest of the Malaysian federal government and several state governments (for example Penang) in “greening the industry” as a promising opportunity for European firms that are able to provide Malaysian companies with the needed technology to comply with green procurement policies as well as health and safety standards. Good examples for sectors where EU firms already have a comparative advantage are waste management and energy generation (Cogen). An emerging area is timber production from sustainable forest management. However, in the eco sector European companies face competition from Japanese companies.

Related facts, figures, and references:

Sema Belgium, Final Report, *Strategic Review and Programming Mission For Country Strategies Cluster 6, Part 1, Malaysia*, 5 April 2005, p. 10

Malaysian Press Reports, *Malaysia Somkid leads Malaysian delegation to EU to attract investments*, 20 September 2006

1.1.4.2 Share of European FDI in Malaysia GDP

Foreign direct investment flows from the European Union to Malaysia increased over the assessment

period, even in the wake of the Asian economic crisis when investor confidence in the region was generally weak, but has been subject to significant fluctuations. In 1997 total FDI flows into Malaysia amounted to €8100 million with the EU providing 8% of this (€ 648 million). In 1998 EU FDI has already increased by 36 per cent to €841 million, accounting for 13 % of total FDI flows into Malaysia. By 2001 the EU had established itself as the third most important investor in Malaysia, accounting for 20.8 % of FDI in Malaysia, behind the US and Japan. In 2006 EU companies invested €1692 million in Malaysia or 2.6 times more than in 1997 (Eurostat and Malaysian media sources). The EU represented the largest source of funds in the manufacturing and related services sector in the period 2000-05, accounting for 26% of the total value of approved projects (CSP 2007-2013, p. 2-3). The share of European FDI (net applications) in Malaysia's GDP increased markedly between 2000 and 2007.

However, there is no evidence that EC-funded activities played any role in the increase. A match-making project in the machinery sector, under the Asia Invest Programme, for which 98 European, 23 Thai and 23 Malay companies were selected to fully participate in the project resulted in only two companies –none of them from the Machinery sector- establishing links and/or agreements with counterparts from the other region (Monitoring Report Regional ASIA – CAI – *ASIA INVEST II: Machinery: Italy, Thailand and Malaysia*. MR-20398.01 – 21/03/06).

212 Malaysian companies registered as participants for the maiden EU-Malaysia Partenariat 2001, a matching event for European and Malaysian firms under the Asia Invest Programme, to discuss potential business cooperation (The Star, March 15, 2001, *Partenariat to match Malaysia-EU firms*). Interviewees were not able to identify any possible outcomes and impact of this activity.

JC 1.5 EC visibility was enhanced by its economic dialogue and co-operation

Economic and trade related co-operation between EU and Malaysia has been implemented in the past almost exclusively through regional programmes that were focused on trade and investment facilitation, energy, environment, information technology, and communications. The only exception has been the EBIC project, which ran from 1995 to 2003, and which was a bilateral cooperation project. Past and ongoing initiatives supported by the EC in Malaysia included:

- Trade and investment (including ICT) facilitation projects under Asia-Invest and Asia IT&C;
- The European Business Information Centre in Malaysia (EBIC);
- Support under the ASEM Trust Fund and ASEM TFAP programme;
- Projects funded under the newly set-up Asia Trust Fund programme;
- Participation in EC ASEAN Intellectual Property programme (ECAPII); Participation in the EC-ASEAN COGEN programme (CSP 2007-2013, p. 9)

Malaysian stakeholders who have already had contacts with the Delegation highly appreciate a close relationship with the EC (I 1.5.2). The project implementing agencies and beneficiaries of the Malaysia components of the Asia ProEco, ATF, Asia Invest and ECAP projects in the trade and economic sectors were all aware of the EC origin of the support but not necessarily of the underlying intervention logic (I 1.5.3).

Given the main focus on regional programmes and the fact that the (small) Delegation in Malaysia was only opened in 2003, the *Strategic Review and Programming Mission concluded in 2005 that “the relevance of the EU as trade partner and investor is not matched by an equivalent visibility of the EU in Malaysia”* (Sema Belgium, Final Report, *Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia*, 5 April 2005, p. 10). Three years on, this assessment is still valid. There is no explicit evidence for an increase in wide-spread EU/EC visibility. Most Malaysian stakeholders who were interviewed for this report, even those working in the Europe section of line ministries and government agencies, have only limited knowledge of the EU and its institutions in general and the activities of the Delegation and generally EU stakeholders in Malaysia in particular. There is little awareness of the fact that the

EC is not merely the sum of the EU member states. However, stakeholders – for example SIRIM - who have been in direct contact with the Delegation within the context of regional projects such as Asia ProEco and ATF are well informed about the EC. It can therefore be concluded that at least to a small number of stakeholders EC visibility has indeed increased due to bilateral and regional activities. Media reports on relations with the EC/EU are rare and have generally not impacted on Malaysia's exporting capacity and EC-Malaysia economic cooperation and dialogue. Interviewees stressed that the Malaysian media just reported official government statements on relations with the EC or on the EU in general (I 1.5.1).

I 1.5.1 Medias reported on EC economic co-operation and dialogue and their positive impacts on Malaysian economy and exporting capacity

There is no hard evidence that media reports have positively or negatively impacted on Malaysia's exporting capacity and EC-Malaysia economic cooperation and dialogue. Media reports on EC economic co-operation and dialogue are very rare. Interviewees stressed that the Malaysian media just reported official government statements on relations with the EC or on the EU in general. However, several interviewees mentioned that the widely-reported controversial statement on Malaysia's Bumiputra policy of the then Head of Delegation, in June 2007 has negatively impacted on EU-Malaysia relations.

Related facts, figures, and references:

“The head of the European Commission delegation to Malaysia criticised the bumiputra policy in June [2007]. As an indication of the Malaysian government's displeasure, he was denied a farewell audience with the Malaysian King. Nonetheless, he stood by his criticism till the last day of his office. He told Singapore's Business Times that while his message could have been conveyed quietly, behind closed doors, he did not think that such an approach would have been fruitful. He explained, “I had been trying to see how we can pursue the agenda of deepening trade and investment relationship between the EU and Malaysia objectively, but there have been obstacles to this.” He added, “The extension of Bumiputra-based discrimination and preference in public procurement - which is massive in the Malaysian economy - has worked to the disadvantage of foreign players in particular and has become a vehicle for officially acknowledged corruption.” (Singapore Institute of International Relations, Reality Check: Malaysia's Economic Prospects, 17 November 2007, <http://www.siaaonline.org/?q=programmes/insights/reality-check-malaysia%E2%80%99s-economic-prospects>)

I 1.5.2 EC economic co-operation and dialogue are valued by decision makers and private sector representatives

Malaysian stakeholders who have already had contacts with the Delegation highly appreciate a close relationship with the EC. “All Malaysian agencies met gave a view that they had an easy, trusting and constructive dialogue with the EC Delegation. While over the SPF, EC procedures conflicted with Malaysian stances leading to its non-delivery, all should be done to enable the implementation of co-operation programmes”. (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 18). However, see also Indicator 1.1.3

I 1.5.3 Projects implementing agencies and beneficiaries aware of the originating support of the EC co-operation and the logic behind it

The project implementing agencies and beneficiaries of the Malaysia components of the Asia ProEco, ATF, Asia Invest and ECAP projects in the trade and economic sectors were all aware of the EC origin of the support. However, based on the interviews conducted in Kuala Lumpur, it must be doubted that Malaysian stakeholders are fully aware of, and understand, the EC's intervention logic.

EQ2 - To what extent have the Commission's interventions in the sector of higher education contributed to increase mutual understanding and awareness?

JC 2.1 Strengthened linkages between EU and Malaysia academics and policy makers

European HE programmes were successful in forging links between HE policy-makers, HEI's as well as academics in Malaysia and Europe. In general, the ASEAN-EU University Network Programme's (AUNP) Network Initiatives have been responsible for creating links between HE policy-makers, while the FWP, AsiaLink, the AUNP PAPs and, to a lesser extent, the Erasmus Mundus Scholar programme have linked HEIs and academics. The AUNP provided Malaysian and European HE policy-makers the opportunity to discuss HE governance issues such as quality assurance, HEI management or credit transfer schemes. Despite the success of the AUNP's networking events, the links between Malaysian/ ASEAN and European policy-makers have become somewhat dormant since the end of the AUNP programme. There is evidence that the programmes promotion Joint Research (JR) and Curriculum Development (CD) have forged stable interinstitutional and interpersonal links that have been sustained in the medium-term. Participation in these JR and CD networks has generated institutional and substantive benefits for Malaysian (and European) HEIs and academics. However, these benefits have accrued to a select group of HEIs and have, as yet, not diffused through the Malaysian HE landscape. Indeed, it would seem as if European HE interventions have been more effective at promoting and fostering existing potential for HE excellence rather than creating this potential. The localised nature of the impacts of EC programmes is reflected, among other things, in the relative low awareness among Malaysian HE policy-makers, academics and students of the possibilities to study and conduct research in Europe. Nonetheless, Malaysian policy-makers deploy terms, concepts and models in currency in European HE and S&T policy debates.

European HE programmes were successful in strengthening linkages between European and Malaysian policy-makers. In particular, the recognition of qualifications and the transfer of credits, as well as the attendant wider issues of quality in HE, have been the focal point for HE policy-maker linkages. Since issues of qualifications, credit transfers and HE quality are common concerns across the Southeast Asian region, these challenges were addressed at ASEAN level in terms of the Networking Initiatives of the AUNP programme. Here, two initiatives were launched dealing with credit transfer systems and quality assurance. Furthermore, AsiaLink funded a project in Third Call titled "EU-ASEAN Credit Transfer System (ISD)". While this is not quite the same as mutual recognition of academic qualifications, both efforts aim to ease the mobility of students between the ASEAN and the EU.

During the reporting period, European joint research (JR) and curriculum development (CD) programmes were successful in forging stable institutional links between Malaysian and European HEIs. The evidence, based on examination of three case studies, suggests that these links have proven sustainable in the short (>5 years) and medium (<5>10 years) term. In general, the FWPs have produced more sustainable and durable inter-institutional linkages than either the AsiaLink or the AUNP programmes. The long-term outlook for all consortia examined is uncertain. At present, none of the consortia has successfully acquired FWP 7 funding. While this may have more to do with timing, there may be an underlying structural issue with FWP7. All consortia and projects examined have successfully generated substantive and institutional benefits for Malaysian participants. The consortia have generated a wide range of new knowledge products, they have designed new curricula and they have aimed to shape policy. In terms of institutional benefits, the European programmes have exposed selected Malaysian HEIs to the international (rather than merely European) scientific community, interdisciplinary approaches and best European project management practices.. At the same time, commentators claim that the international profile of a few Asian/ Malaysian HEIs has increased during the reporting period.

It is not possible for this study to establish causality between this perceived change and European HE programmes. However, HE policy actors interviewed during the fieldwork phase see a likely connection between the perceived strengthening of the profile of a few Asian and Malaysian HEIs and the institutional/ substantive benefits of European programmes. These benefits, however, have accrued to only 10 Malaysian universities of which the five top universities account for more than half of all project participations. It would seem as if institutional linkages forged and sustained by European projects have activated existing potential for excellence rather than directly or indirectly generating this potential in Malaysian HEIs

The available evidence suggests that European HE interventions have been less successful in promoting accurate perceptions of Europe as a place to study and conduct research. Although there is no freely available survey data on Malaysian perceptions of Europe as a place for study and research, the available evidence seems to suggest that ACA's findings for the neighbouring country Thailand also apply, *grosso modo*, to Malaysia. In terms on information of study opportunities, experts and participants agree that there is considerable room for improvement in the way programmes such as EM are communicated and presented. The perceptions of information about research opportunities among respondents interviewed during the fieldwork phase are more equivocal: it would seem respondents view communication and information material favourably once they have been pointed in the right direction. While there seems to be scope in Malaysia for building a "single European HE Brand" it would appear as if the initial outreach to potential participants and beneficiaries requires some improvement in terms of coordination and targeting.

There is evidence of discursive seepage from the European S&T/ HE policy debate to the Malaysian HE debate. While the study found no direct reference to EC models in Malaysian policy documents and debates (and would have been surprised to do so), there are many points of convergence between HE policy discourse in Europe and in Malaysia. These comprise a basic understanding of the social, economic and political status HEI's in a global economy, the reforms necessary for modernising HE systems as well as the policy tools required to bring about these changes. European models are probably most visible in the debate about regional harmonisation and quality. Here, the Bologna process and the EHEA guide and inform the Malaysian policy debate on regional HE harmonization.

1.2.1.1 Mutual recognition of academic qualifications

European HE programmes were successful in strengthening linkages between European and Malaysian policy-makers. In particular, the recognition of qualifications and the transfer of credits, as well as the attendant wider issues of quality in HE, have been the focal point for HE policy-maker linkages. Since issues of qualifications, credit transfers and HE quality are common concerns across the Southeast Asian region, these challenges were addressed at ASEAN level in terms of the Networking Initiatives of the AUNP programme. Here, two initiatives were launched dealing with credit transfer systems and quality assurance (1). Furthermore, AsiaLink funded a project in Third Call titled "EU-ASEAN Credit Transfer System (ISD)" (2). While this is not quite the same as mutual recognition of academic qualifications, both efforts aim to ease the mobility of students between the ASEAN and the EU.

In terms of HE quality, the Malaysian Ministry of Higher Education (MOHE) runs a Quality Assurance Division since 2002. This department aims to "promote confidence public that the quality of provision and standards of awards in higher education are being safeguarded and enhanced" (3). The QAD not only aims to monitor the development of HE quality in Malaysian universities (by conducting and publishing Quality Assessments), it also is involved in developing quality standards and assessment methods.

In terms of the ASEAN credit transfer system based on the European model, commentators agreed

that this system still requires some effort for it to become operational (4). While some respondents saw this as an issue of clarifying details and harmonising procedures (5), a senior HE policy-maker pointed to perceived issues of equity and fairness (6).

Material from the fieldwork phase suggests that the recognition of qualification may not be the main barrier to the flow of students, staff and faculty between Europe and Malaysia. In particular, Malaysian HE policy actors contended that the main difficulty is to attract European students and faculty to Malaysia (7). For European faculty, Malaysian universities are currently unable to offer competitive conditions either in terms of remuneration or in terms of working conditions. In 2002, the RTD intensity (GERD/GDP) in Malaysia was 0.69% (8); Higher Education expenditure, in turn, was 0.1% of GDP. In the same year, the RTD intensity for EU-15 average was 1.93% of GDP. Although a crude indicator of the quality of research environments, Malaysia spends about as much on R&D as does Greece while Germany spends three times as much (9). For European students, lack of knowledge about Malaysian universities and Malaysia in general represents a significant barrier. Add to this the fact that programmes such as Erasmus Mundus provide few incentives and many disincentives for students or faculty to consider a stay at a Malaysian university: Erasmus Mundus evaluators argued that the available funds are too small and the time permitted is too short for the exchange to be attractive (10).

- (1) Douse, M. (2006), "ASEAN – External Final Evaluation of the ASEAN-EU University Network Programme (AUNP)", Framework Contract EUROPEAID/ 119860/C/SV/MULTI , Cambridge Education Consortium
- (2) Asia-Link projects, 2002 - 2005
- (3) <http://apps.emoe.gov.my/qad/about.html> accessed May 10, 2009
- (4) Respondent A, 2008, Respondent D, 2008, 2009, Respondent G, 2008, 2009.
- (5) Respondent G, 2008, 2009, Respondent D, 2008, 2009.
- (6) Respondent A, 2008; The respondent suggested that the system implied that Malaysians would have to take in more foreign student than they could send abroad.
- (7) Respondent A, 2008, Respondent J, 2008.
- (8) ASEAN STI/TCT Index, <http://aseank.kisti.re.kr/index.jsp>.
- (9) European Commission, DGResearch (2002), Towards a European Research Area -- Key Figures 2002 Science, Technology and Innovation.
- (10) Respondent B, 2008, Respondent U, 2008

1.2.1.2 Joint research and curricula development

During the reporting period, European joint research (JR) and curriculum development (CD) programmes were successful in forging stable institutional links between Malaysian and European HEIs. The evidence, based on examination of three case studies, suggests that these links have proven sustainable in the short (>5 years) and medium (<5>10 years) term. In general, the FWPs have produced more sustainable and durable inter-institutional linkages than either the AsiaLink or the AUNP programmes. The long-term outlook for all consortia examined is uncertain. At present, none of the consortia has successfully acquired FWP 7 funding. While this may have more to do with timing, there may be an underlying structural issue with FWP7. All consortia and projects examined have successfully generated substantive and institutional benefits for Malaysian participants. The consortia have generated a wide range of new knowledge products, they have designed new curricula and they have aimed to shape policy. In terms of institutional benefits, the European programmes have exposed selected Malaysian HEIs to the international (rather than merely European) scientific community, interdisciplinary approaches and best European project management practices. At the same time, commentators claim that the international profile of a few Asian/ Malaysian HEIs has increased during the reporting period.

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Table 1 provides an overview of curriculum development and collaborative research projects

Table 1:

	AUNP	AsiaLink	FWP 4	FWP 5	FWP 6	FWP 7
Curriculum Development		6	-	-	-	-
Joint Research	4 *	2	7	11	13	5

Sources: CORDIS, Douse (2006), AsiaLink Website, EU Delegation Bangkok,

*(This number may understate the actual participation of Malaysian HEIs and ROs in the AUNP PAPs. These are projects with Thai and Malaysian participation provided by the Bangkok Delegation.)

The AUNP- PAP and AsiaLink programmes promoted projects aimed at joint curriculum development. While curriculum development comprises a formal funding category for the AsiaLink programme, it is a less formal element in Erasmus Mundus and AUNP. The AUNP-PAPs programmes were the first instruments to enable collaborative curriculum development between HEIs in Southeast Asia and Europe (1). After the AUNP ended in 2006, the bulk of curriculum development has been carried by the AsiaLink programme (2).

Table 1 shows that Malaysian participation in European HE programmes has steadily increased during the reporting period. As can be seen, Malaysian HEIs have been relatively successful in securing participation in European programmes given the size of the Malaysian HE sector. What is more, the relative number of Malaysian partners in European CD or JR projects is comparable to the Thai participation in the same programmes (3). However, Malaysian HEIs coordinated only one of these projects.

The available evidence suggests that the European Commission's HE interventions helped create and, in the medium-term, sustain networks between European and Malaysian HEIs (4). It would seem that the FWP projects enabled more sustained interaction between Malaysian and European HEIs than the AsiaLink or AUNP PAPs projects. The data from the Cordis database points to the existence of three stable research consortia (5) in which Malaysian HEI's were core as well as peripheral partners (6): the smallest consortium dealing with infectious diseases consisting of seven member institutions, the medium-sized consortium centred on bamboo consisting of 13 members and a slightly larger consortium focused on peatland management consisting of 17 members. Table 2 provides an overview of the members of the three stable consortia.

Table 2: research consortia

	Core Members	Peripheral Members
Infectious Disease	<p>Leiden University (Leiden University Medical Center)</p> <p>University Sains Malaysia (School of Medical Sciences)</p> <p>University of Indonesia (Faculty of Medicine)</p> <p>University of Edinburgh</p> <p>Eberhard Karls Universität Tübingen</p>	<p>Hopital Albert Schweitzer</p> <p>Indian Council for Medical Research</p>
Bamboo	<p>Imperial College of Science, Technology and Medicine</p> <p>University Sains Malaysia (School of Industrial Technology)</p> <p>Oprins Plant N.V.</p> <p>Federal Research Centre for Forestry and Forest Products</p> <p>University of the Philippines at Los Banos</p>	<p>UNIVERSITY OF HAMBURG</p> <p>CENTRE TECHNIQUE DU BOIS ET DE L'AMEUBLEMENT</p> <p>GENT UNIVERSITY</p> <p>Forest Research Institute Malaysia</p> <p>AGRICULTURAL RESEARCH CENTRE OF GEMBLOUX</p> <p>UNIVERSITY OF WALES - BANGOR</p> <p>CAB INTERNATIONAL</p> <p>INTERNATIONAL NETWORK FOR BAMBOO AND RATTAN COBELGAL, LDA</p>
Peatland Management	<p>UNIVERSITY OF HELSINKI</p> <p>University of Nottingham</p> <p>UNIVERSITY OF LEICESTER</p> <p>Gadjah Mada University</p> <p>UNIVERSITY SAINS MALAYSIA;</p> <p>UNIVERSITY MALAYSIA SARAWAK</p> <p>UNIVERSITY OF PALANGKA RAYA</p>	<p>CAN THO UNIVERSITY</p> <p>LUDWIG-MAXIMILIANS-UNIVERSITÄT MÜNCHEN</p> <p>Kalteng Consultants</p> <p>AGENCY FOR THE ASSESSMENT AND APPLICATION OF TECHNOLOGY REMOTE SENSING SOLUTIONS GMBH</p> <p>VAPO OY</p> <p>AGENCY FOR THE</p>

	ALTERRA B.V SRIWIJAYA UNIVERSITY	ASSESSMENT AND APPLICATION OF TECHNOLOGY (BPPT)
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Source: CORDIS Database

Malaysian HEIs and RO feature both as core and peripheral members of these consortia. USM is a core member in both the infectious disease and peatland management consortia. In the infectious disease consortium, USM took part in all three projects (7) In the peatland management consortium, USM took part in three of the five projects while UNIMAS participated in four of the five projects acquired by this consortium (8). The Forestry Research Institute of Malaysia was a core member of both of the bamboo consortiums' projects (9).

The three research consortia differ in their success in acquiring European research funding that in turn, has shaped their sustainability. Table 3 displays the success rate of the three consortia since FWP 4 (10).

Table 3: Success Rate of JR Consortia

	AUNP	AsiaLink	FWP 4	FWP 5	FWP6	FWP 7
Bamboo	-	0	1	1	0	0
Infectious Disease	-	0	0	1	2	0
Peatland Management	-	1	1	1	2	0

Source: CORDIS Database

Arguably, the HEI network dealing with peatland management has been the most successful in acquiring European JR and CD funding. Consequently, it has also been the most sustainable of the consortia competing for European JR and CD funding in Malaysia during the reporting period. The members of a consortium that includes European, South - Southeast Asian HEIs (see Table 2), have cooperated successfully since 1998 (11) (see below). Not only has this consortium secured four FWP programmes centred on problem-oriented and interdisciplinary knowledge-production (12), it has also secured a curriculum development project in the AsiaLink programme (the PEATWISE project). As can be seen in Table 3 the infectious diseases consortium secured three projects in FWP 5 and 6 that implies an project-based cooperation of about 8 years. The most short-lived stable consortium centred on bamboo issues managed to secure two projects (one in FWP 4 and a thematic network in FWP 5): this meant that the consortium partners cooperated from November 1997 to December 2004 (13).

The available documentary and fieldwork evidence further suggests that the AsiaLink programme also generated links, albeit more tenuous, between Malaysian and European HEIs (14). The evaluation of the AsiaLink programme concludes that all AsiaLink projects created international links (15); the evaluators assess three quarter of these links to be "strong international networks" (16). Table 4 shows the two CD consortia examined for this study:

Table 4

	Members
Waste Management	Technical University of Hamburg-Harburg, Department of Waste Management (DE) University Putra Malaysia, Department of Environmental Sciences (MY)

	University of Padua, Image Department (IT), Asian Institute of Technology, Urban Environmental Engineering & Management Program (TH),
European Studies	College of Europe (BE) University Sains Malaysia, School of Social Sciences Eberhard-Karls-Universität, Tübingen – Institut für Politische Wissenschaft (DE), Centre for European Studies, Chulalongkorn University (TH)

The available evidence for Malaysia, based on the examination of these two consortia, bears this out to some degree. On the one hand, the respondents in both consortia report strong institutional ties created during the AsiaLink projects. This includes mutual site visits (17), training programmes (18), and exchanges of graduate students (19) (workshops). On the other hand, while the members of both consortia report that ties with European partners have remained intact after the end of the AsiaLink projects, all of the respondents interviewed seemed to perceive these links as fragile (20). After the AsiaLink project, that aimed to create new teaching modules for advanced degrees in waste management, the consortium went on to successfully acquire an Asia Pro Eco project (21). After the end of the Asia Pro Eco project, that encountered problems (see below), the respondents report that ties have become somewhat dormant (22). Similarly, respondents involved in the European Studies CD project point out that links between the European (College of Europe) and Malaysian (USM) partners have become much weaker in the 2 years after funding had ceased (23) (Chula). The problem here, they contend, is that relations are not institutionalised and are tied to particular individuals (24).

While the European HE programmes have ensured medium-term sustainability of the networks, the long-term outlook remains uncertain. None of the JR consortia have as yet acquired projects in FWP 7. In part, this may be due to timing issues: the two FWP 6 projects of the infectious disease consortium (COINFECT and TRANCHI) are not due to finish until the end of September 2009 and the CARBOPEAT project was scheduled to conclude at the end of March 2009. In part, however, there is some indication that the programme structure of the FWP 7 may be creating barriers for existing JR and CD networks. First, the emerging profile of consortia seems to indicate a thematic shift towards projects oriented towards ICT and RTD policy related issues (25). The consortia, too, seem to be more mixed with a stronger representation of policy-makers, consultants and ROs (26). A leading member of the peatland consortium claims that the FWP 7 more sectoral orientation is likely to create barriers for the fundamentally interdisciplinary and cross-sectoral peatland consortium (27).

In addition to sustainable networks, the available evidence suggests that European HE interventions have generated both substantial and institutional impacts. All the consortia investigated by the evaluation team have been, on the whole, successful in producing tangible outputs in terms of knowledge-creation, new courses, and policy-relevant knowledge dissemination (28).

In terms of knowledge-creation, the research consortia investigated have generated a variety of products ranging from the more traditional academic output to innovative forms of presenting scientific knowledge. As was to be expected, the JR consortia focused more on creating new knowledge and the CD consortia concentrated on finding new ways to communicate knowledge. However, this distinction was not nearly as sharp with the consortia under inspection as the programme designations might imply. The infectious disease consortium, essentially a multi-disciplinary group consisting of bio-medical scientists and research physicians (29), appears to aim for more established scientific products, such as peer-reviewed journal articles and databases (30). While the waste management consortium, centred on curriculum development and technology transfer

rather than knowledge creation, did not succeed in achieving its primary project goal (31), it has produced a range of publications on the issue of chicken manure disposal in Southeast Asia as well as a searchable database for “experts working in the field of manure treatment, farm management systems, chicken housings and other related topics“ (32). The peatland consortium, in turn, has been most productive and innovative in terms of knowledge-creation. The members of the peatland consortium have packaged the knowledge about tropical peatland management – an underresearched area (33)--they have produced since 1998 in a number of ways. These include presentations at workshop and conferences to a wide audience of stakeholders (34), leaflets (35), film and video documentary (36), press releases (37) as well as posters (38) (39).

The consortia examined during the fieldwork phase also developed new and innovative post-graduate curricula. The waste management consortium used an AsiaLink project (the TETRAWAMA project) to produce teaching materials for waste management practices in developing countries (40). Essentially, project partners compiled case studies and transformed these into training modules for both waste management researchers and practitioners (41). Some of these teaching modules are available in print and e-book form (42). Other modules simulate waste management practices in so-called “interactive e-tools” (43). In the AsiaLink project PEATWISE, the peatland consortium aimed to develop a post-graduate programme for peatland management practices (44). Here, the peatland consortium packaged cutting-edge knowledge about peatland management (produced in the FWP projects STRAPEAT and RESTORPEAT) into a graduate course (45). What is more, the project aimed at providing their content in an innovative e-learning and distance learning context (46). The courses developed in the PEATWISE project, respondents argued, have been successfully integrated into existing curricula (47): it is now possible to study for a “Postgraduate Diploma in Peatland Management” and the UNIMAS (48). Last, the European studies consortium developed and implemented the “Masters of International and Diplomacy Studies (European Studies)” at the USM at Penang in 2005 (49). Since this project, also funded by the AsiaLink programme, was focussed on developing and installing a functioning post-graduate programme in European Studies, the project has not produced any new knowledge.

In terms of policy-relevance, the different consortia investigated during the fieldwork phase varied in both their approach and intensity of engagement. While all consortia addressed issues of acute policy relevance (50), they did so in markedly different ways. On the available evidence, it would seem as if the infectious disease consortium operates within the traditional “sound-science-for-policy” paradigm (51). This is illustrated by the overall aim of the COINFECT project which is “...to deliver the information and tools necessary for researchers in Asian countries to produce robust data on malaria and helminth coinfection and their immunological interaction” (52). Here, policy relevance is, if anything, an indirect benefit of the scientific knowledge produced. The two CD consortia, in turn, addressed policy relevance more overtly. The waste management consortium, in turn, adopted a more overtly technocratic approach. Here, the outputs of the consortium – particularly the learning modules and the technology – aim to provide direct support to public and private sector waste managers (53). However, the consortium was unable to interest Malaysian policy makers in the technology transfer project, despite the priority of waste disposal on federal and state policy agendas (54). The European Studies consortium was a project initiated at political level when the Malaysian ambassador in Belgium approached the College of Europe (55). The project was aimed to use HEI and European Studies to provide a sharper profile to Europe in Malaysia (56). Accordingly, the programme was inaugurated in 2005 with a high-profile launching conference entitled “Building Asia-Europe Partnerships Through Education” attended by the Minister of Higher Education and the then Head of EC Delegation (57). Arguably, the peatland consortium has adopted an environmental advocacy approach. Not only do the members of this consortium produce applied knowledge about peatland management, they have also attempted to carry this knowledge into an international public sphere. In addition to the dissemination channels listed above, the peatland consortium has drafted a number of policy statements in which they call for a more sustainable use of peatlands (58). A member of the peatland consortium claims

that the outputs have made an impression on environmental policy-making in Sarawak (59).

In sum, all examined consortia funded by European programmes have produced tangible outputs in terms of knowledge-creation, curriculum development, and policy-relevance. However, even across this small sample of consortia, we can see considerable variation in approach.

The available evidence also suggests that European HE interventions have brought about institutional benefits for Malaysian HEI (60).

First, the EC's HE programmes have been successful in exposing Malaysian HEIs to the international research community. Apart from forging links with European HEI, the EC's HE programmes (particularly the FWP's INCO programme) have exposed Malaysian HEIs to researchers and universities in South Asia (e.g. India, Nepal), East Asia (e.g. China, Taiwan), Southeast Asia (e.g. Indonesia, Singapore, Philippines, Thailand, Viet Nam), Latin America (e.g. Brazil, Argentina, Columbia, Mexico), Africa (e.g. South Africa, Kenya, Namibia) and the Middle East (e.g. Israel) (61).

Second, European programmes have enabled Malaysian HEP's to work in multi- and interdisciplinary project consortia. Again, of the consortia examined closely during fieldwork, some are more pluralist than others. The infectious disease consortium is narrowly interdisciplinary in the sense that it brings together different disciplines within the life sciences (62). The waste management consortium reflects the inherent multi-disciplinarity its parent field: here, we find environmental scientists, engineers and resource economists (63). Similarly, the European Studies consortium reflects the multi-disciplinarity (within the humanities and social sciences) of the field of European Studies. Here, the consortium drew on the expertise of political scientists, literature professors and economists (64). Again, the peatland management consortium brought together the widest diversity of disciplines and specialties including geography, chemistry, soil science, ecology, engineering, agricultural microbiology, and anthropology (65).

Third, the available evidence also suggests that EC programmes have helped transfer best European HE practices to Malaysian HEIs. Participation in the AUNP (PAPs), AsiaLink and the FWP has not only exposed the affected Malaysian HEIs to new ways of knowledge production, knowledge dissemination, they have introduced them to European practices in proposal writing, project and financial management, reporting, and knowledge-dissemination (66).

There is some indication that these substantive and institutional benefits have strengthened the overall profile of selected Malaysian HEIs in particular and Southeast Asian HEIs in general (67). Overall, respondents claim that during the reporting period the international domestic and international recognition of selected Asian HEI as centres of scientific excellence has increased perceptively (68). At domestic level in Malaysian, this contention is reflected in the claim by a leading member of the peatland consortium that participation in European programmes has provided Malaysian consortium partners with more clout in both the scientific (via skills, capacities and best practices acquired) and policy-making community (via the policy-relevant knowledge about peatland management) (69). At a general level, some HE policy actors perceive a secular increase in international recognition of Southeast Asian -- including Malaysian -- HEIs (70). During the reporting period, commentators point out that Southeast Asian HEI's have matured and, consequently, collaboration is no longer simply capacity-building (71). This, in turn, has led to increased interest on part of European HEIs for collaboration on projects (72). Moreover, respondents point to a change in the mode of collaboration. In the past European HEIs' strategy has comprised first choosing a funding platform, formulating the project second and, last, looking for Thai partners. Today, this process is reversed: projects are drafted within existing stable networks which then look for a suitable funding platform (73).

Another indication that EC HE interventions have contributed to the perceived institutional changes is the coincidence of the selectivity of these developments with the localised nature of European

interventions (localisation). In general, the substantive and institutional benefits of European JR and CD programmes have been limited to few Malaysian HEIs. Table 5 shows the distribution of Malaysian participation in European programmes.

Table 5

Malaysian partner	AsiaLink	AUNP	FWP 4	FWP 5	FWP 6	FWP 7	Total
University sains malaysia	1	0	3	3	4	0	11
Universiti putra malaysia	2	0	1	1	0	1	5
University malaysia sarawak	1	0	0	1	3	0	5
Universiti kebangsaan malaysia	2	2	1				5
Centre for education and training in renewable energy and energy efficiency	0	0	0	4			4
Forest research institute malaysia	0	0	2	1	0	0	3
Mimos berhad					1	2	3
University technology malaysia		1			1		2
University pertanian malaysia			1				1
Innoprise corporation sdn bhd;			1				1
Malaysian centre for remote sensing			1				1
Malaysian agricultural research and development institute;					1		1
Malaysian palm oil board;				1			1
University teknologi mara				1			1
University of malaya					1		1
Malaysian institute of microelectronic systems					1		1
Damai sciences sdn bhd ltd (industry)					1		1
Malaysian institute for nuclear technology research					1		1
Pusat tenaga malaysia					1		1
Ministry of science technology and innovation						1	1
Nternational center for living aquatic resources						1	1
University technology mara	1						1
Open university malaysia	1						1

Source: CORDIS Database

Just over a fifth of all public and private universities (74) took part in European CD and JR programmes since FWP 4. Of these nine HEIs, just over half (5) have participated in more than one European project. This group (USM, UPM, UNIMAS, Universiti Kebangsaan Malaysia, Universiti Teknologi Malaysia) accounts for about 52% of all European projects since FWP 4 (75). The other five universities account for about 9.5% of all European projects since FWP4. As Table 5 shows, the ranking among universities has remained reasonably stable over time (with UNIMAS – i.e. the peatland management consortium--doing very well in FWP 6). In terms of all public and private universities, 11% of Malaysian HEIs account for over half of all European project participations.

These numbers in conjunction with the qualitative data presented above suggests that European funding has created islands of academic excellence from which, it would seem, the substantive and institutional benefits of European programmes have yet to disseminate. This assessment was echoed by experts during fieldwork interviews (76)

We can, then, tentatively formulate the following conclusion in the form of a hypothesis. The substantive and institutional benefits derived from participation in the European Commission's CD and JR programmes have contributed to some – as yet uncertain – extent to the development, strengthening and internationalisation of selected Malaysian HEIs during the reporting period (77). The evidence suggests that European HE programmes have been more successful at activating and directing potential research and teaching excellence in Malaysian HEI. It would seem that the programmes have been less successful in generating research and teaching excellence in Malaysian HEIs lacking this potential either directly (by participation) or indirectly (through diffusion of the institutional and substantive benefits from islands of excellence to the rest of the Malaysian HE landscape).

Related facts, figures, and references:

- (1) Respondent E, 2008
- (2) Although the Action 3 of the Erasmus Mundus programme is designed to support for collaborative curriculum development, this part of the Erasmus Mundus programme has proved to be unpopular (Respondent B, 2008). Evaluators for the Erasmus Mundus ECW (2005-2006) argue that the designated actors for curriculum development under Action 3 -- heads of Erasmus Mundus programmes -- have typically not found time to assemble the consortia and partnerships (Respondent B, 2008, Respondent U, 2008).
- (3) A simple indicator for participation rate divides the number of participations by the number of public and private universities in both Malaysia (45) and Thailand (92). On this, admitted crude measures the Malaysian participation rate at 1.07 is just below the Thai rate at 1.22.
- (4) CORDIS Database, Respondent G, 2008, 2009, Respondent D, 2008, 2009.
- (5) A stable network is defined here as a group of HEIs that cooperate on more than one project.
- (6) A core consortium partner is defined as an HEI or RO that took part in more than half of the projects acquired by the consortium.
- (7) CORDIS Database.
- (8) Respondent G, 2008, 2009; Respondent H, 2008; CORDIS Database.
- (9) CORDIS Database.
- (10) Although much of FWP 6 and all of FWP 7 fall outside the reporting period covered by this report, this data provides a good indication of the sustainability of the research networks.
- (11) CORDIS; Database Respondent G, 2008, 2009; Respondent H, 2008.
- (12) Respondent G, 2008, 2009; Respondent T, 2008; <http://www.strapeat.alterra.nl/>.
- (13) CORDIS database.
- (14) Respondent Q, 2009, Respondent R, 2009, Respondent I, 2008, Respondent S, 2008, Respondent F, 2008.
- (15) This is true almost by default for both the FWP and AsiaLink since proposals since funding is conditional on creating international links.
- (16) Foulkes et al, (2006), "Evaluation of the EU Asia-Link Programme 2006", Framework Contract Commission, EuropeAid/116548/C/SV, Final Report, ECORYS Nederland BV.p.9.
- (17) Respondent I, 2008, Respondent S, 2008.
- (18) Respondent R, 2009, Respondent Q, 2009.
- (19) Respondent F, 2008; One may want to add workshops to the list (see <http://www.tu-harburg.de/aws/asia-link/default.htm>, <http://midspublic.coleurop.be/default.htm>).
- (20) Respondent F, 2008, Respondent I, 2008, Respondent S, 2008, Respondent R, 2009, Respondent Q, 2009.
- (21) Respondent F, 2008, Respondent S, 2008, Respondent I, 2008.
- (22) Respondent I, 2008, Respondent S, 2008, Respondent F, 2008.
- (23) Respondent R, 2009, Respondent Q, 2009.
- (24) Respondent R, 2009, Respondent Q, 2009; Notably, however, the respondent claims that relations with the Thai partner (Chulalongkorn's Centre for European Studies) have remained strong because they are institutionalised (Respondent R, 2009). The International and Diplomacy Studies Master's Programme at USM in Penang, the respondent claims, uses Chulalongkorn's CES as external examiners.
- (25) CORDIS database.
- (26) CORDIS database.
- (27) Respondent G, 2008, 2009; This claim, however, requires considerably more validation (through, perhaps, a survey of a representative sample of Malaysian and European scientists, a Delphi Study, or a broad-based

- qualitative study). However, whether this is an accurate or inaccurate perception is, in a very real sense, immaterial for EC and Malaysian policy-makers on the ground in Malaysia. This is the perception of a leading figure in the Malaysian HEI and RTD landscape (which is, incidentally, why the evaluation team chose to interview this individual). A person, no less, who has more than a decade's worth of experience with European JR and CD policy instruments and whose views are likely to shape opinions among the scientific community in Malaysia. The implication here is that if this respondent believes that the FWP 7 is unsuitable for existing cross-sectoral research consortia, then others are likely to think so too. The evaluator is aware that this is a merely hypothesis that would require careful testing (through a representative survey, Delphi study or the like) which lies well outside the scope provided 4 days fieldwork within the budget. The evaluator, however, believes that there are important policy implications that should not be dismissed out-of-hand.
- (28) Respondent G, 2008, 2009, Respondent F, 2008, Respondent I, 2008, Respondent S, 2008, Respondent R, 2009, Respondent Q, 2009.
- (29) CORDIS Database; <http://www.coinfect.eu/site1/index.html>.
- (30) <http://www.coinfect.eu/site1/index.html>; The COINFECT website is relatively sparse and appears to be in a process of development. Regrettably, representatives for the infectious disease consortium were not available for comment during the fieldwork period.
- (31) A central objective of the CHIMATRA project was to transfer German waste disposal technology to Malaysia (Respondent F, 2008, Respondent I, 2008, Respondent S, 2008). In the event, the waste management consortium it was not able to transfer the German technology to Malaysia for demonstration purposes. The reason, respondent argue, is that technology for the disposal and pelletization of chicken manure is not a pressing need in Malaysia (Respondent F, 2008, Respondent AA, 2008). Indeed, some respondents contended that existing Malaysian technological solutions are superior to the technology to be transferred by the project (Respondent F, 2008, Respondent AA, 2008).
- (32) <http://www.tu-harburg.de/aws/asia-pro-eco/>; Respondent I, 2008, Respondent S, 2008, Respondent F, 2008; The publications that emerged from the waste management's CHIMATRA project include *Low tech options for pelletising of poultry manure in South East Asia*, Helmut Adwiraah, I. Koerner, Prof. Dr.-Ing. Rainer Stegmann© ORBIT Association; *Low tech options for composting poultry manure in South East Asia*, Dipl.-Ing. Henrich Röper, Ina Körner, Prof. Dr.-Ing. Rainer Stegmann; © ORBIT Association; *Hygienische Düngemethoden für asiatische Geflügelzüchter*, Report in the TUHH Magazine May 2006; CHIMATRA -International Conference on Agricultural Waste "Turning Waste to Wealth", Book of Proceedings, 2006; CHIMATRA –Chicken Manure Treatment and Application – Proceedings Workshop, Körner, Stegmann, Hassan, Abdullah, Huijsmans, Ogink, Verlag Abfall aktuell, ISBN 3-9810064-3-7; *Problems and value-added Properties in Chicken Manure: State of the Art and Options for Treatment and Application in Europe and Asia*, Koerner, Roper, Stegmann in *Turkey Production: Prospects on future developments*, Hafez (ed.), Mensch & Buch Verlag, Berlin, Germany, ISBN 3-89820-993-8; *Comparison of Technologies for the Treatment of Chicken Manure*, Roper, Koerner, Stegmann; *Turkey Production: Prospects on future developments*, Hafez (ed.), Mensch & Buch Verlag, Berlin, Germany, ISBN 3-89820-993-8.
- (33) Respondent G, 2008, 2009.
- (34) workshops
- (35) These include: "Tropical Peatlands & Carbon Storage"; "Tropical Peatlands & Carbon Gas Fluxes"; "Tropical Peatlands & Biodiversity in SE Asia; Vulnerabilities of Tropical Peatlands"; "Introduction to CARBOPEAT"; "Introductory leaflet on tropical peat". These leaflets are available for download here: <http://www.geog.le.ac.uk/carbopeat/infileaflets.html>.
- (36) For example, the CARBOPEAT website lists the film "Keep the peat wet" which "...is one of four films by Adrian Seymour produced for the AirCO / CARBOPEAT / RESTORPEAT partnerships. " (<http://www.geog.le.ac.uk/carbopeat/wetpeat.html>).
- (37) The press releases include March 2007: Leicester Researcher to Lead Global Team Tackling Carbon "Time-Bomb"; Carbopeat turvemaiden häviämistä vastaan; July 2007: climate deals turn up heat in Indonesia's dark peatlands (Reuters); August 2007: Leicester Researchers Head Off to the New "Black Gold"; September 2007: For Peat's Sake; December 2007: New data analysis conclusive about release of CO2 from peatland when natural swamp forest is converted to oil palm plantation (<http://www.geog.le.ac.uk/carbopeat/pressrel.html> accessed 9.5.2009).
- (38) Posters include: CARBOPEAT poster; Poster - Capacity building for sustainable management of tropical peatlands: from research to application; CARBOPEAT Poster presented at 13th International Peat Congress, Tullamore, Ireland, June 2008 (<http://www.geog.le.ac.uk/carbopeat/lzone/posters.html> accessed 9.5.2009)
- (39) The only blemish in this record seems to be the lack of peer-reviewed scientific journals or books. Neither the peatland consortium's website nor the interviews with the beneficiaries mention more traditional academic outputs (carbopeat.org/; orpeat.alterra.wur.nl/; peat.alterra.nl/; Respondent G, 2008, 2009, Respondent T, 2008, Respondent H, 2008).
- (40) <http://www.tu-harburg.de/aws/asia-link/default.htm>.
- (41) Respondent F, 2008, Respondent I, 2008, Respondent S, 2008.
- (42) The modules include: Module 1: "Solid Waste Management in Asia"; Module 2: "Waste Management Inventory -

- WAMAINVENT"; Module 3: "Disposal and Landfilling"; Module 4: "Planning a Composting Facility - PLASACOF"; Module 5: "Visualisation of Composting - SIMUCOMP"; Module 6: "Urban waste management". They are available for download here: <http://www.tu-harburg.de/aws/asia-link/module.html>.
- (43) Interactive etools can be accessed here: <http://www.tu-harburg.de/aws/asia-link/module.html>
- (44) Respondent G, 2008, 2009, Respondent H, 2008; peatwise.alterra.nl/.
- (45) Respondent G, 2008, 2009; Respondent H, 2008, peatwise.alterra.nl/.
- (46) Respondent G, 2008, 2009, Respondent H, 2008.
- (47) Respondent G, 2008, 2009, Respondent H, 2008, peatwise.alterra.nl/;
- (48) UNIMAS FACULTY OF RESOURCE SCIENCE AND TECHNOLOGY Academic Programme Handbook "Post-Graduate Diploma in Peatland Management".
- (49) <http://midspublic.coleurop.be/default.htm>; Respondent Q, 2009, Respondent R, 2009.
- (50) Again, this is true almost by default since policy relevance is a key funding criterion.
- (51) Here, science has value for policy-making to the extent that scientific knowledge is perceived by policy actors to be objective and value-free. On this view, objective scientific knowledge provides support for rational decision-making.
- (52) <http://www.coinfect.eu/site1/about.html>.
- (53) Respondent I, 2008, Respondent F, 2008, Respondent S, 2008.
- (54) Respondent I, 2008, Respondent S, 2008, Respondent F, 2008, Respondent AA, 2008.
- (55) Respondent Q, 2009, Respondent R, 2009.
- (56) Respondent Q, 2009, Respondent R, 2009.
- (57) <http://midspublic.coleurop.be/documents/January%2024-25%20Launching%20Conf%20Report.pdf>.
- (58) These statements include the "Palangka Raya Statement" (<http://www.restorpeat.alterra.wur.nl/download/PALANGKA+STATEMENT+SEPTEMBER+2005.pdf>), the "Jakarta Statement" (2001), the "Penang Statement" (2001) (http://www.strapeat.alterra.nl/p_frameset.htm accessed 9.5.2009).
- (59) Respondent G, 2008, 2009; This claim could not be confirmed either through an internet search (i.e. press resonance) or through interviews.
- (60) Respondent G, 2008, 2009, Respondent D, 2008, 2009, Respondent AE, 2009, Respondent AF, 2009.
- (61) CORDIS DATABASE.
- (62) CORDIS Database.
- (63) <http://www.tu-harburg.de/aws/asia-link/default.htm>.
- (64) Respondent R, 2009, Respondent Q, 2009, <http://midspublic.coleurop.be/default.htm>.
- (65) <http://www.geog.le.ac.uk/carbopeat/partners.html>
- (66) Respondent G, 2008, 2009, Respondent I, 2008, Respondent S, 2008, Respondent H, 2008, Respondent D, 2008, 2009; Almost all respondents complained about the administration involved with collaborative European projects. Starting with proposal submission (filling in forms), carrying on to operational project management (report writing, keeping track of expenses) and ending with project completion, the administrative requirements are universally perceived as difficult, tedious and distracting (Azmon, Respondent S, 2008, Respondent R, 2009). Respondents also pointed to a series of perceived shortcomings in the funding of the projects. Beneficiaries pointed out that funds only covered a limited range of activities (travel, subsistence, workshops, networking, technological cooperation) but that, even then, the funds were not sufficient for these activities (Respondent G, 2008, 2009). Further, the budgets were too small to hire competent administrative staff which meant that researchers (more often than not junior researchers) were charged with administration, which was perceived to be a misallocation of resources. Additionally, respondents pointed out that European programmes offer no way for recouping the considerable outlays for proposal preparation and submission (Respondent G, 2008, 2009). On top of these problems, respondents also noted that payments tended to be somewhat unreliable (Respondent I, 2008; Respondent S, 2008).
- (67) Respondent AG, 2009, Respondent D, 2008, 2009, Respondent G, 2008, 2009, Respondent AE, 2009, Respondent AF, 2009, Respondent Z, 2008.
- (68) Respondent AE, 2009, Respondent AF, 2009, Respondent Z, 2008.
- (69) Respondent G, 2008, 2009; While this claim could not be confirmed (or, indeed, denied) for the other consortia under inspection, it resonates with the perceptions of central HE policy actors and practitioners (Respondent D, 2008, 2009, Respondent Z, 2008, Respondent AE, 2009, Respondent AF, 2009). Incidentally, this claim also resonates with experiences of ROs and HEIs in Europe: here, participation in FWP's increases leverage with domestic S&T funding agencies. An interesting hypothesis for further research could be that an increase in domestic profile in Malaysia depends on a) participation in European programmes (necessary condition) and b) participation in a successful project consortium. Again, testing this hypothesis require a considerably more intense research and resource engagement than was available for this study.
- (70) Respondent Z, 2008, Respondent AE, 2009, Respondent AF, 2009, Respondent AG, 2009.
- (71) Respondent AE, 2009, Respondent AF, 2009, Respondent AG, 2009.
- (72) Respondent AE, 2009, Respondent AF, 2009, Respondent D, 2008, 2009.

(73) Respondent AE, 2009, Respondent AF, 2009, Respondent Z, 2008.

(74) This excludes public and private university colleges, polytechnics and community colleges which make up the bulk of the Malaysian tertiary education sector (Country Report – Malaysia, 2008, http://www.unescobkk.org/fileadmin/user_upload/apeid/workshops/macao08/papers/2-p-4-2.pdf).

(75) CORDIS Database.

Respondent D, 2008, 2009; Respondent G, 2008, 2009.

1.2.1.3 Increased availability of information on study opportunities in Malaysia and Europe.

The available evidence suggests that European HE interventions have been less successful in promoting accurate perceptions of Europe as a place to study and conduct research. Although there is no freely available survey data on Malaysian perceptions of Europe as a place for study and research, the available evidence seems to suggest that ACA's findings for the neighbouring country Thailand also apply, *grosso modo*, to Malaysia. In terms on information of study opportunities, experts and participants agree that there is considerable room for improvement in the way programmes such as EM are communicated and presented. The perceptions of information about research opportunities among respondents interviewed during the fieldwork phase are more equivocal: it would seem respondents view communication and information material favourably once they have been pointed in the right direction. While there seems to be scope in Malaysia for building a "single European HE Brand" it would appear as if the initial outreach to potential participants and beneficiaries requires some improvement in terms of coordination and targeting.

The primary finding of the global ACA study about the perceptions of Higher Education in the EU is that information about study opportunities is scant and, where available, is not reaching the target audience. While the general perception of Europe, both as a place to live and a place to study, is good, these attitudes are fed more by conventional stereotypes (albeit positive) about Europe (1). In countries like Thailand, more informed opinions are based on knowledge from a very small selection of countries -- notably France or Germany (2).

The fieldwork suggests that much the same is true for Malaysia (3). In general, knowledge about existing European HE programmes in the region as well as possibilities for research and study in Europe are limited. The evaluators of the Erasmus Mundus programme contend that the presentation of the programme was neither well designed nor well implemented (4). In general, knowledge about Erasmus Mundus spread through the Higher Education Fair (November 2007 in Kuala Lumpur) (5), by informal word-of-mouth or through the mass media (6). Indeed, the evaluators added, there was little in the way of systematic institutional dissemination through office international affairs offices at Malaysian HEIs (7). Whether or not Malaysian HEI's were aware of the Erasmus Mundus and, incidentally, AsiaLink programmes was, on the whole, coincidental (8). This is reflected in the EM student feedback survey: nearly 57% of respondents had heard about the EM programme through the Internet (35.8%) or through friends (21.1%). In turn, only 26,7% had received information from their university (9). Significantly, the Malaysian Academy of Sciences was not aware of the Erasmus Mundus programme (10). In general, the Malaysian EM alumnus interviewed during fieldwork claims, the state of knowledge about European HE in Malaysia is low: prospective students seem to believe that language barriers (i.e. courses are not taught in English) will impose insurmountable hurdles to studying in Europe (11). The low profile of the Erasmus Mundus programme among prospective Malaysian employers also meant that, despite the perceived high quality of the tuition, participation in the programme need not necessarily be an advantage when on the job market (12).

In terms of information about research opportunities and funding, evidence is mixed. For some, channels seem to work reasonably well once potential beneficiaries are made aware of the existence of specific European programmes. For example, beneficiaries of an AsiaLink project rated the website and material received from the Delegation and some European embassies as 'very informative'. However, they had been made aware of these programmes by their project partners in Europe (13). Others, however, contended that they received no information from the Commission. Malaysian

participants in a successful and sustainable research consortium claimed that the European partner (at Wageningen) compiled the information about research funding (in this case the FWPs). When looking into the possibility of applying to AsiaLink, respondents found that the available information was too detailed (14). In this context, a respondent pointed out that the FP 7 Roundtable in Manila was not very helpful due to the diversity of disciplines and actors that were covered (15). In general, respondents said they would welcome an information event (such as a seminar) held closer to home than Bangkok (16). Others still described the information policy of the Delegation as not being 'customer-friendly' (17). For example, these respondents continue, when looking for potential avenues of cooperation on climate change, the European Commission in general and the Delegation in particular were felt not to be forthcoming. In the face of what actors called 'miscommunication' with the Commission, they tended to rely on established contacts and relationships, most prominently with the Commonwealth in general and the British Council in particular (18).

On the basis of the global study, the ACA recommended implementing measures to increase information provision on education in the EU countries that in their view was crucial in order to raise people's awareness and to assure them in terms of quality across countries inside the EU. In order to achieve this, printed media or other tools, such as websites, play an important role in communicating with people. Also, the communications message should focus on "EU identity" and aim to educate people and increase people's awareness of an EU single brand (15). In addition, more active marketing and promotional activities such as visits and presentations should be implemented to reach various target audiences, e.g. institutions, parents and students. This should encourage engagement with target audiences and build some direct understanding with them.

Related facts, figures, and references:

- (1) Academic Cooperation Association (2006), Perception of European Higher Education in Third Countries, Project 2004 – 3924 / 001 – 001 MUN-MUNA31.
- (2) Academic Cooperation Association (2006), Perception of European Higher Education in Third Countries, Project 2004 – 3924 / 001 – 001 MUN-MUNA31; Research in Thailand shows that a group of interviewees had very fixed views about EU academic institutions. In the interviewees' opinion, each member of the EU is significantly different in terms of the quality of higher education, cost of living and living standards. The UK, France, and Germany are highly acceptable in different specialised areas. The UK, the most well-known country has a strong reputation for the quality of higher education in general, while France is highly recognised in creative and design study. Also, among Thais, Germany is famous for the engineering field and lower cost of study due to government support. However, other members of the EU are not recognised in any specific way and interviewees had no idea about their higher education system (ACA, 2004).
- (3) No survey data about the perception of Europe as a place to study in general or the EM programme in particular among prospective students in Malaysia are freely available. If this data exists at the Delegation or in the MOHE, it has not been made available to the evaluation team. The following relies on the expert judgements of the two EMW evaluators as well as the perceptions of a Malaysian EM alumnus. These claims are little more than hypotheses to be tested by appropriate research- and resource-intensive engagements. Validating these claims was beyond the methodological scope of this study.
- (4) Respondent B, 2008; Respondent U, 2008.
- (5) The HE Fair, delegation officials argue, was very successful in reaching out to students, faculty and HE policy-makers.
- (6) Respondent J, 2008; Respondent B, 2008; Respondent U, 2008.
- (7) Respondent B, 2008; Respondent U, 2008.
- (8) One reason for the lack of dissemination, the Erasmus Mundus evaluators argue, is possibly that the priorities of the offices of international affairs at Malaysian HEIs are to send and receive staff and faculty. They contended that it would be "well worth-while" to open up these offices (Respondent B, 2008, Respondent U, 2008). This, then, is an area in which institutional linkages are missing and need strengthening. (Respondent B, 2008, Respondent U, 2008). Incidentally, this could neither be confirmed nor denied by the responsible Delegation Official (Respondent D, 2008, 2009).
- (9) DG EduCul (2007), *How Well is Erasmus Mundus Performing: Results of Student Feedback*, The Third Erasmus Mundus Student Seminar, Brussels 11-12 October 2007; The Commission argues that "role of the Home University is seriously declining"
- (10) Respondent C, 2008; Respondent W, 2008; Respondent V, 2008.]
- (11) Respondent J, 2008.

- (12) Respondent J, 2008; Charit; although this claim requires confirmation, it is interesting and noteworthy for two reasons. First, it sits awkwardly with the findings of 2007 EM student feedback survey in which about 92% of the respondents believed that the impact of their study programme on their future career would be positive or very positive (Presentation at the Erasmus Mundus Student Seminar, 2007). The alumnus had been in employment for two years but had only found a job with a consultancy with strong ties to Europe (Respondent J, 2008). Second, the EM alumnus' claim resonates with a similar argument made by a Thai expert in European Studies; namely that the EM Master's programmes are too specialised to be of much relevance to the career prospects of Thai students.
- (13) Respondent I, 2008; Respondent S, 2008.
- (14) Respondent I, 2008; Respondent S, 2008; Lim et al. 2005.
- (15) Respondent G, 2008, 2009.
- (16) Azmon; Respondent S, 2008; Respondent G, 2008, 2009; Respondent H, 2008.
- (17) Respondent C, 2008; Respondent V, 2008; Respondent W, 2008.
- (18) Respondent C, 2008; Habin; Respondent W, 2008; Respondents pointed to a British Council programme entitled 'Bridges' that provided Malaysian researchers with access to the British research landscape.

I 2.1.4 Reference to EC models in sector policy documents and debates among policy makers

There is evidence of discursive seepage from the European S&T/ HE policy debate to the Malaysian HE debate. While the study found no direct reference to EC models in Malaysian policy documents and debates (and would have been surprised to do so), there are many points of convergence between HE policy discourse in Europe and in Malaysia. These comprise a basic understanding of the social, economic and political status HEI's in a global economy, the reforms necessary for modernising HE systems as well as the policy tools required to bring about these changes. European models are probably most visible in the debate about regional harmonisation and quality. Here, the Bologna process and the EHEA guide and inform the Malaysian policy debate on regional HE harmonisation.

On the whole, programmes have concentrated less on forging linkages between HE policy-makers. The AUNP Network Initiatives explicitly aimed to create a platform for policy interaction at the meso-level (i.e. the level of HE policy-actors rather than the macro-level of SOM). The Rectors' Conference as well as the Round Table Meetings provided a forum for individual senior managers and other HE policy actors to cooperate on common and divergent HE policy issues (1). The AUNP Network initiatives organised two ASEAN-EU Rectors' Conferences (in Kuala Lumpur and Leuven) and three AUNP Round Table Conferences. At all these events, Malaysian HE policy-makers participated in the deliberations. Further, the AsiaLink programme organised a series of AsiaLink Symposia across Asia. The Malaysian AsiaLink Symposium in Kuala Lumpur in September 2007 not only provided AsiaLink project partners to exchange experiences but also created a forum in which policy-makers and practitioners could discuss HE policy issues. The event was attended by both senior S&T policy makers from the Malaysia (i.e. officials from the Ministry of Education) as well as Europe (e.g. the Secretary General of the European University Association). Finally, the ASEM dialogue facility provides an institutional context in which senior policy-makers both within and outside the immediate HE policy domain can discuss HE issues. For example, in May 2008, Berlin hosted the 1st ASEM Ministerial Meeting on Education and Qualification (2).

The fieldwork provided little indication that specifically EC models of HE and RTD had found their way into HE policy documents or policy debates in Malaysia (3). What did become clear, however, is that Malaysian HE and RTD policy is availing itself of the same concepts and ideas as European S&T policy-making.

This reflects the perceived need by both Malaysian and European policy-makers on the ground for urgent modernisation of the Malaysian HE system. In interviews, delegation officials pointed out that the Malaysian HE system needs to find new and more appropriate HE practices. This includes developing a more market and product-oriented RTD-culture through, among other things, research cooperation (with both the private sector and researchers abroad), curriculum development and general cultural change (4). This would require considerable investment in HE quality through

exchanges with European faculty on the one hand and the business sector on the other. Here, Malaysian RTD policy-makers point out that the links between universities, research organizations and innovative industry is weak (except in the palm oil and rubber industries, where policy actors believe that Malaysia can make a substantial contribution). They pointed to the Nordic countries and Ireland as possible models for the future development of industry-research relations in Malaysia (5). Further, policy actors also pointed to the Fraunhofer Institut's model of integrating SME's in the innovation process (6).

This is why, so the argument went, Malaysian HE policy-makers have devised the National Higher Education Strategy. In terms closely reminiscent of HE and RTD policy documents in Europe, the National Higher Education Strategy outlines the ambition to adopt a holistic approach the Higher Education, research and innovation. This approach understands the importance for innovation of integrating scientific knowledge and practical skills. The National Higher Education Strategy, policy actors informed us, rests key institutional pillars that include:

- Governance
- Leadership
- Academic Excellence
- Teaching Excellence
- RTD Excellence

Policy formulation in the Malaysian HE sector has accompanied a significant institutional restructuring. In terms of policy formulation and implementation, HE now is a separate ministry divorced from other forms of non-tertiary education. Overall, structural reforms pursue two basic policy objectives subsumed by the phrase 'democratisation of Higher Education' (7):

- Increasing the proportion of degree-holders by improving access to Higher Education for all, particularly marginalized groups
- Improve the quality of Higher Education by promoting meritocratic systems and approaches

The motivations for this significant HE policy enterprise are familiar. Policy actors point out that globalization requires a country as developed as Malaysia (that can no longer compete globally on labour costs) to develop a highly skilled work-force that can compete in the global knowledge economy (8).

Malaysian HE policy-makers aim to achieve these objectives in similar ways to counterpart in at national or EU-level in Europe. Part of the strategy requires creating 'research excellence'. On the one, hand, Malaysian HE policy-makers argue, this will require creating centres of research excellence at universities. On the other hand, Malaysian policy-makers plan to engender an 'innovation culture' in students by clustering so-called smart schools around these centres of excellence. What is more, findings that emerge from these clusters, they argue, need to be commercialized as they are in the US and the UK. In terms of international recognition, Malaysian universities will need to aim to be included in the ranks of the top 500 universities (9).

In order for programmes at Malaysian universities to produce 'global graduates' that can compete in the world markets, Malaysian HE policy makers argue, teaching will need to be internationalised. In particular, Malaysian students will need access to top-tier teaching. This implies, policy-makers continue, both getting Malaysian students and faculty as well as bringing foreign faculty and students in. While student scholarships are currently available for home students (10), Malaysian HE policy-

makers need help – predominantly financial -- in attracting foreign faculty.

It is in the field of internationalization of research and teaching that Malaysian HE policy-makers see most need for EU intervention. By enabling access to research networks in Europe on the one hand and increasing the mobility of teaching faculty to Malaysia on the other, the European Commission, so the argument went, can best support this reform process.

The influence of EC ideas and models is probably most apparent in the issue of quality and regional harmonisation of HE systems. Part of the work of the QDA (see section I 2.1.1 above) has included the drafting of the Malaysian Qualifications Framework, a comprehensive system for assessing and granting qualifications. Among other things, the MQF was designed to “ensure compatibility of qualifications and learning outcomes within and outside of Malaysia” (11). Morshidi Sirat (2008) argues that the debate about harmonization of ASEAN and SEAMO HE systems is informed by concepts such as the Bologna process and the EHEA.

Much of this, Malaysian policy-makers contend, requires fundamental structural change. For this reason, like in many parts of continental Europe, universities are to be given managerial autonomy.

Related facts, figures, and references:

- (1) http://www.aun-sec.org/activities_within_dialogue_1.html; Respondent E, 2008; Douse 2006.
- (2) http://ec.europa.eu/external_relations/asean/index_en.htm, Douse, 2006.
- (3) Respondent D, 2008, 2009; Respondent G, 2008, 2009.
- (4) Respondent D, 2008, 2009; Malaysia-Country Report, 2008.
- (5) Respondent C, 2008; Respondent V, 2008; Respondent W, 2008.
- (6) Respondent C, 2008; Respondent V, 2008; Respondent W, 2008.
- (7) Respondent A, 2008; Country-Report Malaysia, 2008.
- (8) Respondent A, 2008; Country-Report Malaysia, Sirat.
- (9) Respondent A, 2008; Country Report Malaysia, 2008.
- (10) Malaysian HE policy-makers, similar to their European counterparts, pointed out that, while foreign students are desirable, the Malaysian government would need to look after ‘their own’ students before funding foreign students.
- (11) Sirat, 2008, <http://globalhighered.wordpress.com/2008/10/21/towards-harmonisation-of-higher-education-in-southeast-asia/>
- (12) Sirat, 2008; This could, however, not be explicitly confirmed by either a Delegation official or an Malaysian HE policy actor (Respondent D, 2008, 2009; Respondent G, 2008, 2009).

JC 2.2 Promotion of intercultural understanding

Unlike the more tangible outputs and outcomes of the European Commission's policy efforts, the assessment of whether interventions have promoted intercultural understanding is far more ambiguous. The European Commission's interventions seem to have been successful in stimulating intercultural understanding for participants directly involved in the projects and programmes. The primary instruments for promoting intercultural understanding in Malaysia during the reporting period have been the high quality student and faculty exchanges funded by the Erasmus Mundus programme. Not only are EM exchanges highly popular, there is evidence that they create strong personal and institutional links with Europe. However, these benefits have been limited to a very small number of Malaysian students. The two European Studies programmes launched during the reporting period, however, have provided less cause for celebration: while the Asia-Europe Centre at the University of Malaya cannot attract European faculty, the Masters in International and Diplomacy Studies cannot seem to attract students. Commentators suspect this may be related to the presentation of European HE programmes in Malaysia.

The European HE policy interventions successfully promoted intercultural understanding by providing high quality student and faculty mobility from Malaysia to the European Union. The main instrument here was the Erasmus Mundus programme, specifically the Special Windows for Malaysia (2004-2006). While other HE programmes, notably AsiaLink and the FWP's Marie Curie Fellowships,

were also involved in promoting mobility, the number of students and faculty exchanges supported during the reporting period is so small as to be negligible. In terms of intercultural understanding, student and faculty exchanges funded by European programmes – predominantly the Erasmus Mundus Programme -- provided a deeply formative educational and cultural experience. There is no evidence to suggest that these benefits of intercultural learning, however, have diffused beyond the small community of direct beneficiaries.

Despite two credible efforts to establish European Studies in Malaysia, the results have been less than encouraging. The Asia-Europe Institute at the University of Malaya struggles with attracting European faculty to teach their Master's courses. The Masters in International and Diplomatic Studies (European Studies) at the USM in Penang is, in turn, struggling to attract students to the programme. It would seem as if Malaysian students have as little interest in a post-graduate degree in European Studies than European faculty has in coming to Malaysia to teach it.

In terms of the wider socio-cultural impacts of EC interventions in the HE policy domain, the impacts remain unclear due to lack of information. For Asia as a whole, the ESiA project "The EU through the Eyes of Asia" found that media coverage of the EU in six Asian countries (Hong Kong, Singapore, Japan, Thailand, South Korea, and Mainland China) was scant but increasingly accurate. Comparable surveys are not available for Malaysia. However, there is some indication that misperceptions and stereotypes of the continental European research landscape – predominantly anxiety about language barriers – has discouraged Malaysian researchers and students from seeking cooperation. Instead, Malaysian HE policy-makers, faculty of students have preferred to use existing and established channels of RTD and HE cooperation based on Commonwealth ties. What is more, data from the field suggests that this is exacerbated by the low visibility and lacking institutional integration of European programmes, specifically Erasmus Mundus.

1.2.2.1 Mobility of post-graduates and teaching staff

The European HE policy interventions successfully promoted intercultural understanding by providing high quality student and faculty mobility from Malaysia to the European Union. The main instrument here was the Erasmus Mundus programme, specifically the Special Windows for Malaysia (2004-2006). While other HE programmes, notably AsiaLink and the FWP's Marie Curie Fellowships, were also involved in promoting mobility, the number of students and faculty exchanges supported during the reporting period is so small as to be negligible. In terms of intercultural understanding, student and faculty exchanges funded by European programmes – predominantly the Erasmus Mundus Programme -- provided a deeply formative educational and cultural experience. These benefits of intercultural learning, however, have not diffused beyond the small community of direct beneficiaries.

The Erasmus Mundus Programme, specifically Action 2, has been responsible for the lion share of student and faculty mobility. Since 2004, this programme has funded the mobility of about 142 students and 13 scholars (1.). This figure roughly breaks down as follows

	2004-2005		2005-2006		2006-2007		2007-2008		2008-2009	
Reg./Aw.		Reg	AW	Reg	AW	Reg	AW	Reg	TOTAL	
Student	0	23	23	25	32	20	0	19	142	
Scholar	0	2	0	2	0	3	0	4	11	

The impacts of European Commission's HE involvements in the Malaysia on intercultural understanding have been have been significant in terms of quality, but not quantity. In other words, the Erasmus Mundus programme has fostered intercultural understanding by providing a highly valued and deeply formative experience to a small number of participants. Fieldwork and survey data

suggests that the Erasmus Mundus programme is an attractive and popular policy tool (2). Student feedback from the Erasmus Mundus programme shows that more than 94% of respondents would recommend the EM experience to fellow students at home, 68.5% of these without reservation (3).

Fieldwork has identified some of the possible reasons for the EM programme's popularity.

First, the Erasmus Mundus scholarships, experts as well as beneficiaries agree are generous (4). The EM student feedback survey reports that 65.5% of respondents believe that the grant is adequate and 7.1% think the grant is "much higher than necessary" (5). This is echoed by the interview by the Malaysian EM alumnus who claimed that the grant allowed her to live 'comfortably' in Hungary and Sweden (6).

Second, the cultural exposure to Europe and Europeans is perceived as beneficial and enriching. Europe as a study destination has become increasingly popular with Asians. On the one hand, European universities are less costly than American universities. On the other hand, the cultural opportunities in Europe (museums, opera, theatre, etc) are perceived to be more plentiful in Europe (7). Significantly, respondents felt that Europe is perceived to be a relatively safe place in terms of crime (8). Survey data and interviews reveals that participants appreciate and make use of the opportunity to travel and see Europe (9): 86.3% of respondents of the EM survey see the academic value of mobility as high or very high (10). Moreover, the Erasmus Mundus programme enables students to meet people from around the world (11).

Third, the quality of the course and the teaching is perceived to be at a very high level. The alumnus interviewed spoke of high quality resident lecturers that had an excellent grasp of their specialized fields (12). These were complemented by high calibre guest lecturers and guest speakers. The exposure to practitioners in the field was particularly appreciated by the alumnus. The Erasmus Mundus Master course exposed the respondent to far more courses than had her undergraduate experience in Malaysia (13). European universities, it was noted, demand and encourage critical thinking and creativity. The Malaysian alumnus' views resonate strongly with findings from the EM student feedback survey: 57,3% if respondents rate the study programme as excellent or very good while 33.5% are satisfied with the study programme they chose. Similarly, 59,4% of all respondents rated the availability of teaching staff as very good or excellent (14). For university administrators and HE policy-makers, in turn, the programme offers opportunities for internationalization of teaching. The wide choice of Master's courses in the programme helps diversify curricula in Malaysian universities (15).

Although the benefits of the EM outweigh its weaknesses, evaluators and participants point to some problematic issues. First, participants and evaluators point to administrative problems where, for example, the funds arrived late or students experienced problems with their visas (16): the feedback survey reports that 46% of respondents experienced some administrative problems while in the EU. Second, in terms of the course contents, the alumnus interviewed noted that the Master's programmes felt somewhat experimental and fluid. The alumnus remarked on the number of evaluations of the programme during and after the course (17). Third, language barriers could create problems. For example, the alumnus interviewed reported that, when she had to renew her visa in Hungary, no one at the visa office spoke English (18). However, the EM survey reports that only 10% of respondents found integration in Europe difficult (19).

However, there is little evidence that the EM programme the many advantages of the EM programme have diffused beyond the small community of immediate beneficiaries. For one, the EM perceived by Malaysian policy actors and commentators to be is far too small to make a serious contribution to the quality investments needed in the Malaysian HE sector (20). What quantitative data exists seems to support this assessment. It would seem that the EM the programme has so far had no discernible effect on destination preferences of mobile Malaysian students. Table 1 shows the development of Malaysian preferences for study destinations:

Year	1 st Choice	2 nd Choice	3 rd Choice	4 th Choice	5 th Choice
2004	Australia (16,094)	United Kingdom (11,806)	U.S.A. (6,483)	Japan (1,841)	New Zealand (831)
2006	Australia (18,538)-1),	U.K. (11,448),	U.S.A. (5,711)	Japan (2,009),	Ukraine (1,596)+1

Source: GED 2006, 2008

What is more, the flow of students from Europe to Southeast Asia in general and Malaysia in particular is one-sided. Although quantitative data for inbound mobility into Malaysia in the reporting period is lacking (21), the overall flows between the two regions are significantly lopsided. In 2006, 431 090 students from East Asia and the Pacific studied in countries from North America and Western Europe. Students in US universities accounted for more than half of this figure (24 713). Conversely, 33 837 students from North American and Western European countries were studying in universities of the East Asia and the Pacific region (22).

- (1) http://ec.europa.eu/education/external-relation-programmes/doc72_en.htm.
- (2) Respondent B, 2008; Guiterz; Respondent J, 2008.
- (3) DG EduCul (2007), *How Well is Erasmus Mundus Performing: Results of Student Feedback*, The Third Erasmus Mundus Student Seminar, Brussels 11-12 October 2007.
- (4) Respondent B, 2008; Guiterz ; Respondent J, 2008.
- (5) DG EduCul (2007), *How Well is Erasmus Mundus Performing: Results of Student Feedback*, The Third Erasmus Mundus Student Seminar, Brussels 11-12 October 2007.
- (6) Respondent J, 2008.
- (7) Respondent B, 2008, Respondent U, 2008, Respondent J, 2008.
- (8) Respondent B, 2008, Respondent U, 2008, Respondent J, 2008.
- (9) Respondent J, 2008.
- (10) DG EduCul (2007), *How Well is Erasmus Mundus Performing: Results of Student Feedback*, The Third Erasmus Mundus Student Seminar, Brussels 11-12 October 2007.
- (11) Respondent J, 2008.
- (12) Respondent J, 2008.
- (13) Respondent J, 2008.
- (14) DG EduCul (2007), *How Well is Erasmus Mundus Performing: Results of Student Feedback*, The Third Erasmus Mundus Student Seminar, Brussels 11-12 October 2007.
- (15) Respondent B, 2008; Respondent U, 2008.
- (16) Respondent J, 2008.
- (17) Respondent J, 2008: this requires further confirmation; there is no nothing in the survey to support this claim.
- (18) Respondent J, 2008.
- (19) DG EduCul (2007), *How Well is Erasmus Mundus Performing: Results of Student Feedback*, The Third Erasmus Mundus Student Seminar, Brussels 11-12 October 2007.
- (20) Respondent A, 2008, Respondent B, 2008, Respondent U, 2008; According to the GED 2006, the total enrolment in tertiary education was 697 000. Even allowing for definitional issues (i.e. counting polytechnic students, etc), the number of EM exchange students is very small indeed.
- (21) GED 2006, 2008.
- (22) GED, 2006, 2008.

I 2.2.2 Increased study programmes and attendance of contemporary of contemporary European affairs in Malaysia

Despite two credible efforts to establish European Studies in Malaysia, the results have been less than encouraging. The Asia-Europe Institute at the University of Malaya struggles with attracting European faculty to teach their Master's courses. The Masters in International and Diplomatic Studies (European Studies) at the USM in Penang is, in turn, struggling to attract students to the programme. It would seem as if Malaysian students have as little interest in a post-graduate degree in European Studies than European faculty has in coming to Malaysia to teach it.

The European Commission claims its three year financial commitment to the University of Malaya European Studies Programme (UMESP) programme to have been successful. However, that this European Studies Programme has left very faint traces in the web. The ESiA, an interdisciplinary

platform initiated by ASEF in 2005 and aimed at networking European Studies in Asia, lists the IKON at the Universiti Kebangsaan Malaysia as the centre for European Studies in Malaysia (<http://esia.asef.org/default.asp>).

The fieldwork in Malaysia could find no evidence of increased activity in this area during the reporting period. Indeed, the interview with the management of the Asia-Europe Institute at the University of Malaya suggests that, on the contrary, the development of the institute may have slowed considerably since its inception in 1996. After a promising start, student enrolment for the four Master's courses slipped after 2003. Part of the reason, respondents argued, is due to the dependence of the institute on the University of Malaya for funding and infrastructure (1). Another part of the reason lies in the difficulties in attracting and retaining suitable faculty, particularly from Europe. At present, the institute numbers 49 visiting professors, which, the respondent maintained, was too few (2).

Currently, the Asia-Europe institute features joint programmes with universities in five European countries (3). The institute currently has 19 PhD students and 43 masters student (4). Since the AEI is an ASEM initiative, management told us, the European Union will have to get involved sooner or later. This could take the form of research fellows or an Erasmus Mundus exchange programme. Part of the reason for the European Union's reluctance so far, respondents argue, is the fact that the previous dean and the previous head of delegation of the European Union could not find a suitable working relationship (5).

It will take considerable marketing and PR work, management opines, increase the profile of the AEI. This will be done over the next five years. In this period, the respondent claims, more funding for faculty will have to be procured, a permanent staff of at least 4-5 faculty needs to be recruited and the question of who owns the AEI needs to be clarified.

The second European Studies initiative in Malaysia is the Masters of International and Diplomatic Studies (European Studies) at USM in Penang. This post-graduate programme, set up by a consortium of four universities (USM, College of Europe, Tübingen, and the CES at Chulalongkorn University) funded by an AsiaLink Project (see I 2.1.2 above), was a top-down initiative suggested to the College of Europe by the Malaysian ambassador in Brussels (6). The idea, the respondents report, was to install a European studies programme at the USM in Penang to complement the Asia-Europe Institute at the University of Malaya (7). Since its launch in 2005, the programme has, in the words of one of the organisers, "been running at 50% effectiveness" (8): the number of student enrolled in the master's course has shrunk from 30-40 in 2005 to 7 students in 2009 (9). While many of these students are from abroad (e.g. Vietnam, Laos, Africa), most Malaysian students have been from the Foreign Service (10).

The fundamental problem, all observers agree, is that there is little interest in European Studies among Malaysian students (11). Part of the reason, one respondent argues, is that the European Union is doing too little to market itself to potential graduate students in Malaysia (12): on this view, Malaysians do not know much about Europe and do not believe that European Studies is relevant for the Malaysian labour market (13). Another respondent claims that the location outside the capital is not helping attract students for a diplomacy course (14). Moreover, this respondent argues, while the AsiaLink funding was sufficient while it lasted, the respondent feels that 3 years was far too short a time to attract a critical mass of students (15). A third respondent, somewhat despondently, points out that there simply is no interest in the course and that one cannot, after all, force Malaysian students to take an interest in Europe (16).

In terms of the wider socio-cultural impacts of EC interventions in the HE policy domain, the impacts remain unclear due to lack of information. For Asia as a whole, the ESiA project "The EU through the Eyes of Asia" found that media coverage of the EU in six Asian countries (Hong Kong, Singapore, Japan, Thailand, South Korea, and Mainland China) was scant but increasingly accurate (17). Public opinion surveys in these countries (excluding mainland China) showed that respondents

did not rate the importance of the EU as a major economic and political player (18). As a rule, most respondents believed the relationship between their countries and the EU as positive and getting better (Thailand and South Korea being the exception). Three dominant perceptions of the EU emerge from the survey in the five countries. First, the EU is identified with the EURO. Second, Asians perceive the EU as a successful example of supranational and regional integration "...cementing a somewhat benign and unified image of the EU from an external Asian perspective" (19). Last, respondents in all locations tended to view the EU as a whole through specific member states (e.g. France, Germany or the UK).

Comparable surveys are not available for Malaysia. However, the interviews hint that something similar is going on. There is some indication that misperceptions and stereotypes of the continental European research landscape – predominantly anxiety about language barriers – has discouraged Malaysian researchers and students from seeking cooperation. Instead, Malaysian HE policy-makers, faculty of students have preferred to use existing and established channels of RTD and HE cooperation based on Commonwealth ties (20). It is indicative that most research and HE ties with Europe are with British universities or the British Council (21).

What is more, data from the field suggests that this is exacerbated by the low visibility and lacking institutional integration of European programmes, specifically Erasmus Mundus (22). For example, while there is some indication that the Erasmus Mundus programme is successful in creating a bond with Europe in the alumni of the programme, it is unclear how this has been institutionalized. While there is an alumni association, it seems to have little real role in organizing former participants of the Erasmus Mundus programme (23). It would seem that much of the actual organization of alumni, and consequently the dissemination of interest in European current and cultural affairs, takes place informally and locally (24).

- (1) The management of the Asia-Europe Institute claims that they never received any funding from the European Union. The institute, management continues, has only ever received funds from the Malaysian government.
- (2) Respondent K, 2008, Respondent D, 2008, 2009.
- (3) Italy (La Sapienza), Germany (Goethe-Universitaet), UK (Leeds Metropolitan), the Netherlands and Switzerland)
- (4) Respondent K, 2008.
- (5) Respondent K, 2008.
- (6) Respondent Q, 2009, Respondent R, 2009.
- (7) Respondent Q, 2009; Respondent R, 2009.
- (8) Respondent Q, 2009.
- (9) Respondent Q, 2009, Respondent R, 2009.
- (10) Respondent R, 2009.
- (11) Respondent R, 2009, Vuijsteke, Respondent D, 2008, 2009.
- (12) Respondent R, 2009.
- (13) Respondent R, 2009.
- (14) Respondent Q, 2009.
- (15) Respondent Q, 2009.
- (16) Respondent D, 2008, 2009; A respondent claims that recent discussion with the EC Delegation have looked at new ways to revitalise the Master's programme.
- (17) Holland, Martin and Natalia Chaban (2007), *EU Through the Eyes of Asia: a Comparative Study of Media Perceptions and Public Opinions in 2006*, ASEF.
- (18) Holland, Martin and Natalia Chaban (2007), *EU Through the Eyes of Asia: a Comparative Study of Media Perceptions and Public Opinions in 2006*, ASEF.
- (19) Holland, Martin and Natalia Chaban (2007), *EU Through the Eyes of Asia: a Comparative Study of Media Perceptions and Public Opinions in 2006*, ASEF.
- (20) Respondent J, 2008; Respondent C, 2008; Respondent W, 2008; Respondent V, 2008; GED,2006.
- (21) Respondent C, 2008; Respondent W, 2008; Respondent V, 2008.
- (22) Respondent B, 2008; Respondent U, 2008.
- (23) Respondent B, 2008; Respondent U, 2008; Respondent Z, 2008 argues that this is not accurate but does not elaborate; Respondent Z, 2008 was not available for follow-up comment.
- (24) Respondent J, 2008, Respondent B, 2008, Respondent U, 2008.

JC 2.3 Facilitated intensification of mutually beneficial economic co-operation

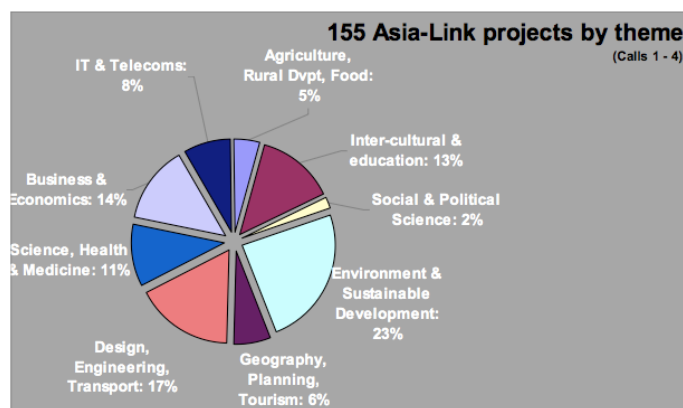
EC interventions in the HE sector did not lead to discernible direct effects on economic cooperation. The projects funded by the diverse RTD and HE programmes of the EU have been directed mostly at environmental and sustainable development issues. The fieldwork uncovered particularly strong institutional linkages in the field of environmental management, sustainable development and waste management. The collaborative research projects dealing with peatland management (STRAPEAT/RESTORPEAT) —funded by the European Commission's Framework Programme - represent a particularly durable research network.

I 2.3.1 Special linkages among institutions focussing on fields with a major influence on economic co-operation (e.g. business studies, management training, engineering)

Project partnerships are rather evenly spread among different themes. Some of the themes and issues are of particular economic relevance (i.e IT and business management). Others, however are located more in the field of social science and environmental research.

In FWP 7, Malaysian researchers are involved in projects addressing high-tech issues including information society (3 ongoing projects), biotechnology, nanotechnology, food quality and safety, sustainable development and health.

Overall, the thematic spread of all AsiaLink Projects is as follows:



Source: Piket, 2007

The 9 (1) projects involving Malaysian organizations fall into the following categories:

- Business and Economics: 1
- Intercultural Education: 3
- Environment, Sustainable Development: 3
- Social and Political Sciences: 1
- IT and Telecom: 1

Evidence from fieldwork in Malaysia indicates that more cooperation in key economic sectors is required. Commission officials in Malaysia pointed out that the lack of suitably qualified staff is preventing the Malaysian HE sector from addressing market needs. These include developing human resources in

- Business management
- Engineering

- Biotechnology
- Electronics
- Renewables
- Waste management (2)

The fieldwork uncovered particularly strong institutional linkages in the field of environmental management, sustainable development and waste management. The collaborative research projects dealing with peatland management (STRAPEAT/ RESTORPEAT) —funded by the European Commission's Framework Programme - represent a particularly durable research network. Over the past decade, the network consisting of researchers from a wide diversity of disciplines and countries (the UK, Netherlands, Indonesia, and Malaysia) have set up institutional linkages that not only are sustainable but also have produced a wide range of useful outputs. The network is currently thinking about submitting a FWP 7 project. Respondents claim that this collaboration is likely to continue with or without further funding from the European Commission.

Related facts, figures, and references:

- (1) The European Commission's Delegation to Malaysia counts nine rather than 10 projects.
- (2) Respondent D, 2008

1.2.3.2 Promotion of intercultural understanding

The European Commission's environmental policy interventions in Malaysia are broadly consistent with global environmental objectives. The challenge for the European Commission during the reporting period was to pursue their global environmental objectives within a well-developed and well-articulated, and firmly institutionalised Malaysian environmental policy agenda. Not only is the Malaysian policy framework geared towards ensuring the compatibility of environmental protection and sustained economic development, it also is evolving in response to global environmental policy challenges, such as global climate change or biodiversity loss. This is why a key priority on the Malaysian environmental agenda is sustainable resource use while climate change issues tend to be addressed in terms of energy policy. Against this institutional and programmatic backdrop, EC policy interventions exploited the synergies between the EU global environmental agenda and the way Malaysian policy-actors have framed environmental challenges. In practice, this has meant that EC interventions in the Malaysian environmental policy domain have addressed two broad themes: the sustainable use of natural resources and energy efficiency/ renewable energy. These interventions have taken the exclusively form of collaborative projects funded by demand-driven regional and global programmes such as Asia Pro Eco, AsiaLink, or the FWPs. Given that the implementation of the well-developed Malaysian environmental agenda remains both a challenge and opportunity for innovation, European interventions have concentrated on developing institutional and individual capacities (e.g. institutional networking, technology transfer), capabilities (i.e. empowering local communities), skills (i.e. resource management skills) and governance frameworks (e.g. promoting and legitimating Malaysian timber certification processes). However, the absence of bi-lateral governance measures and the consequent reliance on regional or even global programmes has meant that there has been little room for fine-tuning or steering environmental interventions.

The strategic and programming documents as well as the actual projects funded in Malaysia attempt to square the European Commission's global environmental agenda with the environmental priorities of Malaysian policy actors. They achieve this by devising, promoting and funding projects that addressed two general issues: sustainable resource use as well as energy efficiency/ renewable energies. This balance of themes reflects the dominant and well-articulated framing of environmental challenges in Malaysia. What is more, it also reflects an attempt to accommodate the fundamental policy principle underlying the well-developed Malaysian environmental policy agenda: namely, that environmental

protection must be congruent with sustained and robust economic development.

The goals of the European Commission's environmental interventions in Malaysia take into account that the concern with climate change is defined predominantly in terms of energy efficiency and energy security. For one, the Commission has relied on demand-driven regional programmes to fund environmental policy interventions in Malaysia. Since most of the projects emerged from existing networks of environmental policy actors and researchers, the themes and thrusts of the projects have, on the whole, reflected perceived needs and priorities closely. In the absence of coordination at the national level, the regional programmes have provided little scope for directing environmental interventions. This is set against the backdrop of an increasing Malaysian (but not yet acute) concern in global environmental issues, most prominently climate change. The Malaysian government has addressed climate change in stated policy (i.e. the Ninth Malaysia Plan), at institutional level (by instituting the climate change council and climate change committee) as well as with practical policy activity (in the form of about 30 CDM projects). Nonetheless, commentators in academia and policy-making argue that these efforts stop short of a comprehensive commitment to a policy agenda of sustainable development.

The application of programmatic instruments to environmental challenges is broadly consistent with global environmental objectives. At one level, the choice of instruments reflects the accurate assessment that the thematic agenda and institutional capacity of Malaysian environmental policy-making is highly developed. For this reason, instruments and projects aim to develop environmental technologies and best practices. At another level, the choice of instruments and their attendant focus on sustainable resource use and energy issues suggests the European Commission aims to support the implementation of environmental policy, perceived to be problematic. However, at yet another level, the choice of instruments -- predominantly regional policy tools -- has also been determined by the lack of bi-lateral alternatives.

EQ3 - To what extent were the EC programmes in Malaysia consistent with the global objectives of EC response to global challenges faced by ASEAN, particularly environment issues?

JC 3.1 The EC's strategic and programming documents clearly set out the rationale for Malaysia specific share and policy issues in global challenges faced by ASEAN

The strategic and programming documents as well as the actual projects funded in Malaysia attempt to square the European Commission's global environmental agenda with the environmental priorities of Malaysian policy actors. They achieve this by devising, promoting and funding projects that addressed two general issues: sustainable resource use as well as energy efficiency/ renewable energies. This balance of themes reflects the dominant and well-articulated framing of environmental challenges in Malaysia. What is more, it also reflects an attempt to accommodate the fundamental policy principle underlying the well-developed Malaysian environmental policy agenda: namely, that environmental protection must be congruent with sustained and robust economic development.

The strategic and programming documents for Malaysia implicitly and indirectly link the Malaysian environmental situation with global and regional environmental challenges. In particular, the strategies focus on and revolve around the perceived imbalance between rapid economic growth and environmental sustainability. The programming and strategy documents are selective in the regional and global challenges they associate with the environmental context in Malaysia. Notably, global climate change, a key global policy objective for the European Commission, plays a rather subdued role in the programming documents compared to issues such as biodiversity conservation or the sustainable use of natural resources. Both these issues resonate more strongly with way Malaysian policy-makers frame environmental challenges and policy priorities. Broadly, Commission officials on the ground identify issues of resource management (e.g. waste management, forestry resources, water, etc) as the most pressing environmental challenges in Malaysia. These problems are exacerbated by cross-cutting issues such as the specific problems of indigenous people in Malaysian Borneo (i.e. land-right, mapping issues, illegal logging or the perceived lack of coordination across environmental policies).

The balance of the European Commission's environmental interventions in Malaysia addressed national policy priorities and environmental challenges where they dovetailed with European Union regional and global objectives. The well-developed programmatic and institutional environmental policy agenda in Malaysia aims at making robust economic development compatible with environmental protection. In practice, this has meant that environmental priorities focus predominantly on sustainable resource management (e.g. water, forest, air, land, waste). Climate change concerns are addressed primarily in terms of energy issues. Energy policy, in turn, aims secure energy supplies, reduce dependence fossil fuels, and promote efficient energy technologies.

The projects and programmes sponsored by the European Commission have pursued the Commission's environmental objectives by directly addressing two broad environmental themes: the sustainable management of natural resources as well as energy efficiency and renewable energy. It is through these channels that the projects and programmes could address underlying global environmental issues of concern to the Commission, specifically biodiversity and global climate change, by addressing the overriding concern for economic development that drives the Malaysian policy agenda.

Related facts, figures, and references:

Table (1) compares the cost of the different projects. The figures suggest that the Commission spent somewhat more on the ASEAN energy projects (EAEP and COGEN III) --- 2 223 528 EURO -- and on the Asia-wide environmental programmes (Asia Pro Eco, Asia Urbs) -- 1845810.95 EURO. The Commission committed most funds to the bi-lateral

EC-Malaysian Forestry Programme -- 3.4 million EURO (CSP 2002-2006). Taken together, the non-energy projects received considerably more funds than the energy endeavours.

Project	Expenditure in EURO
EC-Malaysia Forestry Programme	3400000
EcoTourism (Asia ProEco)	495571.25
Enhancement of the building capacity for technology transfer (Asia ProEco)	499630.7
Sustainable Building and Construction Conferences Asia (Asia ProEco)	350609
EU-Perak Urbanisation Programme: "Achieving Innovation and Best Practices in Urban Management" (Asia Urbs)	500000
Implementation of the Clean Development Mechanism CDM in the ASEAN Energy Sector; Exchanging experience and regional institutional capacity building (EAEF)	199631
Institutionalisation of Green IPP Network in the ASEAN IPP Network in the ASEAN (EAEF)	99890
Increasing Market Awareness for Building Integrated Photovoltaics in Malaysia (EAEF)	98265
The PTM Zero Energy Office Building	487252
Palm Oil Mill at Sungei Dingin, Kedah (COGEN III)	292965
Titi Serong Edar Cogeneration Plant (COGEN III)	246900
TSH Kunak 14 MW Biomass Power Plant (COGEN III)	400000
6.0MWe Palm Oil Mill Solid Residues Fuelled SREP Grid Connected Cogeneration Power Plant - Pantai Remis (COGEN III)	398625
ASEAN	2223528
Asia-wide	1845810.95
Bi-lateral	3400000

Source: Malaysia CSP 2007-2013

Project	Programme Type	Project type	Synopsis	Date
EC-Malaysia Forestry Programme	Bi-Lateral; Top-down	Policy-formulation/ Regulation	The timber certification project seems to resemble a rational sequential model of policy intervention most closely. Here, respondents revealed, negotiations are taking place at both the technical and the SOM level. This process is coordinated by the Malaysian policy actor, his counterpart in Brussels and the Head of Delegation in Malaysia. The aim of these negotiations, at present, is to devise a legal framework for the certification of timber for export into the European Union. In return for implementing the certification scheme, the Malaysian dialogue partners hope that the EU can – within the rules of the WTO – provide some preferential market access.	
STRAPEAT (FWP5)	Global; Bottom-up/ demand-driven	Research	The STRAPEAT project, funded by the FWP 5 INCO programme, set out to investigate and develop sustainable management practices for fragile peatland areas in Borneo. The 12-partner consortium comprised HEIs from Malaysia, Indonesia, the Netherlands, Germany and the UK. Applying an interdisciplinary and problem-oriented approach, the project brought together diverse strands of natural sciences (chemistry, geology, etc) and the social sciences (economics, social anthropology, etc.) to obtain a comprehensive insight into existing peat management practices in Borneo.	2001-2004
Implementation of the Clean Development Mechanism CDM in the ASEAN Energy Sector; Exchanging experience and regional institutional capacity building (EAEF)	Regional/ bottom-up/ demand-driven	ASEAN; demand-	Capacity-building/ Experience-sharing/ knowledge-exchange	2002-2004
The PTM Zero Energy Office Building (EAEF)	Regional/ bottom-up/ demand-driven	ASEAN; demand-	FSDP	2002-2006
Palm Oil Mill at Sungei Dingin, Kedah (COGEN III)	Regional/ bottom-up/ demand-driven	ASEAN; demand-	FSDP	2002-2004

Project	Programme Type	Project type	Synopsis	Date
			The main benefits for the owner have been compliance with environmental requirements and reduction of local pollution. In a longer term the plant has ambitions of developing an eco-friendly industrial complex. The plant has created new job opportunities and improved the environment for the working force living close to the plant. " (COWI, 2006, p.12)	
Titi Serong Edar Cogeneration Plant (COGEN III)	Regional/ ASEAN; bottom-up/ demand-driven	FSDP	"Titi Serong rice mill built a cogeneration plant using rice husk as a fuel. It has performed well after commissioning. The technology is highly replicable in other rice mills in the region. Previously rice husk was stored at the plant in large piles and transported to dumping sites - an unsustainable method at the present location. The main benefit of the cogeneration plant for the rice mill is that the plant is now more sustainable and increased production of parboiled rice at the same time. The local environment is improved because the dust and noise has been reduced, and the global environment improved from the annual reduction of carbon emissions by 7,900 tonne. COGEN 3 technical and financial analysis provided important support to the owners in securing the financing for the cogeneration equipment." (COWI, 2006, p. 12)	2002-2004
TSH Kunak 14 MW Biomass Power Plant (COGEN III)	Regional/ ASEAN; bottom-up/ demand-driven	FSDP	"TSH Bio-Energy Sdn Bhd. built a co-generation plant using palm oil residues as fuels. The main feature of the TSH plant is the innovative way in which the Empty Fruit Bunches (EFB), a very difficult fuel, is handled. The potential for replication by other palm mills is also high. There are a number of similar palm oil mills in the same region on which the technology can be replicated. The plant has high environmental benefits and has created employment opportunities for the community. TSH has also formulated a comprehensive bio-integration programme. Apart from "zero" waste solution for the palm oil industry, the project also aims to provide new revenue sources, enhance long-term sustainability and competitiveness of the Malaysian palm oil industries vis-à-vis other emerging producers, support the Malaysian government's policy on renewable energy as a Fifth Fuel. "COWI, 2006, p. 12)	2002-2004
Peatwise (AsiaLink)	Regional/ Pan-Asian; bottom-up/ demand-driven	Curriculum Development	THE Peatwise project aimed to develop a post-graduate programme for peatland management practices. Here, a consortium of Malaysian, Dutch and British universities, packaged cutting-edge knowledge about peatland management (see below) into a graduate course. What is more, the project aimed at providing their content in an innovative e-learning and distance learning context. The courses developed in the Peatwise project, respondents argued, have been successfully integrated into existing curricula.	2003-2007
TETRAWAMA (AsiaLink)	Regional/ Pan-Asian; bottom-up/ demand-driven	Curriculum Development	The TETRAWAMA project, managed by a consortium of German Dutch and Malaysian partners, aimed at producing teaching materials for waste management practices in developing countries. Essentially, project partners compiled case studies and transformed these into training modules for both waste management researchers and practitioners.	2003-2006

Project	Programme Type	Project type	Synopsis	Date
Institutionalisation of Green IPP Network in the ASEAN IPP Network in the ASEAN (EAEF)	Regional/ ASEAN; bottom-up/ demand- driven	Capacity- building/ Networking	The Green IPP networking and capacity-building project originated with the European partners of the network (again, in Germany and Denmark). The European organizations invited partners from ASEAN (both Malaysia and the Philippines) to join the network. The European partners took the lead in proposal submission and project management. The same is true for the CDM capacity-building project funded by the EAEF: here Danish partners supported and instructed Malaysian policy actors to apply for CDMs	2004- 2006
RestorPeat (FWP6)	Global; Bottom-up/ demand-driven	Research	This project forms the continuation of the STRAPEAT project. Here, the project consortium aimed at providing access to scientific, technical, economic socio-cultural and, most importantly, political resources for restoring degraded peatland areas in Borneo. Again, the approach of the project has been holistic in that it emphasizes social, cultural and political factors, i.e. the necessity of building political competence within rural population, in conjunction with the scientific and technical needs.	2005- 2008
Enhancement of the building capacity for technology transfer (Asia Pro Eco)	Regional/ Pan-Asian; bottom-up/ demand- driven	Technology transfer	This Asia Pro Eco project, however, was a follow-up project from TETRAWAMA. The project consortium, consisting of a German, a Dutch and a Malaysian partner, had aimed to transfer German technology for waste management (specifically the pelletization of chicken manure) to Malaysia. Although the undertaking produced a survey of the chicken farming industry in Malaysia, it was not able to transfer the German technology to Malaysia for demonstration purposes. The project could not attract the interest of policy actors in the waste management issue area. The reason, respondents argue, is that technology for the disposal and pelletization of chicken manure is not a pressing need in Malaysia.	2006- 2007

I 3.1.1 Logical framework of programming documents (CSP, NIP, MTR) related to the balance between economic development and global warming

The programming documents do not explicitly link economic development to global climate change. However, the European Commission's environmental strategy in Malaysia recognises the link between economic development and environmental degradation. The CSP 2002-2006 argues that "...the economic crisis has resulted in an aggravation of the problems in the management of natural resources, such as those related to water availability and distribution, depletion of forests, destructive logging practices, increases in industrial emissions, and unsustainable tourism practices"(1).

In a more recent strategy document, the European Commission points out that rapid urbanisation and industrial growth in the 1980s has led to and "...an increase in air and water pollution just as the biodiversity in certain areas has declined due to neglect of the natural environment." (2)

Malaysia, the European Commission contends, understands the importance of environmental sustainability for continued economic growth and prosperity. (3) Here, the European Commission points to measures Malaysian policy-makers have taken to protect tropical rainforests: "*Tropical forestry and biodiversity are important to Malaysia, both in economic and environmental terms. Forests are at the heart of Malaysia's rich ecosystems. The authorities have taken important steps and achieved significant results during the last decade with respect to enforcement of sustainable management of the country's tropical forests*"

Commission officials on the ground identify a number of more detailed environmental challenges in Malaysia. These include:

- Waste Management
- Coastal management
- Use of forestry resources for both timber and plantation (e.g. of biofuel)

In addition, a number of cross-cutting issues were identified as problems. These include:

- The specific problems of indigenous people in Malaysian Borneo (i.e. land-right, mapping issues)
- Illegal logging activities
- Perceived lack of coordination between different environmental policies

perceived lack of suitable instruments for monitoring implementation and compliance

Related facts, figures, and references:

- (1) CSP 2002-2006, p.13.
- (2) CSP 2007-2013, p.30.
- (3) CSP 2007-2013.

I 3.1.2 Sector balance reflects environment national policy priorities and needs

The balance of the European Commission's environmental interventions in Malaysia addressed national policy priorities and environmental challenges where they dovetailed with European Union regional and global objectives.

In what follows, we briefly discuss the national environmental policy priorities and needs as perceived by different policy actors in Malaysia. We then assess how the thematic balance of EU

interventions addressed these perceived needs and priorities.

Malaysia features a well-developed environmental policy agenda with clearly formulated policy priorities (1). The Department of the Environment, established in 1974, oversees the implementation of a range of general and sectoral (i.e. forestry) environmental regulations. The general direction of environmental policy is outlined in the "National Policy on the Environment" drafted in 2002 (2). In addition, the Malaysia Plans (currently in its ninth edition) provide general policy goals and priorities in a range of policy areas, including the environment and energy (3).

Above all, these policies aim to ensure that economic and social development remains environmentally sustainable (4). This, the Department of the Environment argues, requires an "integrated and holistic" approach to environmental policy-making. This policy is based on the interaction of economic, socio-cultural and environmental sustainability (see below). The policy seeks "...continued economic, social and cultural progress and enhancement of the quality of life of Malaysians through environmentally sound and sustainable development" (5). The general tenor of the both National Environmental Policy and the Ninth Malaysia Plan, and this is also the way it is interpreted by policy actors in Malaysia (6) is that environmental policy must be congruent with the overriding aim of economic development. For this reason, then, global climate change is addressed primarily in terms of energy policy (7).

In general, then, the priorities of Malaysian environmental policy focus predominantly on sustainable resource management (8). Energy policy, in turn, aims secure energy supplies, reduce dependence fossil fuels, and promote efficient energy technologies (9).

Malaysian environmental policy actors outside government identify a similar set of policy challenges and needs.(10) The overriding problem, the head of a prominent environmental NGO argues, is the management of natural resources such as air, water, or forests. Some challenges are at a national scale: examples are the inefficient and wasteful use of water for rice irrigation (11). Others are of a more local nature: these include serious erosion caused by logging compensated by massive use of fertilizers or ineffective public transport systems) (12). Other issues still span both national and local levels of governance: for example, at present the GOM is relocating responsibility for waste management from the local to the federal level (13).

The projects and programmes sponsored by the European Commission have pursued their environmental objectives by directly addressing two broad environmental themes: the sustainable management of natural resources as well as energy efficiency and renewable energy. It is through these channels that the projects and programmes could address underlying global environmental issues of concern to the Commission, specifically biodiversity and global climate change, by addressing the determination to pursue economic development that drives the Malaysian policy agenda.

Sustainable Resource Management

The first group of projects examined during the fieldwork looked closely at two related waste management projects. Both projects were collaborative endeavours in which European policy actors (in this case two universities) collaborated on waste management issues with Malaysian partners (in this case, also a university). The aims of the first project, funded by the AsiaLink programme (see EQ 2), were to generate training modules for waste management practices in Malaysia.(14) Here, the Malaysian partner was asked to produce case studies of waste management practices in developing/ Asian countries. These case studies were integrated with studies from Europe into training modules for waste management. (15)

The second project, funded by the Asia ProEco programme, was designed as a follow-on project to AsiaLink project. The aim of the project was primarily to transfer waste management

technology from Germany to Malaysia. The specific area chosen by the project consortium was the treatment of manure from the chicken industry. The project produced a survey of chicken farming in Malaysia (16) as well as an animal waste conference. (17) However, for reasons explained in section I 3.2.1 below, the project was not successful in transferring the waste management technology.

The European Commission has also been active in the field of forestry management in Malaysia. As we have seen, forestry is a pivotal environment and economic concern in Malaysia. In addition, however, forestry management impinges on issues of local governance viz indigenous peoples who live in and own forestry resources. For three years from 2004-2007, the European Commission funded capacity-building projects among indigenous communities. The funds were channelled through and managed by the UNDP who helped local communities in the formulation and application for project funding. The projects aimed at helping local communities become competent stakeholders in forestry management and forestry policy. They did this by developing the political voice of these communities in a bottom-up way. In practice, the 21 projects that benefitted 36 communities taught indigenous people to formulating their demands and needs in a politically effective manner (18).

At the opposite end of the political spectrum, the European Commission's efforts in promoting sustainable forestry show considerable promise. The European Commission is currently engaged in a five step negotiation process with the Malaysian Timber Certification Council (19) The overall aim of this process is to establish sustainable use of tropical forests (20). The immediate aim here is to create a legal framework for assuring that only certified timber is imported into the EU.(21) Respondents claim that negotiations are at a mature stage with an agreement between Malaysia and the European Union due to be completed and signed as early as next year. This agreement, a so-called Voluntary Partnership Agreement (VPA) would prevent the import of uncertified timber from Malaysia (22). In return, respondents claim, the EU is offering preferred market access (in as far as this is congruent with WTO rules)(23). Later stages of this process foresee technical assistance and capacity-building on part of the EU in the monitoring and policing of timber certificates (24). By recognising the legality and legitimacy of Malaysian timber certification processes, the European Commission provides considerable support for Malaysian timber practices in the context of a critical international community (c.f. Mongabay.com: <http://rainforests.mongabay.com/deforestation/2000/Malaysia.htm> or <http://uk.oneworld.net/guides/malaysia/development>).

A third group of projects, funded mostly by regional HE and RTD programmes (i.e. AsiaLink or the FWPs) dealt with peatland management issues in Malaysian Borneo. Over the course of nearly a decade, an interdisciplinary consortium of Southeast Asia and European researchers have analysed peatland issues and management practices in Sarawak. Not only have these projects created new knowledge and insights about sustainable use of peatland, they have also been able to inform and guide environmental policy in Sarawak.(25) Moreover, this knowledge has been packaged into a graduate programme for sustainable peatland management that is currently in use. (26).

Energy Efficiency and Climate Change

The energy projects aimed at a wider range of policy objectives, not all of them related to environmental policy in the narrow sense. The energy programmes, specifically the EAEF and COGEN III, funded a wide range of different activities in Malaysia.

An EAEF project funded a networking workshop that was part of a larger institution-building process for the acquisition and management of CDM projects. Project organizers report that the workshop provided exposure to the knowledge and experience of policy actors from other countries that had successfully set up a CDM process. In particular, the workshop helped

formulate and specify national the CDM criteria and indicators.(27) The workshop, the national respondents continued, provided the first contact with other ASEAN and European experts that developed into an ongoing working relationship until the institutionalization process was complete. After the project came to an end, however, the network disbanded.

Another capacity building project, also funded by the EAEF, aimed to build a web-based renewable energy database (Green IPP). Here, the Malaysian partners (28) were invited to join a consortium consisting of institutions from Denmark, Germany, Indonesia and the Philippines. The project funded four workshops (1 in Germany and 3 in the ASEAN region), the design of a website as well as the publication of a newsletter. However, after the end of the project in 2006, the consortium has not continued cooperation and interaction. Respondents hoped that the web-site (which, respondents claimed, still received hits) would be shifted to the ASEAN Centre for Energy (ACE) to be maintained and upgraded there.

The energy projects also funded full-scale demonstration projects. These include three demonstration biomass cogeneration plants funded by the COGEN III programme. The EAEF also contributed to the Zero Emissions Office (ZEO) –the only FSDP to be funded by the EAEF. Here, the European Commission, through the EAEF, funded part of the design and construction of a Zero-Emissions Office. This included considerable transfer of European environmental and energy technology (particularly PV technology, slab cooling technology from Germany, and Danish insulation technology). Moreover, Belgian double-glazing know-how was transferred to Malaysian production sites. Despite losing about 40% of the funding (since the ZEO project extended beyond the EAEF funding period), the office, now the HQ of the PTM, is up and running (albeit not quite at zero emissions) (29).

Moreover, the energy-related projects under the auspices of the EAEF and COGEN III programmes, particularly the FSDPs, are less concerned with the more explicitly environmental policy priorities. Part of the reason is that both the EAEF and the COGEN III programmes were designed primarily as energy policy and technology transfer programmes. In both projects, the environmental dimension was only one aspect that, however, gained disproportionate prominence as the two programmes progressed (30).

Related facts, figures, and references:

Table (1) compares the cost of the different projects. The figures suggest that the Commission spent somewhat more on the ASEAN energy projects (EAEF and COGEN III) -- 2 223 528 EURO -- and on the Asia-wide environmental programmes (Asia Pro Eco, Asia Urbs) -- 1845810.95 EURO. The Commission committed most funds to the bi-lateral EC-Malaysian Forestry Programme -- 3.4 million EURO (CSP 2002-2006). Taken together, the non-energy projects received considerably more funds than the energy endeavours (1).

Project	Expenditure in EURO
EC-Malaysia Forestry Programme	3400000
EcoTourism (Asia ProEco)	495571.25
Enhancement of the building capacity for technology transfertransfer (Asia ProEco)	499630.7
Sustainable Building and Construction Conferences Asia (Asia ProEco)	350609
EU-Perak Urbanisation Programme: "Achieving Innovation and Best Practices in Urban Management" (Asia Urbs)	500000

Institutionalisation of Green IPP Network in the ASEAN IPP Network in the ASEAN (EAEPF)	99890
Increasing Market Awareness for Building Integrated Photovoltaics in Malaysia (EAEPF)	98265
The PTM Zero Energy Office Building	487252
Palm Oil Mill at Sungei Dingin, Kedah (COGEN III)	292965
Titi Serong Edar Cogeneration Plant (COGEN III)	246900
TSH Kunak 14 MW Biomass Power Plant (COGEN III)	400000
6.0MWe Palm Oil Mill Solid Residues Fuelled SREP Grid Connected Cogeneration Power Plant - Pantai Remis (COGEN III)	398625
ASEAN	2223528
Asia-wide	1845810.95
Bi-lateral	3400000

Source: Malaysia CSP 2007-2013

The European Commission summarises the main challenges facing Malaysian environmental policy-makers as providing "... *sustainable economic growth within a stable socio-economic environment with particular emphasis on economic reforms, increasing productivity and international competitiveness, and developing further into a knowledge-based economy. This should be accompanied by improved governance, further protection of the environment and an effective fight against the negative consequences of globalisation, while maintaining a stable multi-ethnic society.*" (CSP, 2007-2013, p.#)

Notes

- (1) Respondent D, 2008, 2009; Respondent G, 2008, 2009; Hezri and Hasan, 2006; Respondent O, 2008, 2009 disagrees and contends that the agenda is discontinuous with considerable gaps. Similarly, Respondent G, 2008, 2009 argues that although the agenda is well-developed, it is administered by a junior ministry with little authority viz the older, established ministries.
- (2) National Environmental Policy): The National Environmental policy is grounded on eight policy principles or policy priorities:
 - Stewardship of the Environment
 - Conservation of Nature's Vitality and Diversity
 - Continuous Improvement in the Quality of the Environment
 - Sustainable Use of Natural Resources
 - Integrated Decision-Making
 - Role of the Private Sector
 - Commitment and Accountability
 - Active Participation in the International Community" (p.31)
- (3) This general thrust is echoed in more detail in the Ninth Malaysia Plan (2006-2010). It identifies the following goals or priorities for environmental and energy policy

Environment

- "promoting a healthy living environment;
- utilising resources sustainably and conserving critical habitats;
- strengthening the institutional and regulatory framework as well as intensifying enforcement;
- expanding the use of market-based instruments;
- developing suitable sustainable development indicators; and
- inculcating an environment-friendly culture and practice at all levels of society." (p. 459)

Energy

- ensuring sufficiency, security, reliability, quality and cost-effectiveness of energy supply;
- improving the productivity and efficiency of energy suppliers and promoting market-based approach in determining energy prices;
- reducing the high dependence on petroleum products by increasing the use of alternative fuels;
- promoting greater use of renewable energy for power generation and by industries;
- intensifying energy efficiency initiatives in the industrial, transport and commercial sectors as well as in

government buildings;

- expanding rural electricity coverage, particularly in Sabah and Sarawak;
 - and developing new sources of growth in the energy sector including participation of local companies in energy-related industries and services abroad. (p.402)
- (4) Respondent O, 2008, 2009; Respondent G, 2008, 2009; Respondent D, 2008, 2009.
 - (5) <http://www.doe.gov.my/>.
 - (6) Respondent O, 2008, 2009; Respondent G, 2008, 2009; Hezri and Hasan, 2006
 - (7) Ninth Malaysia Plan; Although there is some indication that this may be changing, see Section I 3.2.2. below.
 - (8) National Environmental Policy; And, as a means of bringing about sustainable resource management, the development of better regulatory instruments as well as the fostering of an environmental consciousness (National Environmental Strategy).
 - (9) Respondent D, 2008, 2009; Ninth Plan
 - (10) Respondent O, 2008, 2009; Respondent G, 2008, 2009; Respondent D, 2008, 2009.
 - (11) Respondent D, 2008, 2009; Respondent G, 2008, 2009; Respondent O, 2008, 2009.
 - (12) Respondent L, 2008; Respondent G, 2008, 2009; Respondent O, 2008, 2009.
 - (13) Respondent F, 2008, Respondent AA, 2008, Respondent L, 2008.
 - (14) Respondent F, 2008, Azmon, Respondent S, 2008.
 - (15) Respondent F, 2008, Respondent I, 2008; Respondent S, 2008; <http://www.tu-harburg.de/aws/asia-link/default.htm>; EQ 2, I 2.1.2.
 - (16) Respondent I, 2008; Respondent S, 2008; <http://www.tu-harburg.de/aws/asia-pro-eco/>.
 - (17) Respondent I, 2008; Respondent S, 2008; Respondent F, 2008; <http://www.tu-harburg.de/aws/asia-pro-eco/>.
 - (18) UNDP Reference; Kampong elders.
 - (19) The so-called FLEGT process.
 - (20) <http://ec.europa.eu/environment/forests/flegt.htm>.
 - (21) Respondent P, 2008; <http://ec.europa.eu/environment/forests/flegt.htm>;
http://barometer.wwf.org.uk/flegt_0000003838.asp
 - (22) Respondent P, 2008; <http://ec.europa.eu/environment/forests/flegt.htm>;
http://barometer.wwf.org.uk/flegt_0000003838.asp.
 - (23) Respondent P, 2008; the FLEGT website mentions nothing of preferential access.
 - (24) Respondent P, 2008; <http://ec.europa.eu/environment/forests/flegt.htm>;
 - (25) Respondent G, 2008, 2009; Respondent H, 2008; <http://www.carbopeat.org/>; see EQ 2.
 - (26) wise.alterra.nl/; Respondent G, 2008, 2009; Respondent H, 2008.
 - (27) Respondent N, 2008, Respondent M, 2008.
 - (28) Respondent N, 2008, Respondent, AD, 2008.
 - (29) Respondent X, 2008; Respondent Y, 2008.
 - (30) COWI, 2006; KANTOR, 2008.

JC 3.2 The objectives of the EC programmes reflect the views and priorities of the country with respect to a comprehensive policy dialogue against global warming with the EU

The goals of the European Commission's environmental interventions in Malaysia take into account that the concern with climate change is defined predominantly in terms of energy efficiency and energy security. For one, the Commission has relied on demand-driven regional programmes to fund environmental policy interventions in Malaysia. Since most of the projects emerged from existing networks of environmental policy actors and researchers, the themes and thrusts of the projects have, on the whole, reflected perceived needs and priorities closely. In the absence of coordination at the national level, the regional programmes have provided little scope for top-down steering of environmental policy interventions. This is set against the backdrop of an increasing Malaysian (but not yet acute) concern in global environmental issues, most prominently climate change. The Malaysian government has addressed climate change in stated policy (i.e. the Ninth Malaysia Plan), at

institutional level (by instituting the climate change council and climate change committee) as well as with practical policy activity (in the form of about 30 CDM projects). Nonetheless, commentators in academia and policy-making argue that these efforts stop short of a comprehensive commitment to a policy agenda of sustainable development.

On the whole, the processes of environmental policy intervention in Malaysia have not resembled the rational sequencing of policy stages. Two interrelated factors have shaped these policy-processes. First, European environmental interventions, with the notable exception of the forestry programmes, have relied on demand-driven, regional instruments such as Asia ProEco, AsiaLink, the EAEEF, or COGEN III. While these programmes, that essentially provide grants based on submitted project proposal, have given the EC the necessary flexibility to respond to the needs and priorities from actors on the ground, they have provided little capacity for steering the direction of environmental policy projects. Second, these disadvantages of a bottom-up process have been exacerbated by a lack of coordination on part of the EC between regional and national levels. This has meant that projects have been somewhat 'hit-and-miss': while some projects managed to exploit the synergies between the Malaysian and European environmental agendas well, others have been less effective addressing common environmental concerns.

The GOM has intensified its policy focus on a range of global challenges, particularly climate change and biodiversity conservation. This is true for both stated policy and practical policy measures. However, despite increased policy activity, the GOM frames climate change issues in terms of the imperative for sustained and sustainable economic development. For this reason, the CO₂ reduction strategy centres on the development of renewable resources and the promotion of energy efficiency. Although the GOM's interest in global environmental issues has demonstrably increased, commentators point to a lingering reluctance commit to a comprehensive agenda of sustainable development.

1 3.2.1 Appropriate sequencing of policy dialogue, TA, capacity building, pilot projects, major programmatic interventions on global challenges

On the whole, the processes of environmental policy intervention in Malaysia have not resembled the rational sequencing of policy stages. Two interrelated factors have shaped these policy-processes. First, European environmental interventions, with the notable exception of the forestry programmes, have relied on demand-driven, regional instruments such as Asia ProEco, AsiaLink, the EAEEF, or COGEN III. While these programmes, that essentially provide grants based on submitted project proposal, have given the EC the necessary flexibility to respond to the needs and priorities from actors on the ground, they have provided very little capacity for steering the direction of environmental policy projects. Second, these disadvantages of a bottom-up process have been exacerbated by a lack of coordination on part of the EC between regional and national levels. This has meant that projects have been somewhat 'hit-and-miss': while some projects managed to exploit the synergies between the Malaysian and European environmental agendas well, others have been less effective addressing common environmental concerns.

Evidence from the fieldwork in Malaysia suggests the both the (more numerous) bottom-up and the top-down processes featured distinct strengths and weaknesses.

Bottom-up Processes

Evidence from the fieldwork in Malaysia suggests that most of the EC interventions in the environmental domain were driven by bottom-up, demand-oriented processes. As a rule, these projects emerged from existing collaborative networks. In almost all cases examined in the field, it was European actors (for example European consultants in Malaysia or researchers in Europe) that made Malaysian actors aware of European funding opportunities. In some cases, the projects and programmes supported and funded existing projects and collaborations. In other cases, EC funding enabled a new project or the continuation of a previous collaboration.

The Zero Efficiency Office (ZEO) project started out as a request from the GOM to design an energy efficient building to function as the new headquarters of the PTM. Here, consultants from Europe (specifically Denmark and Germany) assisted in the design of the new office building. Part of the reason the consultants suggested turning to the EAEF for funding, respondents contend, was to cover the costs of consultancy (1). However, respondents maintained that the ZEO (as a Zero Emissions Office) would not have been possible without EAEF funding (2).

Similarly, networking and capacity-building projects of the energy programmes emerged from within existing networks. The Green IPP networking and capacity-building project originated with the European partners of the network (again, in Germany and Denmark). The European organizations invited partners from ASEAN (both Malaysia and the Philippines) to join the network. The European partners took the lead in proposal submission and project management (3). The same is true for the CDM capacity-building project funded by the EAEF: here Danish partners supported and instructed Malaysian policy actors to apply for CDMs.(4)

The projects dealing with sustainable resource management, specifically sustainable peatland management, also emerged from within established research networks. Here the three projects (two FWP's and one AsiaLink project) formed an ongoing research collaboration between European and Southeast Asian universities (see EQ, I 2.1.2). Again, the Malaysian partner had been invited by the European researchers to join the consortium after the inception of the project idea (5). While the European partners project management and coordination, the Malaysian participants played an active role in the design of subsequent projects in the collaboration (6).

The bottom-up and demand-driven nature of the regional instruments used in the environmental policy domains provided the necessary flexibility for the European Commission to address perceived needs and priorities in Malaysia. However, these demand-driven processes - particularly in conjunction with the absence of coordination at the national level- also generated problems.

The two waste management projects investigated during the fieldwork phase emerged from an existing network of academics specializing in waste management. The initiator of the projects in Malaysia, respondents argued, had been approached by European colleagues at the conference of the relevant professional association.(7) The European waste management researchers were interested in studying waste management in the developing world and exploring the possibility for applying European best practices. (8) The initial impetus for seeking funding from the Commission, respondents informed us, came from the European lead partner (TUHH).(9) This partner also took the lead in coordination proposal submission and project coordination. (10)

While the AsiaLink project to generate waste management training modules achieved its objectives (11), the technology transfer project funded by the Asia ProEco programme failed to transfer waste management technology from Germany. The Malaysian government, respondents maintained, was reluctant to buy into the project. While the project had aimed to apply insights from research to the actual practices of waste management, the failure of the Malaysian government to participate meant that it remained purely academic and research-oriented.(12)

The project fell short of expectations, respondents contend, because it was tangential (at best) to the needs and priorities of the Malaysian waste management agenda. First, respondents argue, the project was solution looking for a problem: rather than orienting closely to the Malaysian environmental and waste management agenda, the project was more suited to strengthening the network links forged in the AsiaLink project. Second, and more importantly, a respondent reported surprised that the project was approved: in this respondent's opinion, there is no problem with chicken manure in Malaysia. What is more, existing Malaysian technology for disposing of manure from the chicken farming industries is superior to the German technology the project planned to transfer.(13)

Similarly, the bottom-up proposal mechanisms of COGEN III and EAEF caused some imbalance in the range of projects funded. In particular, the actual FSDP's was far below the numbers anticipated.

The reasons lie mostly in the difficulty of securing commitments, procuring resources and marshalling capacities from a wide diversity of actors in the public and private sectors.(14) Although evaluators agree that the relevance, applicability and quality of existing FSDPs is consistently high, the fact that two large programmes generated only nine projects --- which amounts to about a third of the expected projects -- is disappointing. A large part of the reason may lie in the administrative structure and underlying management culture of the programmes. Evaluators of the COGEN III programme identified three possible reasons for the poor project implementation ratio. First, the limited duration of COGEN III worked against younger projects who simply could not meet the tight deadlines. Second, the public-private partnership model of project financing turned the low awareness of cogeneration in the ASEAN region into an almost insurmountable hurdle for raising co-funding. Incidentally, evaluators for the EAEF make the same point when they argue that the 50%/ 15% co-financing model acted as a disincentive for many firms.(15) Third, the lack of supportive policy environments at national level may have proven too large a barrier for fledgling cogeneration projects.(16) Last, respondents that participated in the EAEF contended, is many of the facilities offered by the EAEF (specifically the clean coal and gas facility) simply were of little interest to policy actors in the region at the time.(17).

Top-down Processes

In general, far fewer European interventions in the Malaysian environmental domain followed a sequential, top-down process. The projects that most closely follow the rational policy-making sequence are clustered around forestry management.

In particular, the timber certification project seems to resemble a rational sequential model of policy intervention most closely. Here, respondents revealed, negotiations are taking place at both the technical and the SOM level. This process is coordinated by the Malaysian policy actor, his counterpart in Brussels and the Head of Delegation in Malaysia. The aim of these negotiations, at present, is to devise a legal framework for the certification of timber for export into the European Union. In return for implementing the certification scheme, the Malaysian dialogue partners hope that the EU can – within the rules of the WTO – provide some preferential market access.

These current negotiations, respondents contend, represent the first step of a multi-stage process:

- The first stage creates the framework for ensuring the legality of timber. Once these rules are implemented, so the argument goes, timber that is not certified cannot be imported into the EU. Although, for legal reasons, this agreement will have the status of voluntary commitment. Nonetheless, proponents argue, it will be legally binding. The certification system, respondents argued, will be based on the existing licensing scheme in Malaysia;
- A second stage involves providing preferential access to the European Union markets to certified timber.
- A third stage will involve negotiating and implementing technical assistance for the monitoring and enforcing of the certification schemes. (18)

The drawbacks of the top-down process, however, are that key policy actors in the Malaysian timber industry complain about their voice not being adequately heard in the general public debate on sustainable forestry in Europe. A focus group discussion with key players in the Sarawak timber industry revealed that the top-down negotiation process concerning timber certification was putting them at a disadvantage viz globally active environmental NGOs. Their worry was that environmental NGO activity in the European public sphere was providing Europeans with a distorted and inaccurate picture of the timber industry in Malaysia. In doing so, the respondents argued, the environmental NGOs – who have a privileged access to European policy-makers and the European public – were unfairly generating moral opprobrium in relation with Malaysian timber. This, they suggested, weakened their position in the FLEGT negotiation process. However, since this was a top-down

process and since negotiations take place at SOM level, respondents felt that there was little that they could do to tell their side of the story. Thus, respondents would prefer a more equitable and direct access to the European public sphere (19).

In sum, then, both the bottom-up nature of the policy instruments as well as the lack of coordination at national level has prevented a rational and sequential policy process in the environmental domain. While bottom-up instruments enable the European Commission to address perceived national environmental needs and priorities, they are less suited for precise steering and targeting of policy interventions. This has been exacerbated by a lack of coordination at national level.

Related facts, figures, and references:

- (1) Respondent X, 2008; Respondent Y, 2008.
- (2) Respondent X, 2008; Respondent Y, 2008.
- (3) Respondent N, 2008; Respondent AB, 2008.
- (4) Respondent N, 2008; Respondent M, 2008.
- (5) Respondent G, 2008, 2009; Respondent H, 2008.
- (6) Respondent G, 2008, 2009; Respondent H, 2008; Respondent AC, 2008.
- (7) Respondent F, 2008; Respondent I, 2008; Respondent S, 2008.
- (8) Respondent I, 2008; Respondent S, 2008; Respondent F, 2008.
- (9) Respondent I, 2008; Respondent S, 2008; Respondent F, 2008
- (10) Respondent I, 2008; Respondent S, 2008; Respondent F, 2008
- (11) Respondent F, 2008; <http://www.tu-harburg.de/aws/asia-link/default.htm>.
- (12) Respondent I, 2008; Respondent S, 2008; Respondent F, 2008.
- (13) Respondent F, 2008; Respondent AA, 2008; Similarly, respondents argue that more recent Asia ProEco contracts concerning waste management in Perak State (which fall outside the reporting period) seem to have appointed the wrong experts. The company in charge of the contract is completely unknown in the waste management policy community (Respondent F, 2008; Respondent AA, 2008; Respondent L, 2008).
- (14) KANTOR (2008), Ex-post Evaluation of the EC-ASEAN Energy Facility, EUROPEAID/119860/C/SV/multi; COWI (2006), Ex-Post Evaluation of the COGEN 3 Programme: Popular Report, Framework Contract 2006/115686.
- (15) KANTOR (2008), Ex-post Evaluation of the EC-ASEAN Energy Facility, EUROPEAID/119860/C/SV/multi; COWI (2006), Ex-Post Evaluation of the COGEN 3 Programme: Popular Report, Framework Contract 2006/115686.
- (16) COWI (2006), Ex-Post Evaluation of the COGEN 3 Programme: Popular Report, Framework Contract 2006/115686.
- (17) Respondent M, 2008; Respondent AG, 2009.
- (18) Respondent P, 2008; <http://ec.europa.eu/environment/forests/flegt.htm>; http://barometer.wwf.org.uk/flegt_0000003838.asp.
- (19) Sarawak Focus Group.

I 3.2.2 Increased emphasis on global challenges and EC environment global objective in national policies

The GOM has intensified its policy focus on a range of global challenges, particularly climate change and biodiversity conservation. This is true for both stated policy and practical policy measures. However, despite increased policy activity, the GOM frames climate change issues in terms of the imperative for sustained and sustainable economic development. For this reason, the CO2 reduction strategy centres on the development of renewable resources and the promotion of energy efficiency. Although the GOM's interest in global environmental issues has demonstrably increased, commentators point to a lingering reluctance to commit to a comprehensive agenda of sustainable development.

Data from the fieldwork in Malaysia suggests that climate change has become an important focus in the Malaysian environmental policy agenda. However, strategies for climate change – both mitigation and adaptation – are addressed indirectly in the context of energy security and energy efficiency. For example, while the Ninth Malaysia Plan (2006-2011) does not explicitly mention climate change

mitigation or adaptation strategies, it outlines the goals for environment and energy policy as follows:

Environment

- “promoting a healthy living environment;
- utilising resources sustainably and conserving critical habitats;
- strengthening the institutional and regulatory framework as well as intensifying enforcement;
- expanding the use of market-based instruments;
- developing suitable sustainable development indicators; and
- inculcating an environment-friendly culture and practice at all levels of society.” (p. 459)

Energy

- ensuring sufficiency, security, reliability, quality and cost-effectiveness of energy supply;
- improving the productivity and efficiency of energy suppliers and promoting market-based approach in determining energy prices;
- reducing the high dependence on petroleum products by increasing the use of alternative fuels;
- promoting greater use of renewable energy for power generation and by industries;
- intensifying energy efficiency initiatives in the industrial, transport and commercial sectors as well as in government buildings;
- expanding rural electricity coverage, particularly in Sabah and Sarawak;
- and developing new sources of growth in the energy sector including participation of local companies in energy-related industries and services abroad. (p.402)

In a very real sense, these changes in national policy objectives reflect transformation in policy structures and policy practices. At institutional level, respondents point to policy-making structures dealing specifically with climate change. (1) For example, a climate change council that includes the major stakeholders in the debate as well as the National Climate Committee chaired by the prime minister the show that the climate change issue has arrived on the Malaysian policy agenda.(2) What is more, Commission officials on the ground argue that the GOM has signalled a clear interest in pursuing cooperation with the EU on climate change issues.(3)

In terms of practical measures to contribute to climate change policy, respondents point to about 30 CDM projects have been undertaken in Malaysia. These projects cluster around carbon capture technologies.(4) In particular, efforts are being directed toward biomass and biogas as well as photovoltaic energy (5). In future, respondents tell us, Malaysian energy policy will look towards solar power and hydrogen fuel cells.

While these institutional and practical developments certainly point to an increased focus on climate change and similar global challenges, significant qualifications apply.

First, commentators argue that Malaysian policy-makers still take a development view of climate change. On the one hand, this means that Malaysian environmental policy-makers implicitly and, sometimes, explicitly locate the main responsibility for climate change mitigation and adaptation with the developed North.(6) The GOM, a commentator argues, remains firmly within the G77 position and does not seem to be clearly and credibly demonstrating concern for GCC (7). In the words of a critical respondent, the GOM’s fundamental approach to climate change can be summarized as

follows: “if you [the developed world] want us to do anything, give us the money”.(8)

Second, as a consequence, changes to life-styles and household energy consumption patterns are not on the agenda. More importantly, infrastructural reforms that would help reduce CO2 emissions, say to the public transport system, are also not being discussed in relation to climate change. Yet, a commentator points out that transport and household energy consumption in Malaysia account for 70% of total energy use. (9) This, the respondent reports, is supported by claims on part of Malaysian policy-makers that carbon accounting shows Malaysia to be a net sink of CO2 – a contention that some commentators find somewhat incredulous.(10) By the same token, other urgent issues the solution of which could interfere with economic development and growth have equally not managed to secure a place on the agenda. For example, the environmental consequences of logging (soil erosion which is compensated by unsustainable use of fertilizer) are not mentioned on the Malaysian environmental agenda.(11)

Third, despite institutional structures, formal policies and climate change related projects, critical commentators are not convinced that climate change is a pressing priority for the GOM.(12). A critical NGO claims that between 1990 and 2004, Malaysian CO2 emission grew

Evidence from fieldwork in Malaysia suggests that the European Union has much to contribute in area of climate change mitigation and adaptation policy. The European Commission, commentators argued, is capable of pushing the GOM into action on climate change.(13) This can be done, so the argument goes, through transfer of European best practices and technology (e.g. Feed-In-Tariffs for renewable in Germany or the Nordic countries).(14)

Related facts, figures, and references:

Regional projects were successful with regard to Malaysia's participation, especially the EC-ASEAN COGEN 3 programme (simultaneous production of heat and electricity). The aim was to accelerate the implementation of proven, clean and efficient European cogeneration technologies using biomass, coal and gas as fuels within the industrial sectors in the ASEAN region with the overarching objective of enhancing EU-ASEAN economic co-operation in the energy sector, strengthening the security of energy supply in ASEAN and EU; and protect the global environment. The evaluation report stresses, “*The FSDPs [Full Scale Demonstration Projects] that actually were implemented, especially in Thailand and Malaysia, have a high demonstration value and are highly replicable - they are world-class projects.*” (European Commission, Ex-post Evaluation of the COGEN 3 Programme, Framework Contract 2006/115686, Popular Report, September 2006).

Notes

- (1) Respondent D, 2008, 2009; Respondent O, 2008, 2009.
- (2) Respondent O, 2008, 2009; Hezri and Hasan, 2006.
- (3) Respondent D, 2008, 2009.
- (4) Respondent D, 2008, 2009; Respondent N, 2008; Respondent AA, 2008.
- (5) Respondent AB, 2008 Respondent AD, 2008.
- (6) Respondent O, 2008, 2009; Respondent D, 2008, 2009; Hezri and Hasan, 2006
- (7) Respondent D, 2008, 2009; Hezri and Hasan, 2006.
- (8) Respondent O, 2008, 2009.
- (9) Respondent O, 2008, 2009. This figure needs confirmation. The data are not freely available.
- (10) Respondent O, 2008, 2009.
- (11) Respondent L, 2008; National Environmental Plan.
- (12) Respondent D, 2008, 2009; Respondent O, 2008, 2009.
- (13) Respondent O, 2008, 2009; Respondent AE, 2009.
- (14) Respondent O, 2008, 2009.

JC 3.3 EC thematic, regional and national instruments and their combination are consistent with the environment global objectives

The application of programmatic instruments to environmental challenges is broadly consistent with

global environmental objectives. At one level, the choice of instruments reflects the accurate assessment that the thematic agenda and institutional capacity of Malaysian environmental policy-making is highly developed. For this reason, instruments and projects aim to develop environmental technologies and best practices. At another level, the choice of instruments and their attendant focus on energy issues suggests the European Commission is aiming to support the implementation of environmental policy, perceived to be problematic. However, at yet another level, the choice of instruments predominantly regional policy tools has also been determined by the lack of bi-lateral alternatives.

The EC environmental policy interventions have focused on supporting the implementation of the well-developed Malaysian environmental policy agenda. This reflects the assessment by policy actors that, despite considerable Malaysian success in environmental governance, European global objectives are best served by addressing perceived implementation issues. For this reason, the EC's environmental interventions have set out to build institutional capacities as well as foster individual skills and capabilities. These include the developing effective resource management regimes (e.g. for peatland management), strengthening existing Malaysian environmental governance tools (e.g. by promoting international legitimation of Malaysian timber certification processes) or help develop new tools (i.e. by promoting the development of CDM criteria), as well as fostering local community capacity (e.g. by empowering local communities).

Horizontal and vertical dialogue processes are not tightly integrated. Horizontal and thematic dialogue processes in specific policy communities are linked to regional activities through the reliance on regional policy instruments (such as Asia ProEco, the EAEF, etc.). However, the integration and coordination of these thematic dialogue processes at national level has been conspicuous in its absence. For this reason, synergies between regional, national and thematic levels have not been fully exploited.

Much of the "work" in terms of programming and funding of environmental projects is left to the programmes at regional level. The exception is the forestry sector (e.g. community capacity-building and timber certification) where projects were based on bilateral cooperation between the European Commission and Malaysia. The relative absence of this national-level coordination has not only precluded the exploitation of synergies between national and regional levels, it has also encumbered project management in Malaysia. Although project beneficiaries were generally satisfied with the administration and management of the projects, many also report difficulties. These range from relative minor problems (such as late payment of funds) over significant issues (arguments about labour rates) to serious problems (loss of 40% of promised funds).

I 3.3.1 Balance between interventions supporting policy formulation and interventions improving policy implementation relates to identified gaps between EC global objective and national policies

The EC environmental policy interventions have focused on supporting the implementation of the well-developed Malaysian environmental policy agenda. This reflects the assessment by policy actors that, despite considerable Malaysian success in environmental governance, European global objectives are best served by addressing perceived implementation issues. For this reason, the EC's environmental interventions have set out to build institutional capacities as well as foster individual skills and capabilities. These include the developing effective resource management regimes (e.g. for peatland management), strengthening existing Malaysian environmental governance tools (e.g. by promoting international legitimation of Malaysian timber certification processes) or help develop new tools (i.e. by promoting the development of CDM criteria), as well as fostering local community capacity (e.g. by empowering local communities).

Despite a well-defined and well-developed environmental policy agenda, evidence suggests that effective implementation remains a challenge for Malaysian environmental policy-makers. On the one

hand, the Malaysian government has signed, ratified and is implementing a number of key environmental protection treaties (1). In many fields, Malaysian environmental policy-makers have pioneered approaches in environmental governance. For example, Hezri and Hasan (2006) argue that Malaysia was far ahead of the field in developing an environmental governance framework in the 1970s (p.46). More recently, the Ministry of Plantation Industries and Commodities contends that Malaysian environmental policy-makers have been in the forefront of developing effective tools for environmental governance, such as the certification of tropical forests. These tools and approaches, the Ministry continues, have found international recognition (2). These types of activities, then, have earned an ESI rating of 54 for environmental stewardship. This places environmental stewardship in Malaysia in front of countries such as the Netherlands, Hungary or even the USA (3)

On the other hand, the Malaysian environmental policy record remains contested. Many of the questions asked of the Malaysian environmental agenda relate to both a perceived fragmentation of the agenda as well as the ability and determination to implement well-developed environmental policies (4). Hezri and Hasan (2006) argue that Malaysian environmental policy has not been able to institutionalise the sustainable development: the GoM's response to "the post-1992 sustainable development agenda has been patchy and haphazard" (p.46). This resonates with perceptions of policy actors interviewed during the fieldwork phase. Coordination across different policy areas (i.e. environment and energy) is seen to be lacking: actors speak of a fragmented environmental and energy policy (5). In addition to the horizontal fragmentation of the environmental policy agenda, then federal structure of Malaysia imposes a vertical fragmentation between the states and the federal government (6). In terms of implementation, the literature as well as policy actors identified a need to develop effective instruments for policy monitoring and implementation, including an adequate and sufficiently diverse stakeholder consultation process. (7) An example is the problem with illegal logging and the encroachment on the land-rights of indigenous people.(8) Hezri and Hasan (2006) point to an independent evaluation of the status of implementation of Agenda 21 in Malaysia that argued that

"In essence, the words are in th right place but in truth the actions are not. The commitment and focus to implement sustainable development practices is not forthcoming" (9).

For these reason, then, the balance of EC policy interventions in the environmental domain leans towards implementation support. In particular, all projects and programmes aimed at building institutional capacities as well as developing individual capabilities and skills. While certain projects were aimed directly at capacity building (i.e the CDM project or the community forestry programmes), others approached implementation issues more obliquely (timber certification or research into peatland management). In this way, the projects sought to develop the tools and methods (practices, organisations and technologies) to facilitate the implementation of environmental policy in Malaysia.

All the projects that dealt with the sustainable use of natural resources engaged in capacity-building. The two waste management projects produced practical training modules for waste management practitioners. They also aimed (but failed, see I.3.1.2 above) to transfer European waste management technology to Malaysia. The community forestry projects, in turn, were solely concerned with generating capabilities and capacities for effective policy participation in indigenous local communities. The FLEGT process, in turn, aims at developing an effective international legal framework for recognising and legitimating Malaysian timber certification processes. This includes setting up an auditing process for timber certification.(10) Last, the peatland management projects not only produced policy-relevant insights and knowledge, they also designed a graduate programme for sustainable peatland management (11). What is more, participants claim, much of this knowledge has aimed to support the implementation of peatland management in Sarawak (12).

The energy project concentrated on institutional capacity- building and networking. Both the CDM and Green IPP endeavours were explicitly aimed at generating organisational capabilities in the renewable energy field: the former helped Malaysian actors set-up a CDM certification process while

the latter tied Malaysian actors into an international IPP network. The FSDPs of both COGEN III and the EAEF aimed at showcasing environmental technology required for implementing environmental policy. The EAEF and COGEN III projects, particularly the research and feasibility studies, aided implementation of (mostly) renewable energy.(13) The demonstration projects, in turn, have transferred technology and the requisite management know-how to help Malaysian policy actors to fulfil their climate change policy objectives.(14)

Related facts, figures, and references:

(1) Ministry of Plantation Industries and Commodities; The GOM has signed, ratified and in implementing the following treaties:

Status of Implementation of International Environmental Protection Treaties in Malaysia

Treaty	Date of Accession	Status of Implementation
Convention on the Protection of Wetlands of International Importance especially for Waterfowl Habitat, 1971 (RAMSAR Convention)	20.12.1994 (a)	Malaysia has gazetted a total of six RAMSAR sites including mangroves and other wetlands. (see Annex 1)
Convention on the Protection of World Cultural and Natural Heritage, 1972 (World Heritage Convention)	07.12.1988	One terrestrial site has been declared a World Heritage Area but no marine site yet.
International Convention on the Trade in Endangered Species of World Flora and Fauna, 1973 (CITES Convention)	20.10.1977	National instrument of implementation is the Wildlife Protection Act, 1972. A new CITES Act has just been promulgated in 2009.
United Nations Convention on the Law of the Sea (UNCLOS)	14.10.1996	Enabling legislation includes Exclusive Economic Act, 1984 and the Fisheries Act, 1985.
Basel Convention on the Control of Transboundary Movement of Hazardous Wastes and Their Disposal, 1989 (Basel Convention)	08.10.1993 (a)	Enabling legislation is the Environmental Quality Act, 1978.
United Nations Framework Convention on Climate Change, 1992 (UNFCCC)	13.07.1994	Ongoing programmes.
United Nations Convention on Biological Diversity, 1982 (UNCBD)	24.06.1994	Enabling instruments include the National Policy on Biological Diversity, Wildlife Protection Act and Fisheries Act.

Source: Ministry of Plantation Industries & Commodities

- (2) The Ministry of Plantation claims that "...MTCS is acknowledged as providing, at minimum, a credible assurance of legality by public procurement policies in Denmark, the UK, Netherlands, New Zealand, France and Japan. Holders of the MTCC CoC have also been accepted under the Dutch Keurhout Protocol for Legal Origin. MTCC, which is a member of the Programme for the Endorsement of Forest Certification schemes (PEFC), is taking steps to submit its scheme for PEFC endorsement."
- (3) ESI, 2005, p.4.
- (4) Respondent D, 2008, 2009; Respondent G, 2008, 2009; Respondent O, 2008, 2009.
- (5) Respondent D, 2008, 2009; Respondent O, 2008, 2009; Respondent G, 2008, 2009; Respondent G, 2008, 2009 contends that the Ministry of the Environment is too junior to be able to effectively integrate the fragmented strands of Malaysian environmental policy. As a result, key areas of the Malaysian environmental policy remain under control of more powerful and more established ministries (such as Ministry of Plantation Industries and Commodities) whose primary mission and policy orientation may not be sustainable development.
- (6) Hezri and Hasan, 2006; A corollary of institutional fragmentation is that it is not always easy to unambiguously identify the necessary mechanisms and people responsible for particular environmental policy tasks (Respondent D, 2008, 2009; Respondent G, 2008, 2009).
- (7) Respondent O, 2008, 2009; Respondent D, 2008, 2009; Respondent G, 2008, 2009.
- (8) Respondent I, 2008.
- (9) quoted in Hazri and Hasan, 2006, p.46.
- (10) Respondent P, 2008; <http://ec.europa.eu/environment/forests/flegt.htm>
- (11) Respondent G, 2008, 2009; Respondent H, 2008; peatwise.alterra.nl/.

- (12) Respondent G, 2008, 2009; <http://www.geog.le.ac.uk/carbopeat/>
- (13) Respondent M, 2008; Respondent N, 2008.
- (14) Respondent X, 2008; Respondent Y, 2008, COWI (2006), Ex-Post Evaluation of the COGEN 3 Programme: Popular Report, Framework Contract 2006/115686; An added complication is that many of these projects blur the line between policy formulation and policy implementation. For example, COGEN III research and FSD projects serve both objectives. On the one hand, COGEN III projects aim at fostering the types of partnerships, innovation and technology transfer that help achieve energy policy and environmental policy goals. On the other hand, insight from these projects flow into policy formulation processes. In Thailand, the Philippines and Singapore, COGEN III outputs have shaped recent energy policies (COWI, 2006, p.15). The same is true of the Asia Urbs: innovation in urban management covers all phases of the urban policy cycle. The EcoTourism project sought to exchange best practices of actually implementing EcoTourism; however, these insights were also to inform regulation of tourism

I 3.3.2 Synergies between EC-Malaysia thematic, regional and bilateral policy dialogue processes

Horizontal and vertical dialogue processes are not tightly integrated. Horizontal and thematic dialogue processes in specific policy communities are linked to regional activities through the reliance on regional policy instruments (such as Asia ProEco, the EAEF, etc.). However, the integration and coordination of these thematic dialogue processes at national level has been conspicuous in its absence. For this reason, synergies between regional, national and thematic levels have not been fully exploited.

Overall, a commentator pointed out that Malaysia was a 'project country': while there is much activity in a wide range of areas, there seems to be little coordination of these projects at the national level. However, the absence of strategic coordination of projects meant that the outputs and outcomes not sustainable after projects end. Raising Malaysian policy-makers' interest for a project, the respondent concluded, had much to do with being in the right place at the right time rather than any particular strategy. Between the lack of strategic direction and an absence of learning, institutional memory in Malaysia is weak.(1)

This assessment is borne out by the evidence of the desk and field research. In general, European projects enabled beneficiaries to access regional and international networks and processes. These projects, however, were less useful for creating links with similar policy actors and activities at national level. In some cases, such as the peatland management projects, beneficiaries managed to overcome these barriers and link at the national level.(2) In other cases, most notably the waste management project, lack of coordination left the project isolated from national debates and policy communities.

Related facts, figures, and references:

In absence of any bi-lateral agreements with Malaysia, policy dialogue about the environment takes place primarily in the context of the EU-ASEAN policy dialogue. The so-called EU-ASEAN Joint Cooperation Committee (JCC) offers the EU and ASEAN members the institutional space to discuss cooperation on, among other things, the environment (http://www.deltha.ec.europa.eu/Thailand/thailand_pol%20dialogue.htm). The environment, the European Commission contends, "... is the transnational issue par excellence and organising programmes at a multi-country rather than national level offers therefore a clear added value" (Regional Strategy Paper (RSP) Asia, p.22).

The ASEM is another forum in which EU and Asian policy-makers at several different levels discuss environmental issues. At ministerial level, environmental policy makers have met three times to discuss global environmental challenges including global climate change, sustainable development and the protection of the environment (<http://www.aseminfoboard.org/Calendar/MinisterialMeetings/>). At the level of senior officials, two events will provide a space for policy dialogue on environmental issues (Asia-Europe Tourism Forum: "Enhancing Asia-Europe Partnership for Sustainable Tourism Development" in September 2008 and the ASEM Seminar on Adaptation to Climate Change 02 Oct 2008 to 03 Oct 2008 Tokyo, Japan). What is more, the environment has been an agenda item on most of the six ASEM Summits (<http://www.aseminfoboard.org/Calendar/Summit/?id=205>).

Notes

1) Respondent L, 2008; Respondent G, 2008, 2009; Respondent O, 2008, 2009.

2) RESPONDENT H, 2008; RESPONDENT G, 2008, 2009

3) Respondent F, 2008; Respondent AA, 2008

I 3.3.3 Synergies between EC-Malaysia thematic, regional and bilateral environment cooperation programme and mainstreaming

Much of the "work" in terms of programming and funding of environmental projects is left to the programmes at regional level. For the environment these include:

ASEAN Level:

- ASEAN EC COGEN III programme
- EC ASEAN Energy Facility (EAEF)

Asia-wide programmes:

- AsiaUrbs
- Asia ProEco
- AsiaLink

However, the policy interventions in the forestry sector (e.g. community capacity-building and timber certification) were based on bilateral cooperation between the European Commission and Malaysia.

The relative absence of this national-level coordination has not only precluded the exploitation of synergies between national and regional levels, it has also encumbered project management in Malaysia. Although project beneficiaries were generally satisfied with the administration and management of the projects (2), many also report difficulties. These range from relative minor problems (such as late payment of funds) (3) over significant issues (arguments about labour rates)(4) to serious problems (loss of 40% of promised funds) (5). It is interesting to note that these problems were associated mostly with programmes run by the Jakarta office.(6)

Related facts, figures, and references:

1 Respondent L, 2008.

2 Albeit qualified with the uniform complaint about amount and difficulty of administrative requirements.

3 Peatland project, RESPONDENT H, 2008.

4 CDM project; Respondent M, 2008.

5 ZEO; RESPONDENT N, 2008).

6 Beneficiaries of the FWPs mentioned that its administration compared favourably to the Asia-specific programmes (Asia ProEco, AsiaLink).

EQ4 - To what extent has EC mainstreaming of gender, governance and human rights into its cooperation programmes resulted in enhanced governance in Malaysia?

The EC has made promising steps at a strategic level and in relevant EC policy documents, to promote Gender, Governance and HR in Malaysia. The successive CSPs have demonstrated a growing and increasingly explicit engagement to recognise the importance of CCIs in the principal sectors of cooperation (I 4.1.1) and in targeted projects with NGOs (I 4.1.2). Over the period, only two related projects were implemented. However all NGO representatives met, unanimously underlined the relevance of EC support, especially because Malaysia is not any more considered as a developing country and does not receive any direct external assistance. It is also fair to recognise that an increasing trend is to involve CSOs through thematic and horizontal instruments (CSP 2002 2006, p.13). Such initiatives indirectly tackle governance components and gender.

The field mission also confirmed that the EC strategy was constantly in line with the Malaysian Vision 2020 which calls for “appropriate economic policies, political stability and continuity, social cohesion and continued vigilance to preserve peace and solidarity among the country’s different ethnic and religious groups.” (I 4.2.1) and thus effectively anticipated the direction of policy and the assistance needs. For instance, Governance was mainstreamed on Trade issues which are crucial for Malaysia.

Nevertheless, the progressive inclusion of CCI in the strategic framework appears to have been to some extent ritualistic: strategic EC support to Gender, Governance, HR (the mainstreaming of cross-cutting issues (CCIs)) was still broad and general. The field mission revealed that there was a big gap between policy formulation and project-level implementation. Therefore, the present review of how cross-cutting issues were mainstreamed in EC cooperation is rather negative.

In each sector where the EC has chosen to cooperate, it is not clear how the consideration of relevant CCIs are integrated and/or institutionalised in co-operation policy, especially in the context of relations between the EU and ASEAN and in ASEM. There are no indicators and benchmarks in EC programmes to gauge CCIs’ performance results. In a similar way, the EC/ASEAN frameworks do not include any information on how measure the CCI implementation and performance through programmes. (I 4.1.1) A review of available documentation reveals that monitoring reports do not effectively track governance, gender, indicators, because there is insufficient attention paid to a baseline situational analysis on CCIs. Lessons are therefore not learned and capacity building is diluted by inadequate understanding of needs. For instance, one Erasmus Mundus interviewee commented that the gender issue was not really emphasised insofar, as far as this programme was not disseminated amongst the potential grant beneficiaries.

On the other hand, projects targeted through horizontal budget lines and the EIDHR, have proven to be very efficient in terms of community-driven social service delivery and also in terms of advocacy services. As lessons learned, CCI-related project results were not especially integrated into the main sectors of cooperation namely trade and education. Therefore no synergies that can boost impact in terms of gender and/or governance could be identified (I 4.1.2). Moreover, those projects were not used to reinforce civil society participation in decision making process and dialogue within authorities (the two projects do not assess how civil society can influence public authorities). Moreover, there is no upward flow of insights from the project level to higher-level policy dialogue.

Nevertheless, the NGOs representatives have unanimously appreciated the European Initiative on Human Rights instrument and the NGO co-financing facility. Since Malaysia is not anymore considered as a developing country, all of them emphasise the necessity to continue supportive initiatives which can prevent a gradually erosion of civil and political but also of economical and social rights.

Along the same line, it was found that it was quite difficult to collaborate with Malaysian authorities on those issues. Over the period, Malaysia has made it clear on innumerable occasions that it is committed to establishing an efficient gender, governance and human rights policy, incorporated into

their national strategies, even if those concepts were not exactly considered in a 'Western' sense.

It is particularly noteworthy, that Malaysia has systematically institutionalised those policies through various institutions which were not characterised by any efficiency and any defined decision-making process, but rather by a lack of clear organisation and transparency. The field mission confirmed that the institutional basis exists, but the operational basis for implementation remains weak.

Related facts, figures, and references:

- CSP: The EC-Malaysia Country Strategy Paper 2002-2006, 28 February 2002
- CSP: Malaysia – European Community Strategy Paper for the period 2007-2013, final draft
- CSP: National Indicative Programme 2005-2006 Malaysia
- Monitoring Report: Malaysia – MYS – Community Centres for the Empowerment of Indian Women in Malaysia, MR-20172.01 – 28/05/04 (Date of Report)

JC 4.1 Gender, governance and human rights reflected in all relevant EC project documents / strategic documents

The EC has made significant progress to integrate CCIs in their strategic documents and programmes. While several CCIs are identified in the CSP 2002-2006 (e.g. governance, environmental protection, the fight against the trafficking of human beings, drugs, money laundering, and HIV/AIDS, gender balance of students), their inclusion appears to have been somewhat ritualistic. It is noteworthy that the number of CCIs addressed was numerous, quite broad and generalised.

CCIs were not defined, prioritised or put into perspective within the EC main cooperation sectors. Furthermore, there was no analysis of results, to enable reflection on, and lessons to be drawn from, past experience, and to ensure that the latest knowledge and best practices are incorporated in EC cooperation and in ASEM dialogue. In addition, there was no evidence throughout the ASEM dialogue process, which is mainly a political dialogue process between EC/ ASIA member states (except social pillar), on how ASEM/EU intends to support these areas.

The methodology regarding the engagement with CCIs became stronger and more explicit in the Country Strategy Paper 2007-2013. Gender and the Social dimension of globalisation, were integrated in focal sectors such as trade which includes the “design and implementation of a bilateral Forest Law Enforcement, Governance and Trade (FLEGT) Partnership Agreement between Malaysia and the EU, human capital development, promotion of human rights, governance, and transparency accountability”. It is noteworthy that the EC tried to align the concept of Governance, as understood and delimited by Malaysian authorities. The CCI refers to the “social dimension into globalisation”, and the introduction of Governance into the trade programme is understood as ‘corporate governance’ as well as along the lines of WB indicators. Nonetheless, it is important to remember that the EC concept embraces a holistic view of governance, which tackles many sectors (see the Communication on Governance, as well as the EC thematic evaluation) which are not tackled at all in EC cooperation. The Governance concept is never linked with the concepts of Rule of law and administration (legal and justice aspects). For instance, Governance is integrated in Trade but there is no reference to a judicial or legal component. The field mission revealed that consideration of those CCIs which are integrated or/and institutionalised in most co-operation policy in the context of relations between the EU and ASEAN and in ASEM, remains superficial. Except the indirect inclusion of gender through media in the “New partnership information and communication program”, the EC Regional Indicative Programme for ASEAN is “gender blind”. In addition, the introduction of Gender and governance are not detailed and seem to be formal in the EU-ASEAN institutional framework and ASEM dialogue process. For instance, the inclusion of CCIs in most EC/ASEAN programmes (APRIS II, Fight against terrorism and the New partnership information and communication program, EC technical Assistance to ASEAN) envisaged to support ASEAN and interregional dialogue, is not detailed, but rather broad and vague.

Furthermore, Gender was explicitly mentioned in the NIP 2005-2006 in the framework of the Beijing UN Conference on Women in 1995 and on Council Regulation (EC) No 2836/98 on integrating gender issues in development co-operation, Commission Communication COM (2001) 295 defines a Programme of Action for mainstreaming gender in Development Co-operation. It is noteworthy that there is also a growing recognition of Gender as a key issue for poverty reduction, as viewed Malaysian authorities. In line with Malaysian needs, the EC has constantly anticipated and tried to align its position.

The EC position is clear on human rights (HR) regarding international treaties. The fact that the EC shows an interest in human rights, gender and civil society lets the Malaysian Government know, is a good sign. Nevertheless, nothing was really done to influence the respect of international law on HR within National authorities. On human rights issues, it is rather surprising that EIDHR instruments was only used to funded civil society actors and not to enhance the important international human rights covenants that Malaysia has not yet signed. Nevertheless, it is fair to recognise that working with civil society, particularly on governance and HR matters, opened up huge capacity challenges for the EC (as for other donors).

Successive CSPs have not included any result analysis on CCI to enable reflection on, and lessons to be drawn from, past experience. NO indicator and benchmark was developed to measure progress towards expected results and the achievement of strategic goals over the period.

The field mission also questioned the choice of the specific CCIs which were strategically mentioned in various CSPs. Most of the stakeholders interviewed immediately underlined the problematic issue of refugees and illegal workers in Malaysia as a priority CCI. This was never tackled at all by EC programming and interventions.

Related facts, figures, and references:

- CSP: The EC-Malaysia Country Strategy Paper 2002-2006, 28 February 2002
- CSP: Malaysia – European Community Strategy Paper for the period 2007-2013, final draft
- CSP: National Indicative Programme 2005-2006 Malaysia
- ASEAN regional Indicative program 2005-2006, Malaysia
- (EC, Overview External Relations with Malaysia)

I 4.1.1 Gender, governance and human rights incorporated into EC strategies and programmes at all levels.

In each sector where the EC has chosen to cooperate, Governance and Gender are tackled, even if they are not mentioned as such. The Trade sector integrates the “design and implementation of a bilateral Forest Law Enforcement, Governance and Trade (FLEGT) Partnership Agreement between Malaysia and the EU human capital development, promotion of human rights, governance, transparency accountability” and regarding Education, “Democracy and Human rights and Environment and Sustainable Management of Natural Resources” are mentioned. Furthermore, Gender is explicitly mentioned in the NIP 2005-2006. It is noteworthy that all programme activities tackle institutional and administrative capacity building as a core aspect of relevant projects.

All sectoral programmes are mixed with technical assistance and institutional support which clearly tackle governance issues. All programmes tackle a governance component. But capacity building is not governance and it is important to remember that governance embraced an holistic view of activities which are mainly designed as support for democratisation, promotion of HR, reinforcement of rule of law and administration of justice, enhancement of the role of civil society and capacity building, public administrative reform, management of public finances and civil service reform, decentralisation and local government reform/ capacity building. When taking this broad definition of governance into consideration, it is difficult to see any coherent programmatic strategy which addresses the whole spectrum of governance issues.

All in all, Governance, Gender and HR are poorly documented in the major strategic programming documents (CSP 2007-2013, education and trade).

There are no indicators and benchmarks in EC programmes to define or gauge and monitor CCIs' performance results. In a similar way, the EC/ASEAN frameworks do not include any information on how to gauge CCI-related implementation and performance through programmes. An insufficient attention was paid to baseline situational analysis. Lessons are therefore not learned and capacity building is diluted by an inadequate understanding of needs.

Budget lines were used as a classical project approach and not particularly to reinforce Gender, Governance and Human rights issues into programmes levels. Although the MR on the Indian women's project stated that "*this intervention could/should serve as a model or pilot experience in the country, modelling ("replicability") deserves full consideration*". It was not the case.

Related facts, figures, and references:

- CSP: The EC-Malaysia Country Strategy Paper 2002-2006, 28 February 2002
- CSP: Malaysia – European Community Strategy Paper for the period 2007-2013, final draft
- CSP: National Indicative Programme 2005-2006 Malaysia
- ASEAN regional Indicative program 2005-2006, Malaysia
- (EC, Overview External Relations with Malaysia)
- (Monitoring Report Regional ASIA – CAI – ASIA INVEST II: Machinery: Italy, Thailand and Malaysia. MR-20398.01 – 21/03/06).
- Sema Belgium, Final Report, Strategic Review and Programming Mission

I 4.1.2 EC sponsored common actions undertaken by authorities or NGOs involved in gender, governance and human rights.

The quality of dialogue with civil society has clearly been constrained by its limited development and restricted nature in Malaysia.. Nonetheless, this does not mean that civil society does not exist in Malaysia. The field mission revealed there is a strong and very committed small community of NGO representatives in Malaysia. Malaysian NGOs are mainly characterised by two main types activities such as social services delivery to grassroots communities or advisory services delivery. Those NGO representatives know each other and try to complement their activities and approaches. For all of these reasons, one NGO representative underlined that one NGO is able to compile all statistics and publish an annual Malaysian report on civil and political rights - which constitutes a reference for many actors and bi/ multilateral agencies who are interested in the Human Rights situation in Malaysia. It is noteworthy to say that this report is conceived as a "parallel report" in contrast to the official one which is published by the National Human Rights Commission.

In this context, targeted EC projects that reach down to those NGOs have demonstrated positive outputs and impacts toward grassroots communities. Both main grant recipients have also underlined that those projects are still on-going after the termination of EC funding. Since 2002, two projects were co-financed in the framework of EIDHR, focusing on one hand on Indian women communities, and on the other hand, on the promotion of freedom of expression. One project was also co-financed under the Gender thematic programme and promoting gender equality in policy, legislation and education through the support of the activities of three local NGOs (CSP 2007 2013).

The project "Support to NGO activities in the fight against drug abuse" is the only one directly addressing CCIs. It is not detailed in the documentation available. The Malaysian situation being roughly similar to others faced by the EC, the Thematic Evaluation of the EC support to Good Governance (June 2006) concluded "The limits between power structures and civil society, private sector federations and CSOs, or Parliamentary groups and civil society, not to mention religious institutions, is not always well conceptualised". There is no evidence that the EC positively influenced the functioning of institutions designed to promote good governance (i.e. justice, legal system) and to

change political culture.

Except the project on drugs, on which no documentation was available at the EC Delegation, all documentation and information was available at NGOs headquarters and the EC delegation. Although the monitoring documentation does not track CCI indicators, those projects have systematically undertaken a baseline study to measure the projects progress.

Nevertheless, it is quite noteworthy that no institutionalised mechanism for feeding such insight back up the chain to EC decision-makers was developed. At the EC delegation, the new staff was not really informed about these past projects.

It was also found that the horizontal/regional themes such as Asia pro eco and Asia Urbs are not documented at the EC delegation and only limited attention given to them because there are no real dedicated human resources on those aspects. For instance, “the 3 Asia Pro Eco ongoing projects focusing on eco-tourism, sustainable urban environment and the transfer of technology and expertise; the 2 Asia Urbs: two ongoing projects focusing on sustainable urban management; In the specific field of tropical forests, there are five regional or global activities involving Malaysian partners and focusing, in particular, on indigenous communities’ development. Priority areas of cooperation in the field of research are education and also information society” (CSP 2007-2013).

Unanimously, NGO representatives have fully appreciated European Initiative on Human Rights instruments and the NGO co-financing facility. Since Malaysia is no longer considered a developing country, all of them emphasise the necessity to continue supporting initiatives which can prevent a gradually erosion of civil and political but also of economical and social rights. One NGO co-financing recipient said that only the input of their international partner NGO made it possible to successfully complete the application but that this international partner was totally absent during the implementation of the project.

Moreover, the EIDHR instruments as well as budget lines were mainly employed to implement a classical short term project approach. Although they have demonstrated useful outputs, it was found that these instruments, when used to fund classical projects, only have a limited chance of producing any changes in policy making regarding gender as well as governance. These issues must be considered as involved in long term processes, and need to be addressed as such.

Related facts, figures, and references:

- Monitoring Report: Malaysia – MYS – Community Centres for the Empowerment of Indian Women in Malaysia, MR-20172.01 – 28/05/04 (Date of Report)
- CSP: Malaysia – European Community Strategy Paper for the period 2007-2013, final draft

JC 4.2 EU Gender, governance and human rights approaches and objectives promoted in national policy documents and government practices.

As a mirror of national objectives, EU Gender, Governance and Human rights approaches were fully in line with national policies.

Except for HR, EU gender, governance approaches and objectives are in line with Malaysian policy documents. The CCIs are defined on CSP 2002-2006 as “*governance, environmental protection, the fight against the trafficking of human beings, drugs, money laundering, and HIV/AIDS, gender balance of students*” are particularly in line with Malaysian challenges which are defined as “*Securing a stable multi-ethnic society from the spread of religious fundamentalism that may develop into a serious internal security threat; Improving accountable and transparent governance; Strengthening the national policy agenda in relation to global challenges and, in particular, the fight against terrorism, racism and fundamentalism; Further promoting national policies against drugs trafficking and epidemic diseases*” (CSP 2002 2006, p.12).

In a similar way, the 2007-2013 CSP is in line with Vision 2020 which calls for appropriate economic

policies, political stability and continuity, social cohesion and continued vigilance to preserve peace and solidarity among the country's different ethnic and religious groups.

Nevertheless, the field mission reveals a problematic gap between the strategy formulation and concrete implementation. There were obstacles to the implementation of EC strategic commitments.

Related facts, figures, and references:

- CSP: Malaysia – European Community Strategy Paper for the period 2007-2013, final draft
- CSP: National Indicative Programme 2005-2006 Malaysia
- CSP: The EC-Malaysia Country Strategy Paper 2002-2006, 28 February 2002

1.4.2.1 Gender, governance and human rights incorporated into national strategies and programmes at all levels

Malaysia has made it clear on innumerable occasions that they are committed to establishing an efficient gender, governance and human rights policy incorporated into their national strategies, even if those concepts were not exactly considered in a 'Western' sense.

The Malaysian government is guided by an overarching goal of "Vision 2020", which calls for "appropriate economic policies, political stability and continuity, social cohesion and continued vigilance to preserve peace and solidarity among the country's different ethnic and religious groups". Malaysia apparently tackles all the CCIs, including gender, social cohesion between various ethnic groups (Indian Malaysian and Chinese), governance understood as better efficiency and effectiveness of institutions in term of transparency of decision making process, as well as corruption and Human Rights.

The Human Rights Commission of Malaysia (SUHAKAM) which was established by Parliament on 9 September 199, has essentially the role of an adviser (i) to promote awareness of and provide education relating to human rights (ii) to advise and assist Government in formulating legislation and procedures and recommend the necessary measures to be taken; (iii) to recommend to the Government with regard to subscription or accession of treaties and other international instruments in the field of human rights; (iv) to inquire into complaints regarding infringements of human rights.

Behind the apparent and consolidated framework on Human Rights, Multilateral Agency partners reported that the Human Rights Commission never had an impact in terms of advising the government to ratify any of the three most significant human rights instruments on civil and political rights (ICCPR), economic, social and cultural rights (ICESCR), racial discrimination (CERD) and torture, cruel and inhuman treatment (CAT). The cautious debate has not resulted in any substantive changes to the law. Moreover, it was also reported that the UN recently officially questioned the Human Rights Commission of Malaysia's independence from executive power.

On governance issues, it appears that the enforcement of the overarching 'Vision 2020' remains weak, especially on corruption, which is very detrimental to political stability and social cohesion, as emphasised by Malaysia. Although the government has set up an anti-corruption agency , a joint UNDP-Malaysian Institute of integrity (IIM) was set up in 2005 to monitor and coordinate the implementation of the National Integrity Plan which mainly focuses on local public services delivery and on ASEAN dialog monitoring. Nevertheless, the Multilateral agency expert interviewed reported that team is very small and has virtually no power.

It is particularly noteworthy that Malaysia has systematically institutionalised those policies through various institutions which were not characterised by efficiency and clearly defined decision-making processes. The field mission also confirmed that there is (i) Persisting gender inequality in higher education and political representation, (ii) rising rates of domestic drug addiction, (iii) Malaysia's indigenous peoples have become increasingly marginalized, disenfranchised, and detached from the forests in which they live and on which they depend.

It seems that there are controversial views about those institutions. On the one hand, many stakeholders recognise that they can be a relay of information towards the Government. On the other hand, the real efficiency of those organisations is unanimously questioned by stakeholders. Yet, the President of the National Commission on Human Rights recognised the problem. He underlined that no report published by the Commission has ever been discussed in the Parliament until now. At the same time, NGO representatives confirmed that the National Commission on Human Rights is not an independent body, but all of them underline the importance of having the sort of institution to relay information towards authorities.

Other stakeholders report that transparency and governance have not really improved over time. However, one must bear in mind that Governance is a long term process. This is partly due to the lack of political will. There are now more open critics toward the government. As suggested by many stakeholders, growth is worth something but, the 'quality of growth' is paramount in achieving an accountable and transparent state of law to ensure sustainable poverty reduction.

Related facts, figures, and references:

- CSP: Malaysia – European Community Strategy Paper for the period 2007-2013, final draft
- CSP: National Indicative Programme 2005-2006 Malaysia
- ASEAN regional Indicative program 2005-2006, Malaysia
- Sema Belgium, Final Report, Strategic Review and Programming Mission
- Thematic Evaluation of the EC support to Good Governance Final Report - June 2006.

I 4.2.2 Gender, governance and human rights regulatory framework convergent with EC one (No of EC compatible legal acts).

The Malaysian gender, governance and human rights regulatory framework is convergent with EC requirements as defined in its related Communication.

Related facts, figures, and references:

- CSP: Malaysia – European Community Strategy Paper for the period 2007-2013, final draft

I 4.2.3 Improved Malaysia's gender, governance and human rights indicators

In Malaysia, the field mission confirms that the institutional basis exists but the operational basis for implementation remains weak. (4.2.2).

In this context, the EC was not able to make any changes. This can explain why there are no indicators or benchmarks available on improving Malaysia's gender, governance and human rights, in dedicated EIDHR projects or Asia-wide projects and regional programmes. It is also noteworthy that the main sectors of cooperation do not detail information concerning the mainstreaming of CCIs. Sema Belgium, Final Report, Strategic Review and Programming Mission assessed that there is no information on gender in the education sector. A Governance component is included in Trade programmes, but this is not put into perspective within the Malaysian legal or judicial framework.

Related facts, figures, and references:

- Monitoring Report: Malaysia – MYS – Community Centres for the Empowerment of Indian Women in Malaysia, MR-20172.01 – 28/05/04 (Date of Report)
- • (Monitoring Report Regional ASIA – CAI – ASIA INVEST II: Machinery: Italy, Thailand and Malaysia. MR-20398.01 – 21/03/06).
- Sema Belgium, Final Report, Strategic Review and Programming Mission

EQ5 - To what extent has the EC assessed and considered (i) the government's priorities, (ii) the needs of the country and, (iii) the evolving context in programming its strategic response, including the follow-up of the implementation strategy?

The fundamentals for policy dialogue were missing during the reviewed period as the Malaysian government was reluctant to adopt such an approach. EC interventions were obviously too limited to bring the government to change its overall policy towards ODA. This lack of comprehensive policy dialogue and the bottom-up approach of regional programmes restricted the scope for coherence of the objectives of the programmes for reflecting the views and priorities of the country. However, the presence of the Delegation since 2003 helped to establish useful and collaborative working relations and to bring programmes objectives and Malaysia government's priorities closer together (I 5.1.1). None of the EC interventions were focused on policy formulation, which was not in demand by Malaysian authorities. Other projects could be related to policy implementation in the sense that they were mostly pointing out ground for improvement. On the other hand, none of them was of a size that could demonstrate EC views on policy implementation (I 5.1.2). From representatives of government services met during the field visit, the evaluators gathered various hints on a changing demand from the previous requirement of full autonomy in designing and implementing sector policy. Openness towards technical assistance was clearly expressed in the HE sector, trade, and environment.

CSPs fit with mentioned national needs, and particularly the SPF which was considered but eventually dropped. The EC's means were not adequate enough to allow for the provision its own information sources and analyses. Needs were therefore identified based on authorities' own analyses. The logical framework of EC strategy is relatively vague, without a clear backbone, but still related to national needs (I 5.2.1). The absence of bi-lateral instruments and coordination made it very difficult for policy actors to recognise and act on thematic or vertical synergies. Considering the amount provided for cooperation programmes, policy dialogue was not in view. It seems that the objective was more for EC initiatives to be accepted by the national authorities than to push a specific view on national policy matters. Malaysian authorities, during the whole period under review, were reluctant with regard to any kind of external influence. From the relevant documentation and list of EC-funded projects, it is difficult to identify many matters for policy dialogue. The presence of Delegation staff helped creating a working relationship with the authorities (I 5.2.2).

EC interventions in Malaysia were mainly monitored through regional level evaluations where the Malaysian case was not necessarily extensively analysed. The way bilateral resources were used didn't allow for much specific monitoring. The 2008 ROM mission filled the information gap. EC policy interventions relied on demand-driven, regional policy instruments. Despite (limited) access to monitoring and evaluation reports, reliance on regional programmes and the absence of national coordination meant that the EC had to rely on existing networks to pick up on emergent issues. During the period under review, no major change in instruments or mix of instruments was implemented. Due to lack of national coordination and the absence of suitable bi-lateral policy instruments, the Commission could not react adequately to specific developments at national level. For this reason, the mix and direction of instruments changed little during the reporting period (I 5.3.3). Difficulties to implement EC programmes in the early phases of the covered period and to set-up the core project for the latest CSP didn't allow a change in the EC strategy to adjust to emerging policy issues. The focus on Erasmus Mundus in the 2nd NIP is shared with Thailand and other ASEAN countries and can't be seen as a pro-active move related to Malaysian issues (I 5.3.1).

Relationships between the EC and the government, as far as projects under bilateral cooperation are concerned, were not that structured that they can be seen as joint programming. They definitely improved over time, particularly since the Delegation was set in place (I 5.4.1). No sector and policy dialogue took place with Malaysian authorities in the framework of the EC co-operation programme. Dialogue took place in other fora such as ASEAN or OMC (I 5.4.2). The paucity of the available

funds for EC cooperation did not allow or motivate a sequencing of any sort of EC view on the Malaysia reform agenda (I 5.4.3). As a middle income country that is rapidly moving towards industrialised nation status, cooperation between the EC and Malaysia falls somewhere in between the two financing instruments DCI and ICI. A specific instrument for middle income countries would be needed to appropriately address Malaysia's needs (particularly in the trade and economic sector). In many areas (poverty reduction, environment, health etc.) Malaysia is, however, still eligible for support under the DCI (JC 5.4). Malaysia's challenge is "to climb up the value chain", as one interviewee put it, and this is where the country needs the most support in terms of specific TA that helps Malaysia to comply to the highest extent with EC and global standards, mainly in the trade, investment and IP sectors including also cross-cutting issues such as environmental standards.

Related facts, figures, and references:

Economy and Trade: The strategic programming documents are based on an accurate and detailed analysis of the political and economic situation and trends in Malaysia. Relevance and consistency with the Malaysian national agenda is highlighted.

Higher education: HE interventions address the needs and priorities of the Malaysian Higher Education sector. However, they do so in very small doses and at a high level of abstraction. Monitoring and evaluation have informed EC policy-makers about the changes in the Malaysian HE landscape. These changes, however, have not affected the broad issues of quality in research and teaching that European interventions at present target.

Environment: Due to the demand-driven and knowledge-based nature of environmental policy instruments, interventions in the field of environmental and energy reflected perceived needs and priorities. Yet, despite access to monitoring and evaluation reports, reliance on regional programmes and absence of national coordination meant that the EC had to rely on existing networks to pick up emergent issues. Overall, the environmental interventions have moved somewhat in the direction of a partnership of equals.

Cross-cutting issues: Although CSPs have fitted neatly into the evolving Malaysian policy framework, and thus effectively anticipated the direction of policy and the assistance needs thus identified, policy dialogue was still inexistent on CCI (JC 5.1). Malaysia has moved forward considerably since the CSP 2002 but not in policy terms. Malaysian authorities have made it clear on innumerable occasions that they are committed to "*social cohesion and continued vigilance to preserve peace and solidarity among the country's different ethnic and religious groups.*" Nevertheless, little was achieved in terms of policy dialogue with the EC (JC 5.1). Objective programmes apparently correspond to the needs, but there was a problematic gap between the formal needs and the real needs as identified by Malaysian authorities (JC 5.2). This gap was very detrimental for the EC in terms of engaging in policy dialogue on CCIs. Stakeholders' interviewees underline that there is no room yet for improvement on this issue.

JC 5.1 The objectives of the programmes reflect the views and priorities of the country with respect to a comprehensive policy dialogue with the EU

The fundamentals for policy dialogue are missing as the government was reluctant to adopt such an approach during almost the entire period under review. EC interventions were obviously too limited to bring the government to change its overall policy towards ODA.

However, the presence of the Delegation since 2003 helped to establish useful and collaborative working relations, with a strong restriction on the stand taken publicly and repeatedly by the then Head of Delegation against the Bumiputra policy. This being a very fundamental policy principle of Malaysia for the last 20 years, this stand cannot be seen as reflecting the views and priorities of the country.

Once the SPF initiative was refused by Malaysian authorities, EC interventions in the economic sector were restricted to regional programmes. Small projects under AsiaPro Eco, ATF and ECAP II were in line with national priorities and reflected national needs (I 5.1.1). The Erasmus Mundus window fits

with a perceived need for improving higher education but the same intervention is shared by all ASEAN countries (as well as other regional areas). All in all, the size of EC cooperation didn't allow for a sector balance (I 5.1.1). None of the EC interventions was focused on policy formulation, which was not in demand by Malaysian authorities. Other projects could be related to policy implementation in the sense that they were mostly pointing out ground for improvement. On the other hand, none of them was of a size that could demonstrate EC views on policy implementation (I 5.1.2).

The evaluators gathered various hints on a changing demand from the previous stand of strong autonomy in designing and implementing sector policy from government services met during the field visit. Openness towards technical assistance was clearly expressed in the HE sector, trade, and environment.

Related facts, figures, and references:

Higher education: In HE, both the thematic and instrumental balance of HE interventions addressed the central needs and priorities of the Malaysian HE sector. In essence, the main issue revolves around how best to improve the quality of research and teaching at Malaysian HEIs. Through diversification and internationalisation of research and teaching (via mobility and collaborative research programmes) European policy interventions in the HE sector addressed this need. The central problem here is that the numbers of beneficiaries of these programmes is too small to satisfy the need for quality in HE.

Environment: Due to the demand-driven nature of environmental policy instruments, interventions in the field of environmental and energy reflected perceived needs and priorities. Thematically, policy interventions clustered around the sustainable use of natural resources on the one hand and energy policy on the other. All policy interventions aimed to help Malaysian policy-makers close the considerable implementation deficit in environmental policy.

Cross-cutting issues: Except for HR, the objectives of EC programmes on CCI reflect the Government's priorities. It is noteworthy that the CSP 2007-2013 mentions that in terms of "Gender and Social Dimension of globalisation" *which is totally in line with Vision 2020 which assesses that there is a need for "social cohesion and continued vigilance to preserve peace and solidarity among the country's different ethnic and religious groups"*. (CSP 2007 2013)

I 5.1.1 Sector balance reflects national policy priorities and needs

The EC strategic response did not follow the line of achieving a sector balance that would reflect national priorities and needs. It used the regional programmes as entry points for identifying potential demands/projects. The limited financial resources of EC cooperation didn't allow for a sector balance.

Once the SPF initiative was refused by Malaysian authorities, EC interventions in the trade/economic sector were restricted to regional programmes. As outlined in response to EQ1, small projects under AsiaPro Eco, ATF and ECAP II were in line with national priorities and reflected national needs, for example towards the modernisation of administrative procedures in the IP sector (i.e. achieving a higher level of efficiency in processing patent, industrial design and trademark applications) and implementation of higher quality standards in industrial production (in response, for example to the EC's green procurement policies).

The sectoral balance of HE policy interventions address the core issues and needs of the Malaysian HE sector. Strengthening and diversification of curricula (AsiaLink and Erasmus Mundus) as well as the internationalisation of research (FWP) are core priorities for Malaysian HE. However, the number of beneficiaries is far too small to satisfy the immense need for inflow of quality teaching and research into the HE system. The Erasmus Mundus window fits with a perceived need for improving higher education but the same intervention is shared by all ASEAN countries (as well as other regional areas).

Policy interventions in the environmental domain clustered around two themes: sustainable use of natural resources and energy policy. This balance of environmental policy interventions reflects the perceived environmental needs and priorities in Malaysia. Part of the reason is that policy interventions relied heavily on regional, demand-driven programmes. It is noteworthy, that the sector

balance reflects the underlying principle of Malaysian environmental policy that environmental protection must be compatible with economic development.

I 5.1.2 Balance between interventions supporting policy formulation and interventions improving policy implementation.

None of the EC interventions was focused on policy formulation, which was not in demand by Malaysian authorities. Other projects could be related to policy implementation in the sense that they were mostly pointing out ground for improvement (for example ECAP, or COGEN). On the other hand, none of them was of the size that could demonstrate EC views (best practices or *acquis*) on policy implementation.

Related facts, figures, and references:

Higher education: HE policy programmes aimed to support the design, production and delivery of actual HE outputs in teaching and research. While the AUNP did fund networking activities of HE policy-makers (i.e. the ASEAN-EU rector's conference), these events were aimed at exchanging experiences about the practical management of HEIs.

Environment: Given the perceived and actual implementation gap, European environmental interventions concentrated on institutional and technological capacity-building for policy implementation, monitoring and enforcement.

Cross-cutting issues: The field mission confirms the problematic gap between policy formulation and policy implementation on CCIs (gender, Governance and HR). Nevertheless, CCIs need to be clearly defined and prioritised in order to be appropriately addressed in reality. However, there is a constant lack of informational baseline studies focused on incentives for change on CCIs in Malaysia (nothing on how to improve Governance component into perspective of legal and judicial framework). In the dedicated NGO project on Indian women, drugs, gender and HR have not been taken into consideration.

JC 5.2 Objectives of the programmes correspond to national needs

CSPs fit with mentioned national needs, and particularly the SPF which was considered but eventually dropped. The EC's means were not adequate enough to place it in a position to produce its own information and analyses. Needs were therefore identified based on authorities' own analyses. The logical framework of EC strategy is relatively vague, without a clear backbone but still related to national needs, particularly concerning the environment (I 5.2.1). In the economic sector, Malaysian components under the AFT ('green procurement policies') and Asia ProEco ('sustainable production and consumption as the long term solution to reduce urban environmental degradation') and ECAPII (modernisation of IP administration) corresponded well to national needs (see also I 5.1.1).

The absence of bi-lateral instruments and coordination made it very difficult for policy makers to recognise and act on thematic or vertical synergies.

Considering the amount provided for cooperation programmes, policy dialogue was not in sight. It seems that the objective was more for EC initiatives to be accepted by national authorities than to push a specific perspective on national policy matters. Malaysian authorities, during all the period under review, were reluctant on any kind of external influence. From the documents and list of projects, it is difficult to find much matter for policy dialogue. The presence of Delegation staff helped creating a working relationship with the authorities (I 5.2.2).

Related facts, figures, and references:

Higher education: No in-depth analysis of the Malaysian HE sector has informed European HE programmes. Nonetheless, the objectives of the HE programmes are sufficiently generic and the needs of the Malaysian HE sector sufficiently large to make for a good match between country needs

and programme objectives.

Environment: Interventions in the environmental sector give the impression of being informed by a solid knowledge of Malaysian environmental challenges as well as Malaysian perceptions of global environmental issues. Lack of coordination at national level, however, precluded recognising and exploiting thematic synergies

Cross-cutting issues: coherence ensured, see EQ 5.

I 5.2.1 Logical framework of programming documents (CSP, NIP, MTR), based on information and analyses on national needs generated by the cooperation programme

The EC's means did not put it in a position to produce its own information and analyses. Needs were therefore identified based on authorities' own analyses. The logical framework of EC strategy is relatively vague, without a clear backbone, but still related to national needs. Concerning the environment, the CSP identified the key areas perceived to be core environmental needs and priorities in Malaysia

Related facts, figures, and references:

Higher education: The strategy documents do not include an analysis of the HE situation in Malaysia.

Environment: The strategy and programming documents address the pivotal relationship between economic development and environmental policy. What is more, they identify the key areas perceived to be core environmental needs and priorities in Malaysia

Cross-cutting issues: The inclusion of CCIs in programming documents is fully corresponding to the contextual information on the political and social situation concerning Gender, Governance and HR. However, the co-operation strategy contained in the CSP/NIPs is quite broad and generalised concerning CCIs. There is no mapping out of CCIs when it comes to actual policy aims.

I 5.2.2 Synergies between policy dialogue and cooperation programme

The absence of bi-lateral instruments and coordination made it very difficult for policy actors to recognise and act on thematic or vertical synergies.

Considering the amount provided for cooperation programmes, policy dialogue was not a realistic perspective. It seems that the objective was more for EC initiatives to be accepted by the national authorities than to push for a specific view on national policy matters. Malaysian authorities were reluctant towards any kind of external influence during the entire period under review. The documents and list of projects taken into consideration for this evaluation, do not reveal much in terms of specific issues for policy dialogue.

The presence of Delegation staff helped to create a working relationship with the authorities, which in turn now allows for more policy dialogue (particularly on higher education). This change is more related to the Delegation's staff capacity to entertain working relationships, than to the weight of EC co-operation programmes and projects as such.

Related facts, figures, and references:

Economy and Trade: Synergies have been built between the two instruments in the EC's relations with Malaysia: regional programmes and thematic programmes

Higher education: The lack of coordination at the national level in Malaysia precluded exploiting any horizontal thematic synergies.

Environment: Similarly, the absence of bi-lateral instruments and coordination made it very difficult for policy actors to recognise and act on thematic or vertical synergies.

Cross-cutting issues: At present, the EC makes a lot of efforts to ensure a closer dialogue with Malaysian authorities on CCIs in the ASEAN and ASEM fora. Nevertheless, there is little official dialogue to date. Except the indirect inclusion of gender through media in the 'New partnership

information and communication program', the EC Regional Indicative Programme for ASEAN is "gender blind". In addition, The introduction of gender and governance in relevant documents is not detailed and seems to be rather formal in the EU-ASEAN institutional framework and the ASEM dialogue process.

JC 5.3 EC's strategic response evolved with lessons learned, and the government policies

EC interventions in Malaysia were mainly monitored through regional level evaluations where the Malaysian case was not necessarily extensively analysed. The way bilateral resources were used did not allowed for much specific monitoring. The 2008 ROM mission filled the information gap.

EC policy interventions relied on demand-driven, regional policy instruments. The limited availability of monitoring and evaluation reports, and the reliance on regional programmes and absence of national coordination meant that the EC had to rely on existing networks to pick up on emerging issues.

During the period under review, no major change in instruments or mix of instruments was implemented. Due to the lack of national coordination and the absence of suitable bi-lateral policy instruments, the Commission could not react adequately to specific developments at the national level. For this reason, the mix and direction of instruments changed little during the reporting period.

The size of the NIP is obviously another strong limiting factor for moving from a project approach towards any kind of programme approach, not to mention a sector-wide approach (I 5.3.3). But the limited receptivity of Malaysian authorities possibly contributed to this situation. Difficulties in implementing EC programmes in the early phases of the covered period and to set-up the core project for the latest CSP, did not allow for a change in EC strategy to adjust to emerging policy issues. The focus on Erasmus Mundus in the 2nd NIP is shared with Thailand and other ASEAN countries and cannot be seen as a pro-active move related to specifically Malaysian issues (I 5.3.1).

Related facts, figures, and references:

Economy and Trade: The CSPs, NIPs and MIPs are explicit regarding the fact that strategic responses have emerged from lessons learned. The CPS 2007-2013 stresses, *"the trend during the late 1990's and early 2000 had clearly been a declining one. However, following a pro-active strategy of identifying priority needs and of dissemination of information about the possibilities of cooperation in the identified priority areas, actual cooperation has clearly resumed an encouraging and sharply upward trend. ... The regional (Asia-wide) and thematic programmes have been flexible instruments allowing the re-launch of cooperation activities between Malaysia and the EU ..."* (CSP 2007-2013, p. 10).

Higher education: Despite the availability of monitoring data, the HE policy interventions did not evolve during the reporting period.

Environment: With the exception of the timber certification programme, the mix of policy instruments did not evolve significantly.

Cross-cutting issues: The field mission revealed that no lessons learned were taken into consideration, or at least, that there is no information available on such lessons. It is noteworthy that there is a more focused consideration of CCIs since 2002, especially concerning Gender and the social dimension of globalisation. Nevertheless, the introduction of CCI performance indicators is mentioned but not further detailed later on. This questions the fact of relevance of such assertion such as *"Malaysia has been keen to improve...human rights-related projects, especially in relation to gender equality, domestic violence, and empowerment of the poor and vulnerable"*. (CSP 2002-2007, p.10). In a similar way, the CSP 2002 2006 indicated briefly concerning the results of past cooperation: "Governance and community development; networking and participation of national and regional NGOs through co-operation with EU NGOs; improved regional analysis of social and economic issues", but there is no evidence to base these assertions on.

I 5.3.1 Emerging policy issues effectively integrated into EC approach.

Difficulties to implement EC programmes in the early phases of the covered period and to set-up the core project for the latest CSP did not allow for a change in the EC strategy to adjust to emerging policy issues. The focus on Erasmus Mundus in the 2nd NIP is shared with Thailand and other ASEAN countries and cannot be seen as a pro-active move related to Malaysian issues.

An emerging consideration of CCIs, especially Governance, was integrated into EC approach (Governance is integrated in trade sector as a key issue).

Related facts, figures, and references:

Higher education: During the reporting period, the challenges to the Malaysian HE system did not change at the level of generality sufficient to provoke a redirection of the Commission's generic regional HE programmes. The lack of coordination at national level as well as the dearth of suitable bi-lateral instruments has meant that the Commission was in no position to respond to specific HE needs and priorities.

Environment: Similarly, the lack of adequate bi-lateral instruments meant that the Commission had to depend on established networks using demand-driven regional programmes to address emerging issues. Yet, given the capacity-building nature of much of these interventions, short-term emerging issues were subsumed under medium-term capacity issues.

I 5.3.2 Availability and use of EC monitoring and evaluating outcomes

EC interventions in Malaysia were mainly monitored through regional level evaluations where the Malaysian case was not necessarily extensively analysed. The way bilateral resources were used did not allow for much specific monitoring. The 2008 ROM mission filled the information gap.

Related facts, figures, and references:

Economy and Trade: Monitoring/evaluation reports with some assessment of the impact on interventions on Malaysia are available on COGEN 3, Asian Trust Fund 1, ECAP II and one Asia Invest project and the Malaysia component (support to Malaysian enterprises on compliance with green procurement policies and guidelines in the EU) The final evaluation report of the Malaysia component of Asia ProEco, which ended in June 2008 will be available in due course.

Higher education: Monitoring reports for the AsiaLink project were available. An evaluation of AsiaLink exists and evidently was available to Commission officials. It could, however, not be procured for this evaluation. No monitoring reports were found for the AUNP and an evaluation apparently exists. Again, this evaluation could not be procured for the evaluation. Erasmus Mundus monitoring reports and a mid-term evaluation exist and are available. An evaluation of the Erasmus Mundus ECWs for Malaysia is underway. No monitoring report or evaluation of the FWP's INCO programme was procured.

Environment: Monitoring reports are available for the Asia ProEco programme. Final evaluations are available for the EAEF and the COGEN III programmes. Again, no monitoring report or evaluation were available for the FWP projects.

Cross-cutting issues: There are no developed benchmarks or indicator to monitor CCIs in EC documentation. No Monitoring Report provides any statistical data on Governance, gender or HR outcomes as tackled in a specific project. This may be due to the fact that there are no baseline studies on these issues.

I 5.3.3 Mix of instruments and development of new instruments adapted to evolving national policies.

EC interventions during the covered period were all implemented under the project approach, apart from the Erasmus Mundus window, which was a new horizontal instrument managed from Brussels' HQ. The mix and orientation of policy instruments was largely dominated by bottom-up regional programmes throughout the reporting period.

Related facts, figures, and references:

Economy and Trade: According to 2005 Strategic Review and Programming Mission, “*while it is no more appropriate to develop co-operation projects to enhance development, it is important to strengthen or to build ties between Malaysia and the EU, in a context where the country has strong interests in other counterpart regions or countries. Such relations should be built on ‘partnerships’ between equals. They should find their foundation in trade and investment but mutual understanding should also motivate them. In this respect, the sectoral mix of trade and investment on the one hand and of education on the other hand is still appropriate*” (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 14).

Higher education: Throughout the reporting period, the instruments of HE policy interventions consisted of demand-driven mobility and collaborative programmes. This mix has not changed significantly over the reporting period. No new instruments were developed as a result of changes in Malaysian HE policy.

Environment: The mix and orientation of policy instruments in the environmental domain was largely dominated by bottom-up regional programmes throughout the reporting period, The exception here is the timber certification programme, a top-down initiative that was initiated towards the end of the reporting period.

Cross-cutting issues: The sectoral mix has not taken CCIs into consideration. According to the 2005 Strategic Review and Programming Mission “*The recent detentions of officers in providing Malaysian documents to non-citizens are only the tip of the iceberg of what is going on behind the scene. Drugs are of great concern. However, capital punishment for drug traffickers goes against EU policy on the death penalty. Money laundering in Malaysia is a big question mark. The fact that these issues can be dealt with in the ASEM and ASEAN contexts and in EC regional/horizontal programmes does not preclude possibilities to discuss these issues at the bilateral level.*” (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 25)

JC 5.4 EC moved from traditional development assistance toward partnership of equals.

Given Malaysia’s advanced level of economic development, the EC has moved from traditional assistance towards a partnership of equals long before the beginning of the assessment period. As a middle income country that is moving rapidly towards industrialised nation status, cooperation between the EC and Malaysia falls somewhere in between the two financing instruments DCI and ICI. A specific instrument for middle income countries would be needed to appropriately address Malaysia’s needs (particularly in the trade and economic sector). In many areas Malaysia is, however, still eligible for support under the DCI.

Relationships between the EC and the government, as far as projects under bilateral cooperation are concerned, were not structured to the extent that they can be seen as joint programming. They definitely improved over time, particularly since the Delegation was set in place (I 5.4.1). No sector and policy dialogue took place with Malaysian authorities in the framework of EC co-operation programme. Dialogue was held in other instances such as ASEAN or OMC. Regarding timber certification (FLEGT), the EC initiated an innovative multilateral policy dialogue (I 5.4.2).

The paucity of available funds for EC cooperation did not allow or motivate a sequencing of any sort of EC view of the Malaysia reform agenda (I 5.4.3).

Related facts, figures, and references:

Higher education: Policy activities in the HE field have not been characterised by joint policy formulation, the co-evolution of dialogue and programme as well as a sequential top-down policy process. Neither, however, does the nature of EC intervention fit comfortably in the category of classical development aid. Indeed, it seems as if the current HE activities would form a crucial role in a partnership of equals along with more targeted and tailor-made interventions that, as yet, have not

been formulated or implemented.

Environment: The environmental interventions have moved somewhat in the direction of a partnership of equals. The timber certification project bears all the characteristics of a partnership of equals. However, while the other projects did not profit from joint policy formulation, the co-evolution of dialogue and programmes, as well as a sequential policy process, their bottom-up character enabled the creation of networks of equals at the level of policy communities.

Cross-cutting issues: Given Malaysia's context, the EC has only used the classical project approach to specifically address CCI.

I 5.4.1 Joint EC-Government strategic programming and project formulation

Linkages between EC and the government, as far as projects under bilateral cooperation are concerned, are not sufficiently structured that they can be seen as joint programming. They definitely improved over times, particularly after the Delegation was set in place.

Related facts, figures, and references:

Economy and Trade: The Strategic Review and Programming Missions quotes the view of the Malaysian government which "*pointed out that priorities chosen for the 'sector mix' of actions supported by the EC should be better co-ordinated by the EC Delegation with its Malaysian Government counterparts*". (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 16)

Higher education: In the HE sector, there has been no evidence of joint EC-GOM HE-policy strategising

Environment: The timber certification programme is being devised and negotiated between the GOM and the EC in conjunction. For other types of projects, there is no evidence of this type of activity.

Cross-cutting issues: No joint EC/ government programmes or project formulation on CCI

I 5.4.2 Co-evolution of cooperation programme and sector and political dialogues.

No sector and policy dialogue with Malaysian authorities in the framework of EC cooperation programme during the period under review. Dialogue was held in other fora such as ASEAN or OMC. FLEGT, for timber certification, is a relatively recent innovative policy dialogue, handled by Brussels' HQ without any link to NIP- or RIP-funded projects.

Related facts, figures, and references:

Economy and Trade: The Strategic Review and Programming Missions quotes the view of the Malaysian government which "*pointed out that (...) one Government agency that should be in the loop is the 'Economic Planning Unit (EPU), in the Prime Minister's Office as it has an overall responsibility'*" (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 16)

Higher education: There is little evidence of cross-fertilisation between dialogue processes and programme development.

Environment: In the environmental domain, the bi-lateral dialogue is at a very early stage

Cross-cutting issues: There is some more alignment between the Malaysian vision 2020 and a more focussed EC approach on Gender and Governance in the CSP 2007- 2013, addressing the 'social dimension of globalisation.'

I 5.4.3 Appropriate sequencing of policy dialogue, TA, capacity building, pilot projects, major programmatic interventions.

The paucity of the available funds for EC cooperation did not allow or motivate a sequencing of any sort of EC view on the Malaysia reform agenda. The European Commission's interventions in the

Malaysian HE domain were dominated by bottom-up, demand driven instruments located at the regional level. As a result, top-down sequential programming has not taken place.

Related facts, figures, and references:

Economy and Trade: Does not seem to be the case – but not sufficient information to substantiate.

Higher education: The European Commission's interventions in the Malaysian HE domain were dominated by bottom-up, demand driven instruments located at regional level. As a result, top-down sequential programming has not taken place.

Environment: With the exception of the timber certification programme, EC funded activities in the environmental domain emerged from existing networks and activities on the ground, In general, the process has been bottom-up rather than rationally sequential

Cross-cutting issues: All projects implemented on CCIs seem to have been ignored by the authorities. Therefore there was not policy dialogue on CCI projects achievements and future programming.

EQ6 - To what extent was the EC mix of instruments (regional and thematic budget lines), approaches (fiduciary funds, project approach, macro-level programmes, SWAP), financing modalities (specific procedures, budget support, joint funding) and/or channels of disbursement (government, private sector, NSAs, multilateral organisations) appropriate to the national context and EU strategic policy aims?

The financial volumes mobilized under the CSPs were too limited to allow for a strategic mix of various instruments, approaches or financing modalities, albeit the level of development and governance of Malaysia would have allowed to go much further in innovative instruments, such as budget support if they were consistent with EC overarching goals. On the other hand, the stand of the government on ODA was another limiting factor for the EC to develop a diversified strategy. To some extent, EC bi-lateral cooperation was more reactive than pro-active, facing a major drawback with the disagreement on the SPF's initiative.

The financial volumes mobilized under the CSPs were too limited to allow various instruments, approaches or financing modalities. On the other hand, the stand of the government on external aid was another limiting factor for the EC to develop a diversified strategy. The EC relied on generic, regional level instruments for its interventions in Malaysia during the last period. At an earlier stage (1997 Asian financial crisis), large multipurpose regional trust funds were also used (in support of the Central Bank). In between, bi-lateral projects were also initiated before to face a major drawback with SPF initiative. The Erasmus Mundus window embodied a specific approach of a framework managed directly from Brussels towards individuals in Malaysia (and other ASEAN countries). However large in diversity, this instrument mix can hardly be gathered into a thoughtful strategic framework. It is rather dependent on resources made available at regional level to complement bi-lateral NIP. As most of the approaches are actually to a large extent common to several, if not all, SE Asian countries, it is difficult to come to the conclusion that specific changes were introduced to address the changing context in Malaysia or to local specificities of each sector (I 6.1.1).

EC cooperation was not in a position to be pro-active and therefore did not find much ground to incorporate emerging issues in EC's interventions. The European interventions in Malaysia have not profited from a country-level dialogue. Instead, they have relied on generic regional programmes. In the trade sector there is evidence that emerging issues were quickly and successfully dealt in a mutually beneficial dialogue, but the same kind of evidence was not found for other sectors. EC cooperation was not in a position to be pro-active in CCIs too, even if EC portfolio has always succeeded to maintain the right balance between economic co-operation and the social sector within a constant emphasis on Gender, Human rights and more globally on the promotion of what are the fundamental values of Europe (I 6.1.2).

In the case of Malaysia project components under regional EC-ASEAN/Asia programmes in the trade/economic sector (see EQs 1 and 5) the implementing modality responded to the needs of the actions, as well as to the capacity of the partner as it is clearly outlined in the monitoring/evaluation reports on COGEN 3, Asia Trust Fund (AFT), ECAP II and one Asia Invest project.

In other sectors, given the lack of coordination of predominantly regional instruments at national level in Malaysia, it is questionable whether the actual combination of instruments, approaches and financing modalities was the outcome of a strategic process. While almost all projects did achieve stated aims (some mutual understanding, transfer of European best practices and technology, insights in governance agenda, etc.), there is evidence to suggest that programmes did not manage to address intended goals adequately (I 6.2.1). The interventions in the HE sector relied on regional instruments that addressed needs and priorities in a generic manner. Although the combination of instruments achieved policy goals in a narrow sense, the volume and dimensions of these projects enable programmes to address a very small part of the overall problems. The mix of policy tools did not change significantly over the reporting period and there is little evidence of a strategic learning process. Environmental interventions of the EC were predominantly channelled through regional,

demand-driven instruments. While evidence suggests that environmental policy interventions in Malaysia achieved some of their goals, evidence also suggests that, given the lack of coordination at national level, programmes overshoot their targets or were of little real use to policy actors on the ground. In terms of environmental interventions in Malaysia, the evidence provides no indication that the different sources of knowledge and feedback about the programmes were pulled together in a strategic process of learning.

No intended combination of instruments was found as most of the EC interventions came from regional programmes' calls of proposals, where EU partners of consortium were leaders and the main beneficiaries. Malaysian members of the Consortium were exposed to EC regulations only in terms of providing accounts and delivering and dealing with receipts. Malaysia partners' capacity ranks fairly high compared to developing countries. Tailored programmes would have gone much further in terms of combination of instruments and approaches (budget support) (I 6.2.2).

No authority on strategic thinking and combining EC instruments/approaches was identified at national level apart from the EC Delegation to Malaysia. Exchanges of views on EC co-operation instruments were not organised through various fora and workshops (I 6.3.1). Such events were intended to disseminate projects' results, like for AsiaUrbs. No testimony of an analysis of comparative advantages of the various instruments and approaches in the Malaysia context was found neither, that might be explained by the fact that the bulk of resources were expected from regional programmes (I 6.3.2).

Lessons were learned through other channels than documentation, probably direct experience of the Delegation's staff and experience from other ASEAN countries, mainly Thailand. Those lessons are systematically mentioned in CSPs to justify chosen instruments/approaches/sectors but in very general terms, but which show a good understanding of the Malaysian context (I 6.3.3).

Monitoring/evaluation reports with some assessment of instruments and approaches efficiency are available on regional programmes (for example COGEN 3, Asia Trust Fund (AFT), ECAP II and one Asia Invest project). Monitoring and evaluation was elsewhere weak during the period under review, and cannot be assessed as an explaining variable for efficiency and ability to achieve EC assistance goals. The constraints were much more related to the government's non-cooperative stand and the weakness of resources available. (I 6.3.4, I 6.3.5).

Related facts, figures, and references:

Economy and Trade: The Strategic Review and Programming Missions quotes the view of the Malaysian government which "*pointed out that priorities chosen for the 'sector mix' of actions supported by the EC should be better co-ordinated by the EC Delegation with its Malaysian Government counterparts and that one Government agency that should be in the loop is the 'Economic Planning Unit (EPU), in the Prime Minister's Office as it has an overall responsibility in the country's development. It is nevertheless considered by all parties met that the choice made was appropriate. It was strongly suggested by the government "if the EU is to live up to its commitments, then it has to deliver on time"*. Little mention was made of the obstacles set by Malaysian authorities (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 16)

Higher education:

Environment:

Cross-cutting issues: Except the Indian women project which was monitored, the portfolio of initiatives implemented on governance, Human Rights and gender issues with NGOs representatives suffered from lacks of appropriate monitoring. Nevertheless, the field visit underlines that all budgetary lines funded were highly relevant to the needs. It is noteworthy that all of the projects or some component of them are still implemented (6.2)

Flexible instruments such as budgetary lines represent a potentially useful way of mainstreaming good governance and gender issues, but they have not yet functioned effectively in this regard (6.1.2).

The Strategic Review and Programming Missions quotes that *“The priorities adopted for the CSP are not disputed, but additional priority areas should be considered such as environment, human rights and counter-terrorism. Furthermore, it is important, for the sake of credibility of the EU that promises made are delivered on time. In the preparation of the CSP consulting some key Government players and civil society should be part of further inputs. It is important that the specific complexities of the Malaysian reality are taken on board for mutual cooperation to become effective.”* (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 19)

JC 6.1 EC co-operation was able to combine timely instruments, approaches and financing modalities to suit its strategic goals

The financial volumes mobilized under the CSPs were too limited to allow for a strategic mix of various instruments, approaches or financing modalities. On the other hand, the stand of the government on external aid was another limiting factor for the EC to develop a diversified strategy. The EC relied on generic, regional level instruments for its interventions in Malaysia during the last period. At an earlier stage (1997 Asian financial crisis), large multipurpose regional trust funds were also used (in support of the Central Bank). In between, bi-lateral projects were also initiated before to face a major drawback with SPF initiative. The Erasmus Mundus window embodied a specific approach of a framework managed directly from Brussels towards individuals in Malaysia (and other ASEAN countries). However large in diversity, this instrument mix can hardly be gathered into a thoughtful strategic framework. It is rather dependent on resources made available at regional level to complement bi-lateral NIP. As most of the approaches are actually to a large extent common to several if not all SE Asian countries, it is difficult to come to the conclusion that changes were introduced to fit with a changing context in Malaysia or to local specificities of each sector. (I 6.1.1).

EC cooperation was not in a position to be pro-active and therefore did not find much ground to incorporate emerging issues in EC's interventions. The European interventions in Malaysian have not profited from a country-level dialogue. Instead, they have relied on generic regional programmes. In the trade sector there is evidence that emerging issues (trade disturbances, i.e. Malaysian import restrictions on European wine, cheese and chicken and EC import ban on Malaysian seafood products; all in 2007-2008) were quickly and successfully dealt with by the EC and Malaysian government in a mutually beneficial dialogue. The same kind of evidence was not found for other sectors (I 6.1.2).

The field mission confirmed that EC cooperation was not in a position to be pro-active in CCIs either, and therefore didn't find much ground to incorporate emerging issues in EC's interventions. EC portfolio has always succeeded to maintain the right balance between economic co-operation and the social sector within a constant emphasis on Gender, Human rights and more globally on the promotion of what are the fundamental values of Europe. Field interviews have painted a very positive view of CCI engagement, significantly supported by the EC and its Member States. Therefore it was considered that there was an appropriate mix of focus sectors, given the fact that Malaysia is generally strong on economic performance but a wide array of persistent social development problems still exists, especially in Gender, Human rights, and Governance.

Related facts, figures, and references:

Economy and Trade: The 2005 Strategic Review and Programming Mission points out that *“the policy to provide the bumiputra with special means for development poses certain challenges for liberalisation policies in the fields of T&I and higher education, which requires the EC to develop tailor-made cooperation instruments with Malaysia”* (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 16). Shortly before leaving office, in June 2007, the Head of Delegation, openly criticised the government's New Economic Policy (Bumiputra policy) saying Malaysia's ethnic policies were a barrier to trade (see also I 1.5.1). Regardless of whether or not the assessment was correct, both European and Malaysian stakeholders agreed (in interviews with the

evaluation team) that the approach was wrong and did not help to advance the EC's strategic goals.

Higher education: The interventions in the HE sector relied on regional instruments that addressed Malaysian HE needs and priorities in a generic manner. This mix of policy tools did not change significantly over the reporting period. Lack of policy-dialogue at national level precluded any short- and medium term adaptation.

Environment: Environmental interventions of the EC were channelled through regional, demand-driven instruments. The emphasis of these instruments on long-term issues (capacity building, technological development, biodiversity conservation) as well as the absence of national-level policy dialogue meant that the menu for strategic choice of instruments was somewhat limited.

Cross-cutting issues: Regarding the fragile position of the EC in Malaysia, during the evaluation-period, it is noteworthy that EC portfolio has always tried to maintain a good balance between economic co-operation and, to a more substantial role for the social sector within a constant emphasis on Gender, Human rights and more globally on the promotion of what are the fundamental values of Europe. Field interviews have painted a very positive view of CCI engagement, significantly supported by the EC and its Member States. Therefore it was considered that there was an appropriate mix of sectors, given the fact that Malaysia is generally strong in terms of economic performance but a wide array of persistent social development problems still exist, especially concerning Gender, Human rights, and Governance. The 2005 Strategic Review and Programming Mission points out that "Development of Human Rights, including gender concerns should be supported. It is highlighted that, while Malaysia has strongly reduced poverty, in many cases the changes devalue labour and increase the divide between the rich and the poor, while leaving unchanged the 'patriarchal traditions' under which many women suffer unfair situations; The Government encroaches, together with pressure groups, on women's rights, under pretexts such as religion and morality." (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 19).

I 6.1.1 Mix of instruments, approaches and financing modalities different according to sector specific factors and changed over the period along with the context

The EC relied on generic, regional level instruments for its interventions in Malaysia during the last period. At an earlier stage (1997 Asian financial crisis), large multipurpose regional trust funds were also used (in support of the Central Bank). In between, bi-lateral projects were also initiated earlier to face a major drawback with SPF initiative. The Erasmus Mundus window embodied a specific approach of a framework managed directly from Brussels towards individuals in Malaysia (and other ASEAN countries). However large in diversity, this instrument mix can hardly be gathered into a thoughtful strategic framework. It is rather dependent on resources made available at a regional level to complement bi-lateral NIPs.

As most of the approaches are actually to a large extent common to several if not all SE Asian countries, it is difficult to come to the conclusion that changes were introduced to fit with a changing context in Malaysia or to local specificities of each sector.

Related facts, figures, and references:

Economy and Trade: EC approach has been mainly focused on regional programmes with a stronger and growing emphasis on programmatic interventions since 2003 reflecting the changed context, i.e. Malaysia's growing openness for bilateral programmatic cooperation since the beginning of the decade.

Higher education: The EC relied on generic, regional level instruments for their interventions in the HE Malaysian sector. While the generic instruments, to enable mobility and collaboration between European and Malaysian HEIs, addressed needs and priorities, it did so at a very general level and in terms of very small volumes. The mix of instruments, approaches, and financing modalities did not change significantly over the reporting period.

Environment: The interventions in the Malaysian environmental domain took place in the context of demand-driven regional instruments. The Timber certification programme, a more structured

negotiation process at technical and SMOM level, indicates that the EC approach may be changing in the face of the growing concern of the GOM with global environmental challenges.

Cross-cutting issues: EC approach has been mainly focused on budgetary lines and horizontal lines to address the CCIs.

I 6.1.2 Emerging issues incorporated quickly and effectively into policy dialogue and cooperation programme.

EC cooperation was not in a position to be pro-active and therefore did not find much ground to incorporate emerging issues in EC's interventions. The European interventions in Malaysia have not profited from a country-level dialogue. Instead, they have relied on generic regional programmes. In the trade sector there is evidence that emerging issues (trade disturbances, i.e. Malaysian import restrictions on European wine, cheese and chicken and EC import ban on Malaysian seafood products; all in 2007-2008) were quickly and successfully dealt with by the EC and the Malaysian government in a mutually beneficial dialogue. The same kind of evidence was not found for other sectors.

The field mission confirmed that EC cooperation was not in a position to be pro-active in CCIs either, and therefore did not find much ground to incorporate emerging issues in EC's interventions. The field mission has not identified an explicit and consistent definition of an appropriate policy on governance, gender and Human Rights for Malaysia to put into policy dialogue. Additionally, little explanation or rationale was provided in Malaysia in support of particular sectoral choices. Flexible instruments such as budgetary lines represent a potentially useful way of mainstreaming good governance and gender issues, but they have not yet functioned effectively in this regard.

Related facts, figures, and references:

Higher education: The European Commission relied on generic regional programmes for mobility and research collaboration to address Malaysian HE needs. For that reason, interventions have concentrated on long-run structural issues.

Environment: On the one hand, EC environmental interventions have concentrated on medium and long-term policy objectives (i.e. capacity-building, technological development, conservation of biodiversity). Thus, the EC engagement with the Malaysian environmental policy domain did not address, whether by design or by default, short term emergent issues in the environmental sector. On the other hand, the absence of national-level policy dialogue on environmental issues precluded adaptation.

JC 6.2 For the main actions the implementing modality responded to the needs of the actions, as well as to the capacity of the partner

In the case of Malaysia project components under regional EC-ASEAN/Asia programmes in the trade/economic sector (see EQs 1 and 5) the implementing modality responded to the needs of the actions, as well as to the capacity of the partner as it is clearly outlined in the monitoring/evaluation reports on COGEN 3, Asia Trust Fund (AFT), ECAP II and one Asia Invest project.

In other sectors, given the lack of coordination of predominantly regional instruments at national level in Malaysia, it is questionable whether the actual combination of instruments, approaches and financing modalities was the outcome of a strategic process. While almost all projects did achieve stated aims (some mutual understanding, transfer of European best practices and technology, insights in governance agenda, etc.), there is evidence to suggest that programmes did not manage to address intended goals adequately (I 6.2.1).

No intended combination of instruments was found as most of the EC interventions came from regional programmes' calls of proposals, where EU partners of the consortium were leaders and main beneficiaries. Malaysian members of the Consortium were exposed to EC regulations only for

providing account and receipts. The capacity of Malaysian partners is fairly high when compared to developing countries. Thus tailored programmes could have gone much further in terms of a combination of instruments and approaches (budget support) and the involvement of Malaysian partners (I 6.2.2).

Related facts, figures, and references:

Higher education: Although the combination of instruments achieved policy goals in a narrow sense, the volume and dimensions of these projects enable programmes to address a very small part of the overall problems. The HE interventions were not tailored to the specific needs and capacities of Malaysian HEIs.

Environment: Similarly, environmental policy interventions in Malaysia achieved some of their goals. However, there is evidence to suggest that, given the lack of coordination at national level, programmes overshot their targets or were of little real use to policy actors on the ground.

Cross-cutting issues: The project concerning Indian women, which entailed aspects of governance, Human Rights and gender issues, suffered from a lack of appropriate monitoring with regard to these aspects. Nevertheless, the field visit underlines that all funded budgetary lines were highly relevant to the needs. It is noteworthy that all of the projects or some components of them are still getting implemented. Although the Indian women project involved National authorities, the project reveals *'that it is not certain if the current intervention is reaching the poorest of the poor or the most needy groups of Indian women'*.

I 6.2.1 Combinations of instruments, approaches and financing modalities were instrumental in achieving EC goals with a minimum of effort and cost

Given the lack of coordination of predominantly regional instruments at national level in Malaysia, it is questionable whether the actual combination of instruments, approaches and financing modalities was the outcome of a strategic process. While almost all projects did achieve stated aims (some mutual understanding, transfer of European best practices and technology, insights in governance agenda, etc.), there is evidence to suggest programmes did not manage to address intended goals adequately.

Related facts, figures, and references:

Economy and Trade: Major EC goals related to economy and trade were not achieved as the EC failed to find an agreement of the Malaysia government.

Higher education: The combination and nature of the policy instruments in the HE sector achieved policy goals narrowly defined: mobility programmes moved students and faculty; collaborative programmes created collaborative networks between European and Malaysian HEIs. However, the numbers involved in these programmes were so small that it is questionable whether these programmes have seriously addressed needs in the Malaysian HE.

Environment: While related projects did achieve stated aims (transfer of European best practices and technology), there is evidence to suggest programmes did not manage to address perceived issues adequately.

Cross-cutting issues: Major EC goals (especially Gender, HR and Governance) were not achieved. No contextual analysis, no statistical data of any CCI, no indicator of CCIs performance through projects.

I 6.2.2 Combinations of instruments and approaches were defined to suit partners' capacity more than regulations of each financing modality

No intended combination of instruments. Most of the EC interventions came from regional programmes' calls of proposals, where EU partners of consortium were leaders and the main beneficiaries. Malaysian members of the Consortium were exposed to EC regulations only for providing account and receipts.

In HE, interventions were not tailored to specific circumstances prevalent in the Malaysian HE sector. The demand-driven, bottom-up nature of instruments employed in the environment sector ensured that existing networks and actors used and adapted instruments to suit their needs and capacities.

JC 6.3 One instance was recognized the authority on strategic thinking and combining EC instruments/approaches and was supported by monitoring and evaluation reporting.

No such authority was identified at national level outside the EC Delegation in Malaysia. Exchanges of views on EC co-operation instruments were not organised through fora and workshops (I 6.3.1). Such events were intended to disseminate projects' results, like for AsiaUrbs. No testimony of an analysis of comparative advantages of the various instruments and approaches in the Malaysian context was found either, that might be explained by the fact that the bulk of resources were expected from regional programmes(I 6.3.2).

Lessons were learned through other channels than documentation, probably direct experience of the Delegation's staff and experience from other ASEAN countries, mainly Thailand. Those lessons are systematically mentioned in CSPs to justify chosen instruments/approaches/sectors in very general terms, but that shows a good understanding of the Malaysian context (I 6.3.3).

Monitoring/evaluation reports with some assessment of instruments and approaches efficiency are available on regional programmes (for example COGEN 3, Asia Trust Fund (AFT), ECAP II and one Asia Invest project). Monitoring and evaluation was otherwise weak during the period under review, and cannot be assessed as an explaining variable for efficiency and ability to achieve EC assistance goals. The constraints were much more related to the governments' non-cooperative stand and the weakness of resources whatsoever available. (I 6.3.4, I 6.3.5).

Related facts, figures, and references:

Economy and Trade: In the trade/economic sector, there is no evidence that monitoring/evaluating reporting was instrumental in developing strategic thinking.

Higher education: Despite the availability of monitoring and evaluation reports as well as the AsiaLink symposium, there is little evidence that points to a strategic learning process.

Environment: In terms of environmental interventions in Malaysia, the evidence provides no indication that the different sources of knowledge and feedback about the programmes were pulled together in a strategic process of learning.

Cross-cutting issues: No EC staff dedicated to CCIs.

I 6.3.1 EC organized forums and workshops with government and other stakeholders on comparative strength and weaknesses of various EC instruments and approaches

Apart from AsiaUrbs programmes, surprisingly little fora and workshops organized under EC auspices during the reviewed period, and no opportunity to open EC co-operation's instruments and approaches to a discussion with stakeholders. In the economy/trade sector, fora and workshops with EC (Delegation) participation were organised with the intention of disseminating information (for example on green procurement policies and EC standards), but did not aim at discussing EC instruments and approaches.

Related facts, figures, and references:

Economy and Trade: There is surprisingly little information available on EC organised fora and workshops in the documents.

Higher education: In Malaysia, the EC organised a Higher Education Fair coupled with the AsiaLink symposium. There is no evidence suggesting that information workshops/ symposia were organised for FWP 6 or 7. There is no evidence of an Erasmus Mundus workshop. As a rule, these workshops targeted primarily stakeholders.

Environment: There is no evidence to suggest that workshops and seminars on environmental issues/EU policy instruments were organised. The Timber Certification programme features meeting and negotiations at SOM and technical level.

Cross-cutting issues: No.

I 6.3.2 Reports and notes issued by EC defining comparative advantages of the various instruments and approaches in the Malaysia context

No analysis of comparative advantages of the various instruments and approaches in the Malaysia context as the bulk of resources were expected from regional programmes.

Related facts, figures, and references:

Economy and Trade: No existence of such reports and notes

Higher education: There are no such notes or reports available in Malaysia for HE policy.

Environment: There are no such notes or reports available in Malaysia for environmental policy.

Cross-cutting issues: The field mission confirmed that the EC has not really defined any CCI policy and comparative advantages on CCIs or EC added value. The EC mentioned HR interests, but there are no specific notes and reports on how to achieve this commitment with regard to Malaysian policy, particularly taking into perspective the international treaties that Malaysia has not yet signed. (CSP 2007-2013).

I 6.3.3 Experience learned and documented integrated in strategic programming documents

Lessons were learned through other channels than documentation, probably direct experience of the Delegation's staff and experience from other ASEAN countries, mainly Thailand. Those lessons are systematically mentioned in CSPs to justify chosen instruments/approaches/sectors but in very general terms, but which show a good understanding of the Malaysian context.

Related facts, figures, and references:

Economy and Trade: All strategic programming documents include sections on lessons/experiences learned which form the basis for the design of the respective outline of planned cooperation programmes.

Higher education: Although HE is specifically mentioned in CSPs and NIPs, there is little indication of a systematic learning process.

Environment: There is little to suggest that findings from evaluations and monitoring have systematically flown into the formulation of EC environmental policy interventions in Malaysia.

Cross-cutting issues: No lesson-learned experience on CCI due to the absence of data for evaluation and strategic analysis.

I 6.3.4 Monitoring and evaluation focused on instruments and approaches efficiency and ability to achieve EC assistance's goals

Monitoring/evaluation reports with some assessment of instruments and approaches efficiency are available on regional programmes (for example COGEN 3, Asia Trust Fund (AFT), ECAP II and one Asia Invest project). Monitoring and evaluation was otherwise weak during the period under review, and can't be assessed as an explaining variable for efficiency and ability to achieve EC assistance goals. The constraints were much more related to the governments' non-cooperative stand and the weakness of resources whatsoever available. Since 2008, various monitoring and evaluation mission were undertaken. The Erasmus Mundus achievements were evaluated in Sept. 08.

Related facts, figures, and references:

Economy and Trade:

Higher education: The Erasmus Mundus mid-term review focused on ways and means of better

delivering the programme. The AsiaLink and AUNP evaluations have not been made available to the evaluation team.

Environment: The EAEP and COGEN III evaluations addressed the problem of poor uptake of and buy- in into the programme.

Cross-cutting issues: Too few reports available for any meaningful assessment.

I 6.3.5 Related evaluations undertaken.

See I 6.3.4.

Related facts, figures, and references:

Economy and Trade: No information available.

Higher education: An evaluation of the Erasmus Mundus ECWs in Malaysia is under way.

Environment: No related evaluations are known.

Cross-cutting issues: Except one MR on a project, there is no evaluation of CCIs. There is no reference to Regulatory acts such as communication on governance, etc... in any CSP.

EQ7 - To what extent has the EC coordinated and cooperated with EU Member states and IFIs intending to improve the complementarity of their interventions?

The EC programming documents (CSP 2002-2006, p. 19) underline its commitment to provide for complementarities in co-operation programmes at EU and international level, involving all partners including EU Member States, business associations, universities and other institutions, NGOs, trade associations and others. Regular meetings of EU Heads of Mission and of economic counsellors in Malaysia are held as well as regular meetings with the World Bank, the Asian Development Bank and the UN agencies. At this stage, there is no document to assess if this statement bore an implementation for the main IFIs, but the 2005 strategic evaluation allows assessing that EC played a significant role in coordinating MS initiatives and dialogue with the Malaysian government. This coordination did not imply a complementarity between the co-operation programmes, mainly for trade and investment initiatives, where competition stays the rule among MS. There is no report of solving conflicts or inconsistencies available to date. The 2005 Strategic Review mentioned that coordination did take place with the EC as a pro-active player (exchange of information on matters of mutual concern). This somehow informal approach can be seen appropriate considering the small number of projects implemented by the EC and MS (JC 7.1).

The EC didn't launch joint programmes with MS. On the contrary, as EC co-operation is mainly based on ASEAN programmes, the scope for joint co-operation with MS narrowed during the covered period (cf. I 7.2.1). There is no locally based joint policy dialogue or common donors' platform in Malaysia. MS leave to EC HQ in Brussels policy dialogue (mainly on trade matters) and focus on small-scale project implementation or economic initiatives (I 7.2.2).

While Embassies of MS stressed the "good coordination role of the Delegation", the point of reference was more the constructive input of the Delegation as the lead agency in resolving trade disturbances in negotiations with the Malaysian government (see EQ1) than the joint implementation of MS/EC projects (JC 7.1).

MS highly appreciated that the EC which has constantly reminded Malaysian authorities of European values.

The only example of externally managed facility financed mainly by EC in Malaysia is the Trust Fund I managed by the WB and mainly financed by the EC (see EQ1). No mentioning of this instrument was made in EC programming documents and no mention of EC programming documents contents can be found in TF planning materials. It can therefore be assessed that consistency was not considered in designing both logical frameworks and that no link was entertained during implementation. Assessment of the consistency with EC long term goals will be difficult, since EU long term goals in Malaysia were not clearly stated in EC programming documents. No evidence of EC visibility in ASEM TF implementation was found specifically for Malaysia. Overall reporting of the WB managed ASEM TF1 in ASEAN was weak in terms of EC visibility. An example for good EC visibility is the Malaysia project component of the Asia Trust Fund, which was managed by the International Trade Centre (ITC). The project was characterised by high EC visibility according to interviews at SIRIM, the Malaysian implementing agency (JC 7.3).

Apart from the fact that EC Delegation was in touch on a regular basis with both MS and IFIs, no evidence was found (see I 7.4.1) that this led to improved complementarity between them. The CSP presents shortly MS and IFIs cooperation activities but no gaps are specifically identified (see I 7.4.2). On the same line, EC strategic planning in CSPs does not assess EC comparative advantage (see I 7.4.4). Day-to-day operations might have been organized according to additionality and gap-filling but this is neither anticipated in the CSPs nor reported (see I 7.4.5).

Related facts, figures, and references:

Higher education: No coordination between MS activities in HE on the one hand and other IFIs on

the other has taken place.

Environment: The EC has cooperated by the UNDP by financing the Tropical Forests Project facility. Over and above this contribution, coordination between EC activities and activities of MS on the one hand and other IFI's on the other has not taken place.

Cross-cutting issues: The field visit confirmed that the EC the EC which has constantly reminded Malaysian authorities of European values.

Extracts:

"All Embassies showed satisfaction with the dialogue enabled by the opening in Kuala Lumpur of the EC Delegation. It was stressed that information was systematically provided to the Member States on initiatives or matters of mutual concern and that the Delegation offered a regular and well organised forum for discussions and required co-ordination." (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 19).

JC 7.1 EC contributed to establish coordination with member states on one side, and multilateral donors (particularly the World Bank) on the other side, on their co-operation programmes

EC coordination is limited to a regular exchange of information on matters of mutual concern. This somehow informal approach can be seen as appropriate considering the small number of projects implemented by the EC and MS. A more formal approach would not be cost-efficient (I 7.1.3). There are no records avoiding potential conflicts between its co-operation programmes and member states or other donors ones available. On economic cooperation, competition seems to stay the rule among larger MS (particularly Germany, France, UK and Italy) (I 7.1.1). The same applies to EC resolving inconsistencies between its co-operation programmes and member states programmes or other donors programmes available with MS as those (apart from Denmark) have had no more co-operation programmes for years. IFIs left Malaysia, apart from the UN family of agencies, particularly UNDP, which managed EC funding devoted to community development/forestry and is so limited in own resources than it can hardly follow another path than co-financing (I 7.1.2).

Related facts, figures, and references:

Economy and Trade: The MTR of the Asia Trust Fund (2006) criticised "the absence of cooperation [between the EC and] WTO and UNCTAD in the design and implementation of ATF projects, despite the call for such cooperation made when the facility was established. This outcome is rather surprising especially in the case of UNCTAD, as one third of the projects approved could have benefited from its expertise" (p. 5). However there is no specific reference to Malaysia. According to 2005 Strategic Review and Programming Mission, "*the distinction is made between trade policy-related initiatives, for which the EC Delegation is accepted as a leader, and trade implementation activities, where in most cases the Member States are competitors. The importance of competition is in a few cases considered as over-riding. Small country embassies, on the other hand, rely greatly on the EC for trade development.*" (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 15). This is still an accurate assessment of the situation and was confirmed by the MS embassies.

Higher education: In the HE sector, no such cooperation or coordination is evident.

Environment: In the environmental policy sector, the EC cooperated with the UNDP in funding projects to empower local communities in forestry-relevant regions. This however, was not closely coordinated with similar efforts by members States.

Cross-cutting issues: The formulation of CCIs in the CSP 2007- 2013 is particularly in line with the WB which defines Corporate governance indicators based mainly on economical aspects. According to 2005 Strategic Review and Programming Mission, "*As the UNDP is phasing out part of its activities in Malaysia, co-ordination would concern mostly the UNHCR whose permanent representative has working relations with the EC Delegation*" Sema Belgium, Final Report, Strategic Review and Programming Mission, For

Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 21).

Extracts:

“The Delegation stated that there was –ultimately- little to co-ordinate. There were only a few countries with activities namely the UK, Germany, France, Spain and Denmark at the project level.” (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 19).

Francesco Abbate, Reviewer, Asia Trust Fund, Mid Term Review, Final Report, 31 August 2006.

I 7.1.1 Records of EC avoiding potential conflicts between its co-operation programmes and member states ones or other donors ones

No records avoiding potential conflicts between its co-operation programmes and member states ones or other donors ones available. On economic cooperation, competition seems to remain the rule among larger MS (particularly Germany, France, UK and Italy). As one counsellor at the embassy of a MS put it, *“it goes without saying that we try to cooperate with the Delegation and the other member states as good as we can to create synergies and to avoid conflicts. However, we all have our specific national economic interests and the level of competition, driven by the interests of our big companies, is high”*.

Related facts, figures, and references:

Extracts:

Another Embassy considered that there was information provided, but that no co-ordination was needed, as all member countries were competing with one another and that –in focal areas chosen by the EC for co-operation- its on-going programmes dwarfed the initiatives taken by other EU member countries, and very little could be expected from co-ordination.” (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 19).

I 7.1.2 Records of EC resolving inconsistencies between its co-operation programmes and member states ones or other donors ones

This is no record of the EC resolving inconsistencies between its co-operation programmes and those of member states, or other donors (most of which have had no more co-operation programmes for years). The same applies to usual ODA and IFIs which have left Malaysia. Only certain UN agencies have remained, particularly the UNDP, which managed EC funding devoted to community development/forestry and is so limited in own resources than it can hardly follow another path than co-financing.

I 7.1.3 Reports on coordination mechanisms put in place

The 2005 Strategic Review mentioned that coordination took place with the EC as a pro-active player (exchange of information on matters of mutual concern). This somehow informal approach can be seen as appropriate considering the small number of projects implemented by the EC and MS. A more formal approach would not be cost-efficient.

The country holding the presidency of the EU plays a leadership role. While Embassies of MS stressed the “good coordination role of the Delegation”, the point of reference was more the constructive input of the Delegation as the lead agency in resolving trade disturbances and negotiations with the Malaysian government (see EQ1), than the joint implementation of MS/EC projects.

Related facts, figures, and references:

Economy and Trade: In the case of the ASEM Trust Fund, the project “Enhancing Industrial and Export Competitiveness in Malaysia” (TF021763), benefited from the creation of a Steering Committee which included officials from the involved government agencies. The development of this

organisational structure made possible the extensive consultations between government officials and private sector beneficiaries of the project, and facilitated the completion of the consulting firm's research and reports. The engagement of senior level government officials contributed not only to the initial success of the process, but will also ensure sustainability of the results (World Bank, Asian Financial Crisis Response Fund 1. Completion Report, Washington DC. 2003, p. 22-23).

Higher education: No such records are available.

Environment: No such records are available.

Cross-cutting issues: No such records available.

Extracts:

“The EC Delegation kept all the Embassies of the EU Member States informed down the line. Ambassadors are invited to all activities of the Delegation. Meetings for joint discussions and the coordination of action were also undertaken by the Embassy of the Country holding the presidency of the EU. (...). All Embassies showed satisfaction with the dialogue enabled by the opening in Kuala Lumpur of the EC Delegation. It was stressed that information was systematically provided to the Member States on initiatives or matters of mutual concern and that the Delegation offered a regular and well organised forum for discussions and required co-ordination. This was useful in the context of the Malaysian government's intention to consolidate diversified sectors. (...). Co-ordination should evolve into co-operation; Others considered that while information and co-ordination were important achievements, the member states should be given a role in the countries where Asia-wide programmes apply; (...). Smaller countries' embassies appreciated the co-ordinating role of the EC Delegation without hampering the normal competition between EU countries on private sector trade issues” (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 19).

JC 7.2 EC contributed to launch EC-Member states joint programmes or consistent policy dialogue with the Malaysian authorities

The EC didn't launch joint programmes with MS. On the contrary, as EC co-operation is mainly based on ASEAN programmes, the scope for joint co-operation with MS narrowed during the covered period (cf. I 7.2.1). There is no locally based joint policy dialogue or common donors' platform in Malaysia. MS leave to EC HQ in Brussels policy dialogue (mainly on trade matters) and focus on small-scale project implementation or economic initiatives (I 7.2.2).

I 7.2.1 Existence of joint co-operation programmes

No documentary evidence of any initiative towards implementing jointly with MS co-operation programmes. Some initiatives based on ASEAN programmes such as the Higher Education Fairs gather EC and the MS but this did not lead to more financially tying exercises. On the contrary, as EC co-operation is mainly based on ASEAN programmes, the scope for joint co-operation with MS narrowed during the covered period.

I 7.2.2 Existence of joint policy dialogue or common donors' platforms upstream to policy dialogue with Malaysian government

There is no locally based joint policy dialogue or common donors' platform in Malaysia. MS leave to EC HQ in Brussels policy dialogue (mainly on trade matters) and focus on small-scale project implementation or economic initiatives. On the other hand, the Malaysia government has shown very little interest in policy dialogue with EU representatives, unless on marginal matters such as the cross-cutting issues through EC NGOs supported projects. The strong policy stand of Malaysia both internally and within multilateral fora is to be taken into account.

Related facts, figures, and references:

Economy and Trade: MS leave to EC HQ in Brussels policy dialogue on trade matters.

Higher education: No joint policy dialogue or donor's platform exists for HE policy interventions.

Environment: No joint platform or donor's platform exists for HE policy making.

Cross-cutting issues: No such records available.

Extracts:

The 2005 Strategic Review and Programming Mission commented in some detail on aspects of coordination: *"In the context of the CSP, embassies reacted differently: some Embassies pointed only to the quality of dialogue and to the need to further develop close co-operation and co-ordination, in particular in the sectors identified as priorities. IPR is one such area needing better co-ordination."* (Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 19).

JC 7.3 EC funded trust fund or facilities managed by international agencies (WB, UN agencies) stayed consistent with EU long-term goals and EC co-operation interventions

The only example of such trust funds or facilities managed by international agencies in Malaysia is the Trust Fund I managed by the WB and mainly financed by the EC (see EQ1). No mentioning of this instrument was made in EC programming documents and no mentioning of EC programming documents contents can be found in TF planning materials. It can therefore be assessed that consistency was not considered in designing both logical frameworks and that no link was entertained during implementation (I 7.3.1). Assessment of the consistency with EC long term goals is difficult as EU long term goals in Malaysia were not clearly stated in EC programming documents (I 7.3.2). No evidence of EC visibility in TF implementation was found specifically for Malaysia. Overall reporting of the WB managed ASEM Trust Fund I in ASEAN was weak in terms of EC visibility (I 7.3.3). Malaysia did not receive any grants under the ASEM Trust Fund 2. An example for good EC visibility is the Malaysia project component of the Asia Trust Fund, which is managed by the International Trade Centre (ITC). The project was characterised by high EC visibility according to interviews at SIRIM, the Malaysian implementing agency (I 7.3.3).

Related facts, figures, and references:

Higher education: In HE, the EC did not interact or fund external trust funds.

Environment: In the forestry sector, the EC contributed to the Tropical Forestry Facility managed by UNDP.

Cross-cutting issues: No evidence with UNDP. According to 2005 Strategic Review and Programming Mission, *"As the UNDP is phasing out part of its activities in Malaysia, co-ordination would concern mostly the United Nations High Commissioner for Refugees (UNHCR) whose permanent representative has working relations with the EC Delegation"* Sema Belgium, Final Report, Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia, 5 April 2005, p. 21).

I 7.3.1 Consistency of logical framework and approaches between EC regional and bilateral co-operation strategy and externalized facilities logical framework and management

The only example of such facility in Malaysia is the ASEM Trust Fund I managed by the WB and mainly financed by the EC (see EQ1). No mentioning of this instrument was made in EC programming documents and no mentioning of EC programming documents contents can be found in TF planning materials at this stage. It can therefore be assessed that consistency was not considered in designing both logical frameworks and that no link was entertained during implementation. The fact that the Malaysian government limited the implementation of the projects financed through the TF is another major constraint to assess this indicator for implemented projects.

I 7.3.2 Consistency of externalized facilities logical framework and management with EU long term goals in Malaysia

EU long term goals in Malaysia were not clearly stated in EC programming documents. Interviews have shown that the understanding of those goals was shared among EC strategy actors at Bangkok, Kuala Lumpur and Brussels, but they were not explicated in public documents. The consistency of the

TF logical framework with those goals was weak, as left to informal exchange of information if any.

I 7.3.3 EC Visibility with externally managed facilities

Overall reporting of the WB managed ASEM TFs in ASEAN was weak in terms of EC visibility. An example for better EC visibility is the project on “Support to Malaysian Enterprises on Compliance with Green Procurement Policies and Guidelines in the EU” under the Asia Trust Fund, which is managed by the International Trade Centre (ITC) as a channel to provide quick delivery of short-term Trade-Related Technical Assistance, in response of an immediate need identified by a national government or regional organisations. While the ATF Mid-Term Review (MTR) concluded in general terms “*The role of EC delegations in ATF interventions has greatly varied across countries and projects*” (p. 6), the Malaysia project was characterised by high EC visibility according to interviews at SIRIM, the Malaysian implementing agency. The constructive role of Mr. Geert Anckaert, then Programme Manager, EU – Malaysia Cooperation, who attended several project-related meetings, was stressed.

Related facts, figures, and references:

Higher education: No complementarity sought and none achieved

Environment: No complementarity sought and none achieved

JC 7.4 EC contributed to achieve complementarity between member states and other donors' interventions

Apart from the fact that EC Delegation was in touch on a regular basis with both MS and IFIs, no evidence was found (see I 7.4.1) that this led to improved complementarity between them. The CSP presents shortly MS and IFIs cooperation activities but no gaps are specifically identified (see I 7.4.2). On the same line, EC strategic planning in CSPs does not assess EC comparative advantage (see I 7.4.4). Day-to-day operations might have been organized according to additionality and gap-filling but this is neither anticipated in the CSPs nor reported (see I 7.4.5).

Related facts, figures, and references:

Economy and Trade:

Higher education:

Environment:

Cross-cutting issues: Not sufficient information available to substantiate.

I 7.4.1 Records of EC achieve synergies between its co-operation programmes or policy dialogue and member states ones or other donors ones

No such records available or supported by interviews for the period under review. Recent trade issues were an opportunity for the EC Delegation to take a coordination role with MS.

Related facts, figures, and references:

Extracts:

“*The dialogue initiated by the EC Delegation is appreciated by all and plays a substantial role in strengthening the synergies of Development Partners*” (Sema Belgium, Final Report, *Strategic Review and Programming Mission, For Country Strategies Cluster 6, Part 1, Malaysia*, 5 April 2005, p. 19).

I 7.4.2 EC strategic planning documents identify gaps and discuss means of filling them.

The CSP presents shortly MS and IFIs cooperation activities. No gaps were specifically identified.

Related facts, figures, and references:

Economy and Trade: Not the case

Higher education: No complementarity sought and none achieved

I 7.4.3 Actions taken to ensure minimisation of overlap

See 7.1.4

I 7.4.4 EC strategic planning explicitly takes comparative advantage into account.

No such analysis found in the CSP.

Related facts, figures, and references:

Economy and Trade: no evidence for this

Higher education: no evidence of this planning taking place

Environment: no evidence of this planning taking place.

I 7.4.5 EC interventions characterised by “additionality” and “gap-filling.”

This is not the case as no gap identified in CSP nor in day-to-day operations. The lack of MS co-operation programmes is an obvious limitation to coordination, aggravated by the fact that main EC fundings were regional by nature or from budget lines.

Related facts, figures, and references:

Economy and Trade: Not the case for Economy and Trade

Higher education: Not the case for HE interventions.

Environment: Not the case for environmental intervention

EQ8 - To what extent did the EC approach result in progress toward a balanced economic partnership between Malaysia and EU within the overall process of integration into the world economy that would not have occurred absent EC co-operation programmes?

Given the small volume of the cooperation programme, it is unlikely that it had any measurable impact on the development of the overall economic relationship. However, with regards to individual sectors, mainly cooperation on energy, the EC approach resulted in important value added to the partnership. COGEN 3 is probably the best example. The project had a positive impact at policy levels through the organisation of several fora and study tours for ASEAN policy makers in Europe and ASEAN, which has raised their awareness on the importance of promoting cogeneration in their countries. Impacts are also visible in Malaysia and Cambodia, however, to a smaller extent. COGEN impacted the policy framework and legislation in Malaysia. Thailand, Malaysia and Singapore were commercially more ready to invest in cogeneration projects than the other ASEAN countries, and the direct impacts were concentrated there. Many of the projects have an innovative approach and are the first of their kind in ASEAN, introducing new standards and methodologies for end users and policy makers, for instance in Malaysia (European Commission, *Ex-post Evaluation of the COGEN 3 Programme*. Framework Contract 2006/115686, Popular Report, September 2006).

ECAP II also provided a valuable - albeit indirect - contribution to economic relations as the Malaysia component helped to improve the national legal framework for IP as well as IPR administration, enforcement and awareness. Malaysia's IP regime complies now better to EC and global standard and this should benefit trade and investment relations between the EU and Malaysia.

At the level of policy dialogue, conflicts on trade issues were resolved in (informal) dialogue between the EC (coordinated with the MS) and the Malaysian government (JC 8.1).

JC 8.1 EC Bilateral/regional policy dialogue on trade issues was influential in Malaysia arbitration on controversial national regulations

There was no arbitration on controversial national regulations during the assessment period. Conflicts on trade issues were resolved in (informal) dialogue between the EC (coordinated with the MS) and the Malaysian government (see EQ1).

I 8.1.1 Existence of legal acts related to trade contradictory with EC/donors policy orientations

In 2007 the Head of Delegation, openly brandmarked affirmative action (Malaysia's Bumiputra policy as a stumbling block for "trade and investment relationship between the EU and Malaysia"). However, while most interviewees agreed that affirmative action was indeed a problem, they objected to the way the message was conveyed to the Malaysian government (see also I 1.5.1 under EQ1).

I 8.1.2 Joint meetings, seminars, workshops on regional integration hold regularly

There has been little activity towards the joint dissemination and sharing of expertise on matters of regional integration in ASEAN. While regional programmes, such as ECAP II and the ATF aimed, among other objectives, at fostering intra-ASEAN trade and investment and generally economic integration, the main focus has clearly been the national context.

JC 8.2 EC adds value to the Member States' as well as international community's engagement with Malaysia through coordination

Regular consultations and meetings take place but according to interviews this does not amount to a

formal coordination of MS activities in Malaysia (I 8.2.1). The relationships with UN system and other IFIs was restricted to EC funding management on highly specific projects where those agencies had clear operational bases, such as with UNDP (I 8.2.2, 3).

I 8.2.1 Through regular consultations and meetings, EC coordinates activities of MS in Malaysia.

Regular consultations and meetings take place but according to interviews this does not amount to a formal coordination of MS activities in Malaysia. MS coordinate mostly on an ad hoc basis whenever matters of common concern arise (for example with regards to recent trade disturbances as outlined under EQ1). In the trade/economy sector, some coordination of trade and investment activities is also achieved through the pro-active role of the EU-Malaysia Chamber of Commerce and Industry. The Chamber itself stressed that after the change of personnel at the EC Delegation the relationship between EUMCCI & the EC Del had improved tremendously.

I 8.2.2 EC finances other coordination agencies.

EC didn't hire or co-finance any other agency in charge of coordinating MS ODA.

I 8.2.3 Joint programming activities undertaken.

No joint programming set in place during the period. Some of the EC interventions were implemented by UN system agencies (UNDP for community development programmes) and, at a very early stage, to the World Bank (Trust Fund I). Those relationships stayed as they were set up and didn't evolve towards joint programming.

It is worth noting that major IFIs (ADB, WB) are not present in Malaysia.

I 8.2.4 Issues such as environment, human rights, etc. mainstreamed more successfully than would have been possible absent EC action

No evidence was collected of any impact of EC interventions on government policy in those fields. Each EC intervention was effective in its restricted field and with its direct partners, but influence was too diffuse to reach policy dialogue level. A few insights in the environment field shown that an indirect impact might have been achieved, for example when a R&D beneficiary (SIRIM on COGEN) participated to government level meeting.

ANNEX 4 – METHODOLOGY

Evaluation Questions		Sources & respondents					
		EC Delegation	Project management	Ministries	NSAs	Bene-ficiaries	MSs & donors
1	To what extent have the Commission's interventions contributed to improved trade and economic partnership with the country?			main			
2	To what extent have the Commission's interventions in the sector of higher education contributed to increase mutual understanding and awareness?			main			
3	To what extent were the EC programmes in the country consistent with the global objectives of EC response to global challenges faced by ASEAN, particularly environment issues?			main			
4	To what extent has EC mainstreaming of gender, governance and human rights into its cooperation programmes resulted in enhanced governance in the country?				main		
5	To what extent did the EC assessed and considered (i) the government's priorities, (ii) the needs of the country and, (iii) the evolving context in programming its strategic response, including the follow-up of the implementation strategy?	main					
6	To what extent did the combination of instruments, approaches, financing modalities and/or channels of disbursement used by the EC contributed to achieve EC aid objectives?	main					
7	To what extent has the EC coordinated and cooperated with EU Member states and IFIs intending to improve the complementarity of their interventions?						main
8	To what extent did the EC approach result in progress toward a balanced economic partnership between Malaysia and the EU that would not have occurred absent EC co-operation programmes?			main			

Evaluation Questions		Projects proposed for analysis (case studies in bold, to be discussed with Delegation)	Related methodological tools				
			Interviews	Focus group	Statistical bench-	Field visits	Documents and press
1	To what extent have the Commission's interventions contributed to improved trade and economic partnership with the country?	Regional programmes implementation in Malaysia (particularly ECAP , Asia-Invest and Asia IT&C), EBIC, ASEM and Asia TF, and GSP negotiations.	main				
2	To what extent have the Commission's interventions in the sector of higher education contributed to increase mutual understanding and awareness?	AsiaLink, AUNP , FWP (particularly the INCO programmes), Erasmus Mundus		main			
3	To what extent were the EC programmes in the country consistent with the global objectives of EC response to global challenges faced by ASEAN, particularly environment issues?	COGEN, EAEF, ProEco projects (EcoToursim), EC-Malaysia Forestry programme , Asia Urbs				main	
4	To what extent has EC mainstreaming of gender, governance and human rights into its cooperation programmes resulted in enhanced governance in the country?	All major programmes/projects + CCIs oriented ones (refugees/governance)				main	
5	To what extent did the EC assessed and considered (i) the government's priorities, (ii) the needs of the country and, (iii) the evolving context in programming its strategic response, including the follow-up of the implementation strategy?	All major programmes/projects	main				
6	To what extent did the combination of instruments, approaches, financing modalities and/or channels of disbursement used by the EC contributed to achieve EC aid objectives?	All major programmes/projects	main				
7	To what extent has the EC coordinated and cooperated with EU Member states and IFIs intending to improve the complementarity of their interventions?	All major programmes/projects	main				
8	To what extent did the EC approach result in progress toward a balanced economic partnership between Malaysia and the EU that would not have occurred absent EC co-operation programmes?	Regional programmes implementation in Malaysia (particularly ECAP , Asia-Invest and Asia IT&C), EBIC, ASEM and Asia TF, and GSP negotiations.	main				