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**United Nations Development Programme**
**Country: MALAYSIA**
**PROJECT DOCUMENT (MALAYSIA)**

**Project Title**: Improving National Multidimensional Poverty Index (NMPI) as a Policymaking Tool for Poverty Reduction

**Project Number:**

**Implementing Partner:** Equity Development Division, Economic Planning Unit, Prime Minister's Department.

**Start Date:** 30 June 2022 **End Date:** 30 June 2024 **PAC Meeting date:** 16 June 2022


## Brief Description

*In line with the Twelfth Malaysia Plan, specifically Chapter 5 priority area A in Addressing Poverty and Narrowing Inequality from a Multidimensional Perspective, this project aims to assist Government in facilitating the consultative process in building and mainstreaming the poverty measurement initiatives.*

*To support Government's effort to uplift the poor and vulnerable B40 household, this project contributes toward 3 objectives namely to support the Government of Malaysia to review the country's current National MPI (National MPI), strengthened institutional capacity in the application of MPI for evidence-based policymaking and strengthened partnership, knowledge sharing and best practices at an international level.*

*Guided by the Sustainable Development Goals (SDGs) framework and Malaysia Shared Prosperity Vision 2030, this project focuses on supporting to review and enhancement of Malaysia's nationally adjusted Multidimensional Poverty Index (NMPI) in which the MPI revision will expand on existing dimensions and indicators to be more comprehensive in better reflecting the measurement of multidimensional poverty. The revised MPI will facilitate evidence-based decision-making at all levels of planning, implementation, monitoring and evaluation of poverty alleviation. The MPI approach will be adopted by all stakeholders in designing programmes taking into consideration the deprivation and needs of the households for more targeted and effective implementation.*

*The outputs from this project serve as a contribution to (1) Policy Review by refining NMPI concepts and understanding of NMPI for policy intervention approaches on inequality; (2) Data strengthening through methodological and improvement of data collection; (3) Strengthening capacity, raising awareness & advocacy among policymakers, relevant government officials and the public (4) benchmarking Malaysia's development align with international best practices in addressing poverty & inequality. All of these will contribute to the principles of (1) evidence-based policymaking for programmes to address poverty and the (2) a needs-based approach to social protection.*


| | | | |
|---|---|---|---|
| Contributing Outcome (UNDAF/CPD, RPD or GPD):<br>UNSDCF Outcome 1: By 2025, vulnerable and at-risk populations living in Malaysia, benefit from more equity-focused and high-quality social services as well as a social protection system that ensures all have an adequate standard of living.<br><br>CPD Output 1.1: A more efficient, effective and sustainable social protection system is in place that provides increased protection against contingencies throughout the lifecycle.<br>Indicative Output(s) with gender marker[1]: Gen 2 | **Total resources required:** | USD | |
| | **Total resources allocated:** | **UNDP TRAC:** | - |
| | | **Donor:** | - |
| | | **Government of Malaysia (GCS):** | USD396,709 |
| | | **In-Kind:** | EPU Equity/DOSM Mainstreaming MPI events USD32,000<br>HIES USD3,000,000 |
| | | **GMS (6%)** | USD23,803 |
| | | **TOTAL** | **USD420,511** |
| | **Unfunded:** | - | |

[1] The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

Agreed by (signatures):

| Government of Malaysia | UNDP | Implementing Partner |
|---|---|---|
| Datuk Seri Saiful Anuar Bin Lebai Hussen<br>Director General of Economic Planning Unit, Prime Minister's Department | Niloy Banerjee<br>UNDP Resident Representative for Malaysia, Singapore and Brunei Darussalam | Azlan Bin Abdul Rashid<br>Director of Equity Development Division, Economic Planning Unit, Prime Minister's Department |
| Date: 30 JUN 2022 | Date: 30 JUN 2022 | Date: 30 JUN 2022 |

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# I. DEVELOPMENT CHALLENGE

1. Malaysia has experienced significant progress in poverty reduction over half a century ago with tremendous initiatives made by the government since the introduction of the New Economic Policy (NEP) in 1971. In 2010, the New Economic Model (NEM) was launched with the main objective to make Malaysia a high-income and developed country by 2020. As such, the National Economic Advisory Council (MTEN) had suggested that the Bottom 40 (B40) of the Malaysian households by income, need special attention[2] and were the focus of support during the 10th Malaysia Plan (10MP). Later, in the 11th Malaysia Plan (11MP), the Government introduced the Multidimensional Poverty Index (MPI) measurement to implement strategies aims to uplift B40 households towards a middle-class society.[3]

2. For a long time, poverty in Malaysia has traditionally been measured on one dimension, namely income, using the Poverty Line Income (PLI) as a poverty measurement indicator. As the economy progresses, the continual steady decline of poverty saw poverty rates for all states, with the exception of Sabah, dropping below 1% in 2016, with some of the more developed states seeing statistically a near-zero incidence of poverty.[4] In 2019, the Government revised the poverty rate by adjusting the PLI methodology which led to an increased level of PLI from RM980 (2005 methodology) to RM2,208 (2019 methodology).[5] Using the new 2019 methodology, both 2019 absolute (5.6%) and hardcore (0.4%) poverty reduced from 2016 figures (absolute poverty: 7.6% and hardcore poverty: 0.6%) respectively. This shows an overall decline in the poverty rate.

3. While income poverty provides useful information, poor people define their poverty much more broadly to include lack of education, health and quality of the living standard. No single indicator is uniquely able to capture the multiple aspects that contribute to poverty. With the growing role of multidimensional poverty measurement, the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford and the UNDP's Human Development Report Office, developed the Alkire-Foster (AF) method to unpack poverty into multiple dimensions of deprivations such as education, health and standard of living. The MPI consists of two components; firstly, the headcount ratio, H, is the proportion of multidimensionally poor people in a population and secondly, the intensity of poverty component, A, reflects the average proportion of (weighted) indicators in which multidimensionally poor people are deprived. Both the incidence and the intensity of these deprivations are critical information for poverty measurement to identify **who are the poor and how people are poor to inform policy precisely**. Furthermore, it enables analysis of **patterns of poverty**: how much each indicator and each dimension contribute to overall poverty. The **flexibility** inherent in the AF method, which allows the addition of indicators and dimensions as well as changes in their weight without adding any complication in computation, makes the development process easily adopted by any country to fit the local narrative.

4. In 2013, Malaysia joined the Multidimensional Poverty Peer Network (MPPN) and developed a pilot on the national measurement of MPI (NMPI) which was presented at the launch of the MPPN.[6] In 2015, Malaysia NMPI has undergone a revision to include the income dimension to fit with the socio-economic wellbeing and development framework of the nation. In 2018, Malaysia reported its first MPI data at 0.044 in 2014 and 0.033 in 2016.[7] The latest 2019 methodology also reported Malaysia's MPI data improved with a reduction from 0.015 in 2016 to

[3] Majlis Penasihat Ekonomi Negara. Model baru ekonomi untuk Malaysia—Bahagian akhir: Langkah dasar strategik. Putrajaya: Majlis Penasihat Ekonomi Negara; 2010.
[4] 11th Malaysian Plan 2016-2020, Economic Planning Unit.
[5] Household Income Survey 2016, Department of Statistics, Malaysia and Ministry of Economic Affairs, Malaysia
[6] Household Income, Expenditure & Basic Amenities Survey 2019, Department of Statistic Malaysia
[7] https://www.ophi.org.uk/wp-content/uploads/Malaysia-Datuk-Dr-Rahamat-Bivi-binti-Yusoff-Director-General-of-the-Economic-Planning-Unit-EPU-Prime-Ministers-Department-Malaysia.pdf
[8] Mid-term 11th Malaysian Plan 2016-2020, Economic Planning Unit

0.011 in 2019.[8] While the intensity of deprivation improved slightly from 0.4154 to 0.4144 during the same time.

**Table 1: Malaysia MPI 2014, 2016 & 2019**

| Malaysia MPI | | | Incidence of Household Deprivation (%) | | |
|---|---|---|---|---|---|
| Dimensions | Indicator | Deprivation Cut-Offs | 2014 | 2016 | 2019 |
| Education | Years of schooling | All household members aged 13-60 have less than 6 years of education | 1.13 | 1.20 | 1.0 |
| | School attendance | Any school aged children (aged 6-16) not schooling | 0.60 | 0.40 | 0.4 |
| Health | Accessibility to health care facilities | Distance more than 5km away and no mobile health facility | 5.84 | 6.80 | 6.5 |
| | Access to clean water | Other than treated pipe water inside house and public water pipe/stand pipe | 4.90 | 4.10 | 3.9 |
| Standard of living | Conditions of living quarters | Dilapidated or deteriorating | 3.03 | 2.90 | 3.7 |
| | Room crowdedness | More than 2 household members in a bedroom | 14.01 | 12.00 | 9.5 |
| | Toilet facility | Other than pour or flush toilet | 0.50 | 0.30 | 0.4 |
| | Garbage collection facility | No garbage collection facility | 16.15 | 14.90 | 13.3 |
| | Transportation | All members in the household do not use private or public transport | 0.34 | 0.50 | 0.6 |
| | Basic communication tools | Does not have consistent fixed line phone or mobile phone | 1.65 | 1.40 | 1.1 |
| Income | Mean monthly household income | Mean monthly household income less than PLI | 0.64 | 0.36<br>7.6* | 5.6* |

Source: Department of Statistic Malaysia

5. As Malaysia's national MPI pilot was amongst the first in Southeast Asia, a review and refinement of the MPI dimension and indicators are needed to inform appropriate policy actions on poverty. The adjustments need to reflect the multidimensional poverty in an upper-middle-income country context. **Regular review** is encouraged where aspects of the country's changes and current priorities should be included in the revision of the national MPI. This includes **revision of dimensions and indicators** that becomes issues in the analysis of poverty. The revision is timely as Malaysia aims to become a high-income country and the COVID-19 pandemic has placed Malaysia in uncertain circumstances.

6. At present, there are several key challenges in the current NMPI as the following:

    a. **NMPI dimensions are not reflecting the socioeconomic situation in Malaysia post COVID-19 pandemic.** Malaysia's MPI takes into account monetary plus non-monetary deprivations such as education, health, and living conditions. However, Malaysia's NMPI counts only 1% of Malaysians as multidimensionally poor which may imply the indicators and thresholds used are too low and do not capture poverty the way Malaysians are experiencing it.[9] Additionally, the COVID-19 pandemic has changed the way of life, especially in digital inclusiveness and access to social protection ranging from the education of children to the life of working adults, elderly and vulnerable communities. To accurately reflect inequality due to the pandemic, a dimensions and indicators review is necessary to better inform policymaking for effective poverty reduction.

[9]ibid 6
[9] https://blogs.worldbank.org/eastasiapacific/idea-whose-time-has-come-increasing-malaysias-poverty-line

b. **Gaps in existing MPI data pertaining to gender inequality for targeted policymaking**. Poverty affects women more disproportionately than men due to social norms and cultural factors.[10] The experience of poverty by women is often associated with social problems such as domestic violence and the lack of social security.[11] The current MPI measurement of multidimensional poverty in ten indicators at the household level are not reflective of issues revolving around gender. It needs to be reviewed to capture both the prevalence of poverty among female-headed households compared to male-headed households.[12] A measure of poverty from a gender perspective will assess female-headed households' access to healthcare, a decent standard of living, nutrition meals and participation of girls and women in poor households in education.[13] The Global MPI 2021 found that in multidimensionally poor households, one in six households has at least one boy or man who is educated but no girl or woman has received an education. MPI measures coupled with correlation analysis have been applied to unpack the relationship between women's multidimensional poverty and women's lack of employment involvement/opportunities and participation in decision-making roles.[14]

c. **Disaggregated availability and accessibility.** Aggregate MPI data is publicly available via the Department of Statistics Malaysia, but disaggregated data is only accessible upon request[15] and in limited volumes. Disaggregated MPI statistic facilitates quick response and informs necessary adjustment and allocation, hence enabling the Government to track and monitor poverty reduction with better precision over time. Additionally, enhancing the accessibility of granular poverty data to the public promotes transparency and increases confidence in the Malaysian government's effort in alleviating poverty while researchers can use it for poverty research for policy insights.

d. **Limited application of PLI and MPI to formulate poverty policy and programme.** Although the PLI and MPI have been used as a poverty threshold, the usage is not widely applied in social protection programmes. The headline MPI figures remain as numbers without much use for policy formulation. This limits policy coherence and efficiencies among various government agencies carrying mandates on social assistance programme.

e. **Lack of stakeholder engagements in the development of MPI.** The development of the current MPI was not extensively communicated. The limited application of the MPI in shaping policymaking may have resulted from the lack of stakeholder engagement when defining the appropriate MPI indicators that reflect the deprivation of experience by the different segments of the *rakyat*. Setting revision of PLI as a benchmark, the MPI indicators should similarly be consulted with stakeholders and communicated for feedback. The lack of engagement increases the doubt among stakeholders about the credibility of the indicators to reflect Malaysia's socioeconomic status as an upper-middle-income country. Inclusive indicators of the national MPI should be developed based on recommendations from various parties - government, academic, civil society, private sector, and the poor person suffering from the deprivation.

7. Malaysia has been formulating policies to eradicate poverty since after independence in 1957. However, as the country gained rapid economic development over the decades, the poverty measurement needs to evolve to keep pace with the *rakyat*'s needs in an upper-middle-income

[10] Chapter 4 Gender inequalities beyond averages—between social norms and power imbalances. Human Development Report. 2019

[11] ibid

[12] "Multidimensional Poverty among Female Householders in Korea: Application of a Latent Class Model. (2021). Su-Jung Nam. Sustainability 2020, 12, 701; doi:10.3390/su12020701

[13] Global MPI 2021. Unmasking disparities by ethnicity, caste and gender

[14] Wei, W.; Sarker, T.; Żukiewicz-Sobczak, W.; Roy, R.; Alam, G.M.M.; Rabbany, M.G.; Hossain, M.S.; Aziz, N. The Influence of Women's Empowerment on Poverty Reduction in the Rural Areas of Bangladesh: Focus on Health, Education and Living Standard. Int. J. Environ. Res. Public Health 2021, 18, 6909. https://doi.org/10.3390/ijerph18136909

[15] Department of Statistics Malaysia (DOSM) (2012) National Statistics Conference (MyStats 2012) Proceedings. Available at: ttps://www.dosm.gov.my/v1/uploads/images/mystats2015/pdf/MyStats_2012_Proceedings.pdf

country. Below are some examples of how other countries use MPI to improvise their national agenda:

| Country | Purpose |
|---|---|
| Armenia | To complement monetary poverty measures and monitor progress and development goals. |
| Bhutan | To design, monitor and evaluate national and regional programs to target the poor and allocate resources |
| Chile | To complement existing poverty statistics and design and monitor and evaluate public policy.<br>(each of the indicators of the MPI were developed based on recommendations from various parties - government, academic, civil society, private sector, and poor person suffering from the deprivation) |
| China* | To identify poverty hotspots in the Wu Ling regions to implement targeting anti-poverty programmes |
| Colombia | To monitor the poverty reduction goal and define goals of specific interventions. Since 2012, it has been used to define the beneficiaries and the graduation criteria of the conditional cash transfer program. (Divided its country to urban, rural and remote) |
| Costa Rica | To complement monetary poverty measures, track poverty, target social programs and allocate resources. Area based survey – found that area with highest poverty rate is allocated with lowers budget |
| Dominican Republic | To design public policies and to target the poor in policy interventions. |
| El Salvador | To complement monetary poverty statistics and guide social policy. |
| Mexico | To monitor poverty, increase government accountability, improve targeting, budget allocation and evaluation of public policies. |
| Panama | To complement monetary poverty statistics and guide public policy (reorientation of social policy with the goal of reducing poverty levels). |
| Vietnam* | To measure and monitor changes in poverty and improvement in people's access to basic social services, to identify, categorize and prioritize beneficiaries for Government support and provide inputs for policy formulation in order to reduce deprivations in basic social services |

Source: How to Build a National Multidimensional Poverty Index (MPI) – 2019, *A Review of MPI Measurement and Uses in Asia and the Pacific

8. The pandemic has revealed gaps in countries' strategies in addressing poverty and has worsened inequality.[16] The absolute poverty measurement that relied on an income basis is no longer reflective of the multidimensional deprivation experience by the *rakyat*. In 2020, the Household Income Estimates and Incidence of Poverty Report showed the incidence of absolute poverty increased from 5.6% or 405,400 households (2019) to 8.4% or 639.800 households. Meanwhile, the incidence of hardcore poverty is estimated to increase from 0.4% (2019) to 1% which involved 78,000 households (2019: 27,200 households).[17] The current national MPI needs to be strengthened to inform better policymaking and programme formulation. Beyond poverty measurement and policy tool, the national MPI has been proven as a critical contribution to enhance government's social protection delivery and its accountability, while broadly supporting the achievement of the 2030 SDG Agenda.

9. As an upper-middle-income country, Malaysia has been successful in reducing the incidence of poverty and reduced income inequality while achieving rapid economic growth, Malaysia is seen as a role model in the development world and seeks to position itself as an exemplary nation in development best practice. In this context, Malaysia will benchmark its multidimensional poverty with appropriate international best practices such as the Global MPI exercise[18], Better Life Index

[16] https://www.undp.org/publications/mitigating-poverty-global-estimates-impact-income-support-during-pandemic
[17] DOSM. Household Income Estimates and Incidence of Poverty Report 2020
[18] https://ophi.org.uk/multidimensional-poverty-index/global-comparisons/

by the Organisation for Economic Cooperation and Development (OECD)[19] and the Multidimensional Poverty Measure (MPM) by the World Bank.[20]

10. While OPHI's Global MPI has three fixed dimensions and ten indicators, the national MPI varies across countries. The AF method allows flexibility in which country can change the dimensions, indicators and their weights based on specific contexts.[21] A well-designed national MPI can closely reflect national goals and priorities as well as types of deprivations. A national MPI is not only a measurement of poverty but also a policy tool for poverty eradication. It can help in coordinating policies across different sectors critical to poverty eradication, and its growing use over time will help achieve the SDGs in general, in addition to SDG 1.[22]

[19] https://www.oecdbetterlifeindex.org/
[20] https://www.worldbank.org/en/topic/poverty/brief/multidimensional-poverty-measure
[21] UNDP 2019. A Review of MPI Measurement and Uses in Asia and the Pacific
[22] UNDP Policy Brief 2021. Insights for Policymaking from the Multidimensional Poverty Index

## II. STRATEGY

11. The Government renewed its high commitment to address poverty from a multidimensional perspective for effective policy formulation. The Twelfth Malaysia Plan (12MP) in Theme 2 Chapter 5: Addressing Poverty and Building an Inclusive Society provides a framework for its strategy in addressing poverty. Strategy A5 on Strengthening Service Delivery Mechanism has exclusively outlined the plan to strengthen poverty measurement using MPI to inform poverty alleviation strategies. The shift from focusing on income-centric absolute poverty levels to multidimensional poverty is lauded by many as a timely move.

12. Poverty and inequality reduction are at the core of UNDP's work to support national governments to achieve real transformational change in ending poverty. At the global level, UNDP has been recognized as a catalyst to address inequality and partnered with OPHI at the University of Oxford to undertake the Global MPI. As a trusted multilateral partner serving across 170 countries and territories around the world, UNDP is uniquely positioned to help advocate for change, and connect countries to the global network of knowledge and learning reinforced by contextualized country experience.

13. In Malaysia, UNDP continuously advocates for equitable human development and is currently working to shape the multidimensional poverty discourse. At the launch of the Human Development Report in 2019, in collaboration with OPHI, UNDP hosted an MPI roundtable discussion with the Economic Planning Unit (EPU), Department of Statistic Malaysia (DOSM) and other relevant government partners, think tanks, academicians as well as CSOs. UNDP organised another two high-quality discussions in 2020 advocating for poverty indicators that represent Malaysia's economic status and its critical role to inform decisions on poverty policies.

14. Guided by the Sustainable Development Goals (SDGs) framework and Malaysia's Shared Prosperity Vision 2030, and drawing from the situation analysis above, UNDP is committed to supporting the Government plans to revise and institutionalise the national MPI, through the following approach:

    - **Enhancing national MPI Malaysia to reflect the national priorities,** in adopting an evidence-based intersectoral public policymaking for effective resource allocation and coordination
    - **Strengthening technical and institutional capacity** by socialising MPI utilisation for policy development through advocacy initiatives and capacity building among policymakers and relevant government ministries

15. This support aligned with UNDP's Country Programme Document for Malaysia 2022 – 2025 which is reflected in the first outcome that vulnerable and at-risk populations living in Malaysia benefit from more equity-focused and high-quality social services as well as a social protection system that ensures all have an adequate standard of living. The work is also aligned with the UNDP Strategic Plan Outcome 2 on "No one left behind, centring on equitable access to opportunities and a rights-based approach to human agency and human development."

16. The expected Outcome of this project is that **with improved and comprehensive measurement of poverty, more targeted and effective implementation of poverty alleviation initiatives to narrow households inequality by providing the poor and vulnerable with equitable access to high-quality services and economic opportunities to uplift the standard of living,** which will be achieved by the following Outputs and their corresponding activities:

**Outcome 1: An inclusive National MPI Malaysia to reflect the national priorities enhanced.**

**Output 1: An inclusive National MPI, which includes among others recommendations on gender-disaggregated indicators to reflect national priorities**

Activity 1.1: Conduct baseline assessment and gap analysis (diagnostic) of the current national MPI dimension, indicators, headcount, intensity, cut-offs, poverty threshold and deprivation weight

i. Review the current national MPI dimension and indicators including the space of measure, units of identification, threshold and weighted informed through local and international experience;
ii. International benchmarking exercise using perspective from global multidimensional poverty indices ie Global MPI, WB MPM, OECD Well-being Index, etc to identify potential areas of improvement;
iii. Identification of new inclusive national indicators that potentially reflect better the country's local narrative informed through participatory processes and public consultations to identify the main needs of different segment of population (i.e women, people with disabilities, elderly, indigenous, urban poor, rural community etc)

Activity 1.2: Develop an enhanced MPI dimension and indicators with policymakers, vulnerable groups and other relevant key stakeholders

i. Conduct statistical analysis (ie simulation test, redundancy test, empirical modeling, robustness analysis) to ensure robust indicators with appropriate deprivation cut-off, weight distribution and poverty threshold provide results that better reflect the realities of the poor in the country
ii. Conduct alignment and validation consultation with federal, sub-national and local government including the district officers, MPs, think tanks, academicians, CSOs as well as questionnaire troubleshooting through a pilot survey using the revised NMPI
iii. Provide recommendations to further strengthen the national household survey using the improved MPI dimension and indicators and incorporation of the finalised MPI questionnaire to the national household survey; and
iv. Produce a detailed report on the baseline and improved NMPI including the technical selection and design of indicators, statistical robustness, consultations alignments and MPI application for policy change.

**Outcome 2: Strengthened Technical and institutional capacity to utilize national MPI data leading towards evidence-based actions, particularly in enhancing service delivery**

**Output 2: Strengthened capacity among policymakers and government officials in social protection service delivery on utilising national MPI for inclusive development and policymaking**

Activity 2.1: Conduct training to build capacity among parliamentarians and government officials at the federal, sub-national, local and district level.

i. Tailored training strategy for targeted stakeholders for effective learning and creating awareness particularly among parliament members, government officials including with the district officers on how to use disaggregated NMPI data for poverty targeting, coordination and monitoring
ii. Organize training on gender mainstreaming in the context of poverty and inequality initiatives among key stakeholders including with the local government and the district officers.

iii. Guidelines developed to equip policymakers on poverty reduction impact tracking and resource allocation and agency coordination to enhance social service delivery

Activity 2.2: Provide technical advisory to policymakers in utilising MPI data for policymaking and programme development in addressing poverty and develop implementation guide to social service providers in using NMPI to improve multi-sectoral responses to poverty issues at the community level.

i. Consultation with respective ministries and agencies of social protection to coordinate and fine-tune their interventions
ii. Upon consultation, review and provide technical advisory to maximise usage of MPI data in evidence-based programming and poverty tracking.
iii. Technical advisory support on group or geographical targeting based on disaggregate of NMPI results (such as between urban and rural areas, subnational regions, gender, age groups, indigenous groups and disability status).

**Output 3: Mainstreaming of the national MPI statistic to increase its utilisation for an inclusive and equitable poverty strategy**

Activity 3.1: Development of a comprehensive communication strategy and plan

i. Develop a communication strategy and plan with an appropriate timeline and resources to ensure well-targeted media intervention is tailored to the intended groups and to different stakeholders such as Ministers, civil servants (ie municipal council, district officers), MPs, state legislators
ii. Formulate communication materials including publication of policy brief, elevator pitches, social media releases, educational videos, infographics, etc with the aim to increase understanding of the MPI indicators, application of MPI in policies and programmes addressing poverty potentially in multi-language
iii. Organize regional or international platform i.e. South-South Exchange Webinar on Malaysia's experience in enhancing national MPI, lessons learnt and opportunities
iv. Organize advocacy dialogue at sub-national to encourage state, local governments and district level to adopt MPI for evidence-based decisions at the local level.

Activity 3.2: Conduct a public advocacy campaigns for greater awareness and understanding of MPI

i. Implement MPI communication and education strategy targeting all levels of the society to keep the MPI and poverty issues in the public discourse and to guide public actions.

17. The theory of change that informs UNDP's contribution to this outcome area is that *if* the measurement of multidimensional poverty is enhanced to better reflect the deprivation and needs of the different types of communities and vulnerable groups; and *if* a more effective and participatory engagement mechanism is in place; and *if* the government's institutional and technical capacity is strengthened; then more targeted and effective implementation of poverty alleviation initiatives to narrow households inequality, empower the poor and vulnerable to have more equitable access to essential services and economic opportunities to uplift the standard of living which will lead to inclusive development

18. Programming will draw on UNDP's strong global network of expertise and partnerships, to identify the most appropriate benchmarking with a framework that is feasible to the country's context informed through the consultative process as well as international best practices such as the OPHI's Global MPI, OECD's Better Life[23] and the World Bank's Multidimensional

[23] https://www.oecdbetterlifeindex.org/

Poverty Measure (MPM)[24]. UNDP Malaysia will support Malaysia's effort to upgrade its poverty measurement metrics by leveraging on its partnership with OPHI and its own international expertise and experience.

19. UNDP will support the Equity Development Division of Economic Planning Unit, Prime Minister's Department (EPU, PMD), the Implementing Partner and the National Project Director of this project who will be working closely with the Department of Statistic Malaysia (DOSM), to facilitate the multi-stakeholder consultation and engagement in reviewing the existing MPI and in designing the enhanced MPI dimension and indicators aligned with the government's broader development framework. UNDP will work closely with DOSM in data management, technical advisory in the data collection process.

20. Relevant key ministries and government agencies involved in policymaking related to the multidimensional poverty landscape in the country will be consulted, such as EPU, Ministry of Finance (MOF), Implementation Coordination Unit, Prime Minister's Department (ICU), Ministry of Women, Community and Family Development (MWFCD), Ministry of Education (MOE), Ministry of Communication and Multimedia, Ministry of Housing and Local Government, Ministry of Rural Development, Ministry of National Unity, Ministry of Human Resources and Ministry of Health (MOH).

21. The design of the enhanced national MPI dimension and indicators will adopt robust statistical processes recommended by OPHI using the Alkire-Foster method which has been applied by countries with similar socioeconomic status to Malaysia. UNDP will support the Government to ensure the development of enhanced MPI dimension and indicators is inclusive and reflects the multidimensional poverty reality on the ground through participatory consultations with the poor and vulnerable communities. UNDP will ensure the vulnerable groups such as women & children, men, the elderly, people with disabilities, youth, urban poor and rural including the indigenous communities will have adequate opportunity to contribute their share of thoughts on what poverty and inequality means to them and how the measurement should be shaped based on these experiences. Additionally, the process will consider consultations with credible institutions such as the World Bank, think tanks, CSOs as well as reputable local academicians to ensure the revision of the methodology is comprehensive.

22. UNDP will support the Government in strengthening the technical and institutional capacity of key government institutions by conducting capacity building sessions on MPI measurement for EPU, DOSM, MWFCD, MOE, MOH, MNU, MoHR and other relevant government agencies. UNDP will support the application and understanding of MPI as a tool for evidence-based policymaking among the Member of Parliaments as well as local governments on how to use the data for effective poverty alleviation initiatives and increase awareness of MPI hotspots. UNDP will organise targeted communication on MPI to mainstream the importance of MPI at various levels of the government and society.

[24] https://www.worldbank.org/en/topic/poverty/brief/multidimensional-poverty-measure

## III. RESULTS AND PARTNERSHIPS

**Expected Results**

23. Moving forward, this project will drive the rethinking of poverty in the country. The validation of the experience of different communities will inform the selection of indicators that would provide evidence-based data in shaping social and poverty policy for the country. Additionally, the consultative process will spur confidence toward the Government of Malaysia in the administration of the country and the people's agenda as the anchor. As it fosters greater confidence for the Government of Malaysia, the economy will be more stable with the demonstration of strong leadership in people's well-being and driving towards economic growth.

24. This project contributes directly to Strategy A, Chapter 5 in 12MP which includes improving access to essential services, increasing income and uplifting the standard of living of the poor, addressing urban poverty, strengthening the service delivery mechanism and narrowing household inequality. In specific, this project is expected to support the implementation strategies that ensure hardcore poverty is eliminated by 2025 as reflected in the 12MP. The MPI dimensions and indicators will be expanded to be more comprehensive in better reflect the measurement of multidimensional poverty. MPI will facilitate evidence-based decision-making at all levels of planning, implementation, monitoring and evaluation of poverty alleviation. The MPI approach will be adopted by all stakeholders in designing programmes taking into consideration the deprivation and needs of the households for more targeted and effective implementation.

25. This project contributes to the UNDP Strategic Plan 2022 – 2025 under outcome 2 that no one left behind, centring on equitable access to opportunities and a rights-based approach to human agency and human development. The output results are expected to contribute to Output 1.2: social protection services and systems strengthened across sectors with increased investment and Output 1.3 access to basic services and financial and non-financial assets and services improved to support productive capacities for sustainable livelihoods and jobs to achieve prosperity.[25]

26. In this view, this MPI project which complements the newly adjusted PLI will lead to outcomes that closely tie back to the SDG agenda, which Malaysia pledges to adopt. It serves as a measure that helps to monitor progress especially toward SDG 1 and SDG 10. An MPI enables countries to support the SDG agenda because it helps countries in the following:

i. Leave No One Behind: MPI analysis allows policymakers to see poverty levels within different groups of a population, for example enabling them to monitor poverty in different sub-national regions, across rural and urban areas, and within groups such as women and men, children, ethnic groups, etc.
ii. Monitor Progress: The MPI can be used to track and compare multidimensional poverty over time. National MPIs can compare regions and groups within a country; a regional or global MPI can also compare countries.
iii. Identify interlinkages in policy: The MPI can be used by policymakers to coordinate policy across government and to understand and track the impact of their policies on the poor, helping to break down silos and intensify policy impact.
iv. Capacity building with Members of Parliament by familiarising Parliament with utilization of MPI and PLI to address poverty.
v. Localise action: National and regional MPIs are all carefully tailored to their local contexts, definitions of poverty and policy priorities.

[25] https://www.undp.org/publications/undp-strategic-plan-2022-2025

## Resources Required and to Achieve the Expected Results

27. Staff from UNDP Malaysia will be involved in the project implementation providing supervision on project implementation and financial management. A Programme Analyst will be assigned as a member of the national/project steering committee for performance project assurance to keep the project's progress on the right track and participate in the project's consultation meetings and technical workshops to provide technical advisory inputs and support. A Project Associate will be assigned to support the day-to-day activities of the project and will be responsible to coordinate the consultations with various stakeholders both at the federal and state levels. This person will be stationed at the Equity Development Division, EPU office in Putrajaya as the liaison person for both Equity Development Division, EPU and UNDP in communicating and coordinating the different stakeholders. UNDP Malaysia will also provide expertise on communication and advocacy, international/regional exchange of MPI best practices; and draw on MPI expertise from UNDP regional and country office network or other UN agencies where applicable.

28. This project is primarily funded by government cost-sharing (GCS) with in-kind contributions from the following entities:

- Equity Development Division, EPU and DOSM for Output 3 on MPI Mainstreaming. The project will leverage DOSM's existing events to conduct sub-national and national dialogue in promoting MPI utilisation for evidence-based policymaking as well as public engagement to increase awareness among public communities, organised by Equity Development Division, EPU and DOSM.
- DOSM for Output 1 on the design of new dimensions and indicators. The project will leverage the ongoing HIES cohort to collect data based on the new indicators.

29. The Project Management Unit (PMU) is consist of National Project Director (NDP), Programme Analyst and including one UNDP Project Associate will be supported by UNDP. PMU oversee the day-to-day implementation and the Project Associate will be based in Equity Development Division, EPU, Putrajaya to support the administrative and logistic needed. Support from Equity Development Division, EPU will include in-kind contributions such as use of office support facilities by the project team, office space and assist in gaining access to all relevant data and information required for the project that is accessible for public viewing.

30. International/National experts and/or contractual service companies will be recruited by UNDP to provide relevant expertise for delivering the outputs and activities planned under the three project outcomes. Those experts will provide expertise on MPI indicators, dimension and other relevant components deemed fit.

## Partnership

Equity Development Division, EPU will act as Implementing Partner and be responsible for the overall execution of the project in line with National Implementation Modality (NIM). Equity Development Division, EPU will appoint a National Project Director who will direct the overall implementation of the project and delegate day-to-day coordination work.

31. UNDP Malaysia will be responsible for:

i. Providing project assurance, policy and technical advisory services to the successful delivery of project outputs;
ii. Providing human resource, procurement, financial and audit services to the project;
iii. Overseeing financial expenditure against approved project budgets;
iv. Appointed independent financial auditors and evaluators; and

v. Ensuring that all activities including procurement and financial services are carried out in strict compliance with UNDP procedures.

32. All stakeholders will provide policy and technical support, and information pertaining to MPI revision. Relevant expertise from the academic institutions, CSOs/NGOs and the private sector will be invited to participate in stakeholder engagement sessions and provide technical feedback and input in certain stages of the project. UNDP will facilitate international/regional exchange of MPI expertise and best practices within its network and with other United Nations (UN) agencies such as the Office of the UN Resident Coordinator (RC), United Nations Children's Fund (UNICEF), United Nations Populations Fund (UNFPA), International Labour Organization (ILO) and relevant international agencies such as the World Bank, Asian Bank Development

**Stakeholder Engagement**

33. As Equity Development Division, EPU is a national authority that works with multiple layers of government at the federal and state levels, stakeholder engagements are important to reduce overlaps, find complementariness and develop value-add. The main partners and stakeholders are:

a) Economic Planning Unit (EPU) i.e Social Services, K-Economy, Macro Economy, Human Capital Development, Regional Development, International Cooperation.
b) Department of Statistics Malaysia (DOSM): Main national statistical body under the Prime Minister's Department
c) Ministry of Finance (MOF)
d) Implementation Coordination Unit, Prime Minister's Department (ICU)
e) Ministry of Women, Community and Family Development (MWFCD)
f) Ministry of Education (MOE)
g) Ministry of Health (MOH)
h) Ministry of Housing and Local Authority
i) Ministry of Rural Development (MRD)
j) Ministry of Federal Territories
k) Ministry of National Unity
l) Ministry of Human Resources
m) State governments
n) Local Authorities: Focal points for respective local authorities
o) Academic Institutions and Civil Society: Potential users of the MPI

34. Public and inter-government stakeholder engagement strategies that will be undertaken are: (i) An output of the project will be dedicated to build communication strategies amongst identified stakeholders. This means that resources will be allocated to ensure that a sufficient and robust process of consultation is carried out in the revision of MPI; (ii) Main stakeholders from Federal and State governments will be invited to be part of the Project Steering Committee and Technical Steering Committee to ensure collective decision making on the overall project direction, both in governance and technical aspects.

**South-South and Triangular Cooperation (SSC/TrC)**

35. During the project design stage, international experience can be leveraged to inform the scope and direction of the project. Case studies on other countries such as Chile, Columbia, Philippines, Pakistan, Vietnam and others can be carried out by UNDP as reference materials for the revision of the Malaysia MPI. All the materials collected throughout this process will be used as reference materials in the project and the contacts established will form the basis for

further South-South and Triangular Cooperation initiative, with permission to be obtained from Government of Malaysia on need basis. Malaysia HDR and UNDP Global MPI Report can also be another platform for SSC/TrC and can be included in the project activities.

**Knowledge**

36. Publications like policy documents, baseline assessments including MPI indicators, poverty level, policy coordination, policy intervention, budget allocation and other relevant materials including media products will be produced. Results from the project will be disseminated within the project intervention areas through existing information-sharing networks and platforms such as UNDP MPI network, UNDP Global Policy Network (GPN) and other platforms. The project will identify and participate, as relevant and appropriate, in scientific, policy-based, and/or any other network mentioned above, which may be of benefit to the project implementation through lessons learnt. The project will identify, analyse, and share lessons learnt that might be beneficial in the design and implementation of similar future projects.

**Sustainability and Scaling Up**

37. In order to ensure sustainability, the project will work with existing institutions and processes as much as possible, positioning the government as the main pillar behind this initiative, instead of establishing parallel structures and processes. It also prepares for the eventuality that the MPI revision ownership may need to be transferred to a relevant government agency or department, whether at the Federal or State levels. The project will organise information exchange and knowledge sharing with other interested state governments and demonstration areas. These considerations, and others, will be deliberated in a robust process of stakeholder consultation to ensure that the final outcome will be a shared one.

## IV. PROJECT MANAGEMENT

### Project Management

38. This project will be executed under the National Implementation Modality (NIM) with provision of support services by UNDP Malaysia Country Office. The Project Management Unit (PMU) will be locally operated in Putrajaya. A team comprises of a Programme Analyst and Project Associate will be assigned by UNDP Malaysia to work in close collaboration with the Equity Development Division, EPU and DOSM.

39. The project is governed by the extended CPAP 2016 -2020 via the Supplementary CPAP (1 January 2020 till 30 June 2022) under Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded, and indicative output Priority 1a: Enhancing, prioritizing and mainstreaming inclusion for pockets of the poor, bottom 40 percent of income households and vulnerable communities. The key activities of the project include project planning, project management and implementation, final project evaluation, stakeholder consultations, capacity building, training and workshops, as we as project assurance and information exchange and sharing.

40. The project is closely linked with the UNDP objective to promote inclusive and development growth strategies (People and Prosperity Pillar) that the well-being of the people, supports economic growth, employment and social support. UNDP Malaysia is implementing and supporting a range of projects in B40, youth employment, gender and others. Periodic information sharing platform/meetings can be held for experience and lesson-learnt sharing.

41. HACT assurance activities will be conducted annually, whereas a comprehensive audit will be conducted once in a project lifetime.

### Cost Efficiency and Effectiveness

42. A portfolio management approach is adopted by this project to improve cost-effectiveness by leveraging activities and partnerships with other initiatives/projects. UNDP has been a key development partner of the Government of Malaysia in inclusive development growth.

43. UNDP Malaysia has been supporting the national and state governments in building and strengthening systemic and institutional capacities in human development, leveraging on its comparative advantage in the global policy network and technical-know-how with the Government of Malaysia.

### Risk Management

44. Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA) [or Supplemental Provisions to the Project Document], the responsibility for the safety and security of the Implementation Partner and its personnel and property, and the UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; and
b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementing plan.

45. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing partner's obligations under this Project Document.

## V. RESULTS FRAMEWORK

**Intended Outcome as stated in the UNDAF/Country [or Global/Regional] Programme Results and Resource Framework:**

- 12th Malaysia Plan: Theme 2 on Strengthening Security, Wellbeing and Inclusivity, Game Changer VI: Transforming the Approach in Eradicating Hardcore Poverty, Priority Area A: Addressing Poverty and Narrowing Inequality from a Multidimensional Perspective.
- 11th Malaysia Plan key thrusts: (a) Enhancing inclusiveness towards an equitable society; (b) Improving well-being for all and (c) Transforming public service for productivity

**Outcome indicators as stated in the Country Programme [or Global/Regional] Results and Resources Framework, including baseline and targets:**

- UNDP CPAP 2016-2020 Outcome: Effective policies and initiatives that promote socioeconomic inclusion, equity and resilience, especially for the bottom 40 per cent, are in place and implementation monitored
- UNDP CPD 2016 – 2020 Priority 1a. Enhancing, prioritizing and mainstreaming inclusion pockets of the poor, bottom-40 percent of income households and vulnerable communities
- UNDP CPD 2022 – 2025: Priority People Providing more equitable access to affordable, quality, and comprehensive public services and social protection
  Output 1.1: A more efficient, effective and sustainable social protection system is in place that provides increased protection against contingencies throughout the lifecycle
  Indicator 1.1.1: Refined Multidimensional Poverty Index methodology adopted by the government to better capture multidimensional poverty
  Baseline: 0
  Target: 1
  Source: EPU and DOSM

**Applicable Output(s) from the UNDP Strategic Plan:**

- UNDP Strategic Plan 2022 – 2025: Outcome 2: No one left behind, centring on equitable access to opportunities and a rights-based approach to human agency and human development.
- Output 1.2: social protection services and systems strengthened across sectors with increased investment
- Output 1.3: access to basic services and financial and non-financial assets and services improved to support productive capacities for sustainable livelihoods and jobs to achieve prosperity

| Project title and Atlas Project Number: Improving Multidimensional Poverty Index (MPI) as a Policymaking Tool for Poverty Reduction | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EXPECTED OUTPUTS** | **OUTPUT INDICATORS26** | **DATA SOURCE** | **BASELINE** | | **TARGETS (by frequency of data collection)** | | | | | | | | | **DATA COLLECTION METHODS & RISKS** |
| | | | **Value** | **Year** | **2022 Q3** | **2022 Q4** | **2023 Q1** | **2023 Q2** | **2023 Q3** | **2023 Q4** | **2024 Q1** | **2024 Q2** | **FINAL** | |
| Output 1: An inclusive National MPI, which includes recommendations gender-disaggregated indicators to reflect national priorities | 1.1 A baseline report on the current national MPI dimensions and indicators including gaps and recommendation for improvement | Government | 0 | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | Internal Project Report sourced from cesk review and through engagement sessions/meetings with government stakeholders |
| | 1.2 Number of government entities engaged in the review of national MPI | Government | 0 | 2022 | 0 | 5 | 5 | 10 | 0 | 0 | 0 | 0 | 20 | Engagement sessions/meetings with government stakeholders |
| | 1.3 Number of vulnerable communities engaged in the review of national MPI disaggregated by gender, age and disabilities | Government | 0 | 2022 | 0 | 20 | 20 | 20 | 0 | 0 | 0 | 0 | 30 | Engagement sessions/meetings with community stakeholders |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1.4 Number of vulnerable communities participated in the pilot study to test and validate national MPI questionnaire disaggregated by age, gender, disabilities | Government | 0 | 2022 | 0 | 0 | 0 | 0 | 0 | 200 | 0 | 0 | 200 | Internal Project Report |
| | 1.5 A technical report on the robustness tests and candidate measures analysis including recommendation of final structure of national MPI | Government | 0 | 2022 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | Internal Project Report |
| | 1.6 An operational guideline on how the measure MPI, monitor progress and report | Government | 0 | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | Internal Project Report |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Output 2: Strengthened capacity among policymakers and government officials on utilising national MPI for inclusive development and policymaking | 2.1 Number of government officials including district officer trained on how to use disaggregated NMPI data for poverty targeting, coordination and monitoring | Government | 0 | 2022 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 240 | Internal Capacity Building Report |
| | 2.2 Number of government officials including district officers sensitized on gender mainstreaming on poverty and inequality measurement | Government | 0 | 2022 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 240 | Internal Capacity Building Report |
| | 2.3 Number of members of parliament and government officialstrained on the MPI indicators and utilisation of MPI in policymaking for effective poverty alleviations initiatives | Government | 0 | 2022 | 0 | 0 | 30 | 30 | 30 | 30 | 30 | 30 | 180 | Internal Capacity Building Report |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2.4 Number of ministries and agencies in social protection consulted, reviewed and provided with a technical advisory and/or implementation guide for specific development challenges ie to coordinate, finetune their interventions | Government | 0 | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 30 | 30 | 60 | Internal Capacity Building Report |
| Output 3: Mainstreaming of the national MPI statistic to increase its utilisation for an inclusive and equitable poverty strategy | 3.1 A Communication Strategy and Plan with an appropriate timeline and resources | Government | 0 | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | Internal Project Report |
| | 3.2 Number of communication and advocacy materials published for different target groups | Government | 0 | 2022 | 0 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 35 | Internal Project Report |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 3.3 Number of communication events to promote MPI utilisation for evidence-based decision making at the federal and local level | Government | 0 | 2022 | 0 | 2 | 2 | 0 | 2 | 0 | 2 | 2 | 10 | Internal Project Report |
| | 3.4 A detailed documentation of Malaysia MPI journey | Government | 0 | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | Internal Project Report |

## VI. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

### Monitoring Plan

| Monitoring Activity | Purpose | Frequency | Expected Action | Partners (if joint) | Cost (if any) |
|---|---|---|---|---|---|
| **Track results progress** | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. | Quarterly, or in the frequency required for each indicator. | Slower than expected progress will be addressed by project management. | UNDP | Refer to workplan |
| **Monitor and Manage Risk** | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk. | Quarterly | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. | UNDP | Refer to workplan |
| **Learn** | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. | At least annually | Relevant lessons are captured by the project team and used to inform management decisions. | UNDP | Refer to workplan |
| **Annual Project Quality Assurance** | The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project. | Annually | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. | UNDP | Refer to workplan |
| **Review and Make Course Corrections** | Internal review of data and evidence from all monitoring actions to inform decision making. | At least annually | Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections. | UNDP | Refer to workplan |

| | | | | | |
|---|---|---|---|---|---|
| **Project Report** | A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period. | Annually, and at the end of the project (final report) | | UNDP | Refer to workplan |
| **Project Review (Project Board)** | The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | Specify frequency (i.e., at least annually) | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. | UNDP | Refer to workplan |

## Evaluation Plan[27]

| Evaluation Title | Partners (if joint) | Related Strategic Plan Output | UNSDCF/CPD Outcome | Planned Completion Date | Key Evaluation Stakeholders | Cost and Source of Funding |
|---|---|---|---|---|---|---|
| e.g., Mid-Term Evaluation | | | | | | |

[27] Optional, if needed

## VII. MULTI-YEAR WORK PLAN [28][29]

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | | | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | Funding Source | Budget Description | Amount (USD) |
| **Output 1: An inclusive National MPI, which includes recommendations gender-disaggregated indicators to reflect national priorities** | 1.1 A baseline report on the current national MPI dimensions and indicators including gaps and recommendation for improvement | 15,000 | 0 | 0 | GCS 30071 | Consultant | 15,000 |
| | | 5,000 | 0 | 0 | GCS 30071 | Travel | 5,000 |
| | | 2,000 | 0 | 0 | GCS 30071 | International Consultant | 2,000 |
| | 1.2 Number of government entities engaged in the review of national MPI | 10,000 | 8,000 | 0 | GCS 30071 | Workshops | 18,000 |
| | 1.3 Number of vulnerable communities engaged in the review of national MPI disaggregated by gender, age and disabilities | 10,000 | 8,000 | 0 | GCS 30071 | Workshops | 18,000 |
| | | 0 | 5,000 | 0 | GCS 30071 | International expert | 5,000 |
| | | 10,000 | 0 | 0 | GCS 30071 | Consultant | 10,000 |

[28] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[29] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

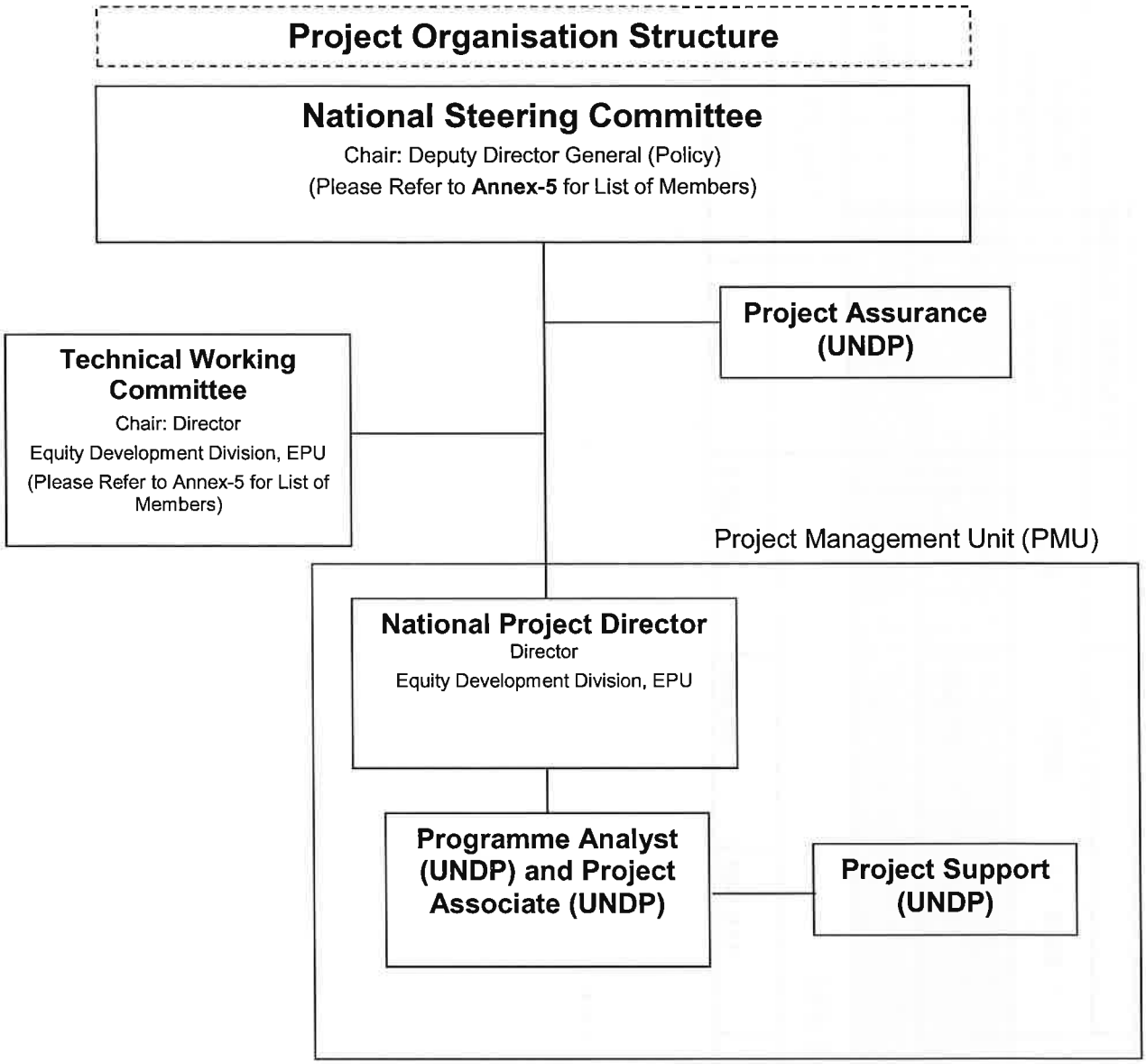
| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | | | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | Funding Source | Budget Description | Amount (USD) |
| | 1.4 Number of vulnerable communities participated in the pilot study to test and validate national MPI questionnaire disaggregated by age, gender, disabilities | 0 | 15,000 | 0 | GCS 30071 | Consultant | 15,000 |
| | 1.5 A technical report on the robustness tests and candidate measures analysis including recommendation of final structure of national MPI | 0 | 10,000 | 6,000 | GCS 30071 | Consultant | 16,000 |
| | | 0 | 5,000 | 5,000 | GCS 30071 | International expert | 10,000 |
| | | 0 | 5,000 | 0 | GCS 30071 | Workshops | 5,000 |
| | 1.6 An operational guideline on how the measure MPI, monitor progress and report | 0 | 0 | 20,000 | GCS 30071 | Consultant | 20,000 |
| | | 0 | 0 | 2,500 | GCS 30071 | Workshops | 2,500 |
| | UNDP Technical Advisory & Services | 4,000 | 8,000 | 4,000 | GCS 30071 | UNDP Technical Advisory & Services | 16,000 |
| | **Sub-Total for Output 1** | **43,000** | **79,500** | **27,500** | | | **157,500** |
| Output 2: Strengthened capacity among policymakers and | 2.1 Number of government officials trained on the MPI indicators, data collection and | 5,000 | 5,000 | 5,000 | GCS 30071 | Workshops | 15,000 |

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | | | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | Funding Source | Budget Description | Amount (USD) |
| government officials on utilising MPI data for inclusive development and policymaking | reporting MPI for policy development | 5,000. | 5,300 | 5,000 | GCS 30071 | Consultant | 15,300 |
| | 2.2 Number of government officials sensitized on gender mainstreaming on poverty and nequality measurement | 2,000 | 3,000 | 5,000 | GCS 30071 | Workshops | 10,000 |
| | 2.3 Number of members of parliament and local government trained on the MPI indicators and utilisation of MPI in policymaking for effective poverty alleviations initiatives | 0 | 3,000 | 5,000 | GCS 30071 | Workshops | 8,000 |
| | 2.4 Number of ministries and agencies consulted, reviewed and provided with technical advisory for targeting poverty | 0 | 0 | 8,000 | GCS 30071 | Workshops | 8,000 |
| | UNDP Technical Advisory & Services | 4,000 | 8,000 | 4,000 | GCS 30071 | UNDP Technical Advisory & Services | 16,000 |
| | **Sub-Total for Output 2** | **16,000** | **24,300** | **32,000** | | **Sub-total** | **72,300** |
| Output 3: Mainstreaming of the national MPI statistic to increase utilisation of MPI for an inclusive | 3.1 A Communication Strategy and Plan with an appropriate timeline and resources | 7,000 | 7,000 | 7,000 | GCS 30071 | Consultant | 21,000 |
| | | 2,500 | 2,500 | 2,000 | GCS 30071 | Travel | 7,000 |

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | | | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | Funding Source | Budget Description | Amount (USD) |
| and equitable poverty strategy | 3.2 Number of communication and advocacy materials published for different target groups | 3,000 | 4,000 | 2,000 | GCS 30071 | Publication | 9,000 |
| | 3.3 Number of communication events to promote MPI utilisation for evidence-based decision making at the federal and local level | 15,000 | 10,000 | 15,000 | GCS 30071 | Workshops | 40,000 |
| | 3.4 A detailed documentation on Malaysia MPI journey | 0 | 0 | 8,000 | GCS 30071 | Publication | 8,000 |
| | UNDP Technical Advisory & Services | 4,000 | 8,000 | 4,000 | GCS 30071 | UNDP Technical Advisory & Services | 16,000 |
| | **Sub-Total for Output 3** | **31,500** | **31,500** | **38,000** | | **Sub-total** | **101,000** |
| Project Management | | 1,228 | 3,642 | 5,152 | GCS 30071 | Programme Analyst | 10,022 |
| | | 6,222 | 12,444 | 6,222 | GCS 30071 | Project Associate | 24,887 |
| | | 5,000 | 5,000 | 5,000 | GCS 30071 | Travel | 15,000 |
| | | 2,000 | 2,000 | 2,000 | GCS 30071 | Monitoring and Evaluation | 6,000 |
| | | 1,000 | 2,000 | 2,000 | GCS 30071 | Miscellaneous and Communication | 5,000 |
| | | 1,000 | 2,000 | 2,000 | | ISS / Support Services | 5,000 |

| EXPECTED OUTPUTS | PLANNED ACTIVITIES | | | | PLANNED BUDGET | | |
|---|---|---|---|---|---|---|---|
| | | 2022 | 2023 | 2024 | Funding Source | Budget Description | Amount (USD) |
| Sub-Total for Project Management | 16,449.47 | 16,449 | 27,086 | 22,374 | | | 65,909 |
| | | | | | | TOTAL | 396,709 |
| GMS (6%) | | | | | | GMS (75100) | 23,803 |
| GRAND-TOTAL | | 119,949 | 146,886 | 129,874 | | Grand-total | 420,511 |

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS



## Programme Management Arrangements

### National Steering Committee (NSC)

A National Steering Committee will provide guidance and direction to the project implementation process according to the established detailed work plan monitoring tool and will be chaired by (state the designated representative from the Implementing Partner). The Committee will be composed of representatives from EPU, UNDP Malaysia and other relevant stakeholders to be identified. The TORs of the NSC shall be agreed among the stakeholders within the first two months of the project.

### National Project Director (NPD)

The National Project Director will be responsible for coordinating project activities among the main parties to the project. Among these responsibilities are ensuring that the project document and project revisions requiring Government's approval are verified by Implementing Partner and processed through the Government's co-coordinating authority in accordance with established procedures and providing direction and guidance on project-related issues. The NPD also has the authority to disburse funds upon the advice from the National Steering Committee or the Project Manager based on the required project milestones. The state the designated representative from the Implementing Partner will be the NPD of the project.

### Technical Working Committee (TWC)

A technical working committee will be established to handle all technical matters relating to the project and will be chaired by the National Project Director. The members of the TWC will consist of representatives from EPU, UNDP Malaysia and respective Divisions from the Implementing Partner as well as other relevant stakeholders to be determined by the National Steering Committee.

### Consultants and Technical Support

If applicable, technical support will be provided by local and international professionals with extensive experience working in relevant areas as required by the project. The UNDP global knowledge network will provide valuable inputs through best practices and lessons learned from similar experiences in other countries.

## Financial Management Arrangements

Based on the approved AWP, EPU and UNDP will provide the required financial resources to the Implementing Partner to carry out project activities during the annual cycle. The following modalities may be used, where applicable and relevant:

- Direct cash transfers to the Implementing Partner, for obligations and expenditures to be made by them in support of activities;
- Direct payments to vendors and other third parties, for obligations incurred by the Implementing Partner; and
- Reimbursement to the Implementing Partner for obligations made and expenditures incurred by them in support of activities.

The Implementing Partner will work closely with UNDP to monitor the use of the financial resources and are accountable for:

- Managing UNDP and the Government of Malaysia's resources to achieve the expected results; and
- Maintaining an up-to-date accounting system that contains records and controls to ensure the accuracy and reliability of financial information and reporting. Expenditures made should be in accordance with the Annual Work Plans and budgets.

At the end of every quarter, UNDP prepares a Combined Delivery Report (CDR) which records all disbursements made under the project for verification. The Implementing Partner and UNDP should sign this CDR.

A project revision shall be made when appropriate; to respond to changes in the development context or to adjust the design and resource allocation to ensure the effectiveness of the project,

provided that the project remains relevant to the CPAP. A project revision shall be supported by the record of an approved decision made by the project PSC, and an updated and signed AWP.

The contribution of funds for this project shall be charged:

- 6% cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices; and
- Direct cost for implementation support services (ISS) provided by UNDP and/or an executing entity/implementing partner.

**UNDP Support Services**

In addition to the roles and responsibilities assigned to UNDP and the Implementing Partner in the Project Document, UNDP may/ shall provide the following services, at the request of the Implementing Partner:

- Identification and recruitment of project personnel;
- Procurement of goods and services;
- Identification, development and implementation of capacity building/training activities and assistance in carrying them out; and
- Provision of policy and technical advisory services, project assurance, monitoring, evaluation and reporting.

The above will be carried out based on UNDP policies and procedures following the principles of the best value for money, fairness, integrity, transparency, and effective competition.

**In-Kind Contributions**

In addition to the financial resources through UNDP, the Implementing Partner will provide the following in-kind contributions:

- Assist in gaining access to all relevant data and information required for the project that is accessible for public viewing;
- Office space (i.e. room/workspace) for the Project team, consultants and experts;
- Use of office support facilities by the Project team, consultants and experts (e.g. fax machine, stationary, photocopy machine, telephone), and secretarial support where applicable; and
- Facilities for convening meetings, workshops and seminars.
- Government's stakeholder engagement consultation for MPI mainstreaming events
- DOSM HIES cohort for the benchmarking exercise, if needed

## IX. LEGAL CONTEXT

This project document with the extended CPAP, 2016-2020 via the Supplementary CPAP signed between the Government of Malaysia and UNDP on 25 March 2016 and 3 March 2022 respectively, constitute together the "project document" as referred to Article 1 in the Standard Basic Assistance Agreement (SBAA) signed between the Government of Malaysia and UNDP on 12 September 2012. All references in the SBAA to "Executing Agency" shall be deemed to refer to "Implementing Partner."

Consistent with the Article III of the Standard Basic Assistance Agreement (SBAA), the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
b) Assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

This project will be implemented by the Economic Planning Unit (Implementing Partner) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency and effective international competition, the financial governance of UNDP shall apply.

The Implementing Partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document".

## X. RISK MANAGEMENT

1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP's property in the Implementing Partner's custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
   a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
   b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.

2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document.

3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml.

4. The Implementing Partner acknowledges and agrees that UNDP will not tolerate sexual harassment and sexual exploitation and abuse of anyone by the Implementing Partner, and each of its responsible parties, their respective sub-recipients and other entities involved in Project implementation, either as contractors or subcontractors and their personnel, and any individuals performing services for them under the Project Document.

   (a) In the implementation of the activities under this Project Document, the Implementing Partner, and each of its sub-parties referred to above, shall comply with the standards of conduct set forth in the Secretary General's Bulletin ST/SGB/2003/13 of 9 October 2003, concerning "Special measures for protection from sexual exploitation and sexual abuse" ("SEA").

   (b) Moreover, and without limitation to the application of other regulations, rules, policies and procedures bearing upon the performance of the activities under this Project Document, in the implementation of activities, the Implementing Partner, and each of its sub-parties referred to above, shall not engage in any form of sexual harassment ("SH"). SH is defined as any unwelcome conduct of a sexual nature that might reasonably be expected or be perceived to cause offense or humiliation, when such conduct interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

5. a) In the performance of the activities under this Project Document, the Implementing Partner shall (with respect to its own activities), and shall require from its sub-parties referred to in paragraph 4 (with respect to their activities) that they, have minimum standards and procedures in place, or a plan to develop and/or improve such standards and procedures in order to be able to take effective preventive and investigative action. These should include: policies on sexual harassment and sexual exploitation and abuse; policies on whistleblowing/protection against retaliation; and complaints, disciplinary and investigative mechanisms. In line with this, the Implementing Partner will and will require that such sub-parties will take all appropriate measures to:

      i. Prevent its employees, agents or any other persons engaged to perform any services under this Project Document, from engaging in SH or SEA;

      ii. Offer employees and associated personnel training on prevention and response to SH and SEA, where the Implementing Partner and its sub-parties referred to in paragraph 4 have not put in place its own training regarding the prevention of SH and SEA, the Implementing Partner and its sub-parties may use the training material available at UNDP;

      iii. Report and monitor allegations of SH and SEA of which the Implementing Partner and its sub-parties referred to in paragraph 4 have been informed or have otherwise become aware, and status thereof;

      iv. Refer victims/survivors of SH and SEA to safe and confidential victim assistance; and

v. Promptly and confidentially record and investigate any allegations credible enough to warrant an investigation of SH or SEA. The Implementing Partner shall advise UNDP of any such allegations received and investigations being conducted by itself or any of its sub-parties referred to in paragraph 4 with respect to their activities under the Project Document, and shall keep UNDP informed during the investigation by it or any of such sub-parties, to the extent that such notification (i) does not jeopardize the conduct of the investigation, including but not limited to the safety or security of persons, and/or (ii) is not in contravention of any laws applicable to it. Following the investigation, the Implementing Partner shall advise UNDP of any actions taken by it or any of the other entities further to the investigation.

b) The Implementing Partner shall establish that it has complied with the foregoing, to the satisfaction of UNDP, when requested by UNDP or any party acting on its behalf to provide such confirmation. Failure of the Implementing Partner, and each of its sub-parties referred to in paragraph 4, to comply of the foregoing, as determined by UNDP, shall be considered grounds for suspension or termination of the Project.

6. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).

7. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.

8. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

9. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

10. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.

11. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes in accordance with UNDP's regulations, rules, policies and procedures. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.

12. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

    Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

13. *Choose one of the three following options:*

    *Option 1:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in

accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement. Recovery of such amount by UNDP shall not diminish or curtail the Implementing Partner's obligations under this Project Document.

*Option 2:* The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Option 3:* UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

14. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.

15. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.

16. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*.

# XII. ANNEXES

## Annex-1: Project Quality Assurance Report

| PROJECT QA ASSESSMENT: DESIGN AND APPRAISAL | | | | |
|---|---|---|---|---|
| **OVERALL PROJECT** | | | | |
| **EXEMPLARY (5)** ●●●●● | **HIGHLY SATISFACTORY (4)** ●●●●○ | **SATISFACTORY (3)** ●●●○○ | **NEEDS IMPROVEMENT (2)** ●●○○○ | **INADEQUATE (1)** ●○○○○ |
| At least four criteria are rated Exemplary, and all criteria are rated High or Exemplary. | All criteria are rated Satisfactory or higher, and at least four criteria are rated High or Exemplary. | At least six criteria are rated Satisfactory or higher, and only one may be rated Needs Improvement. The Principled criterion must be rated Satisfactory or above. | At least three criteria are rated Satisfactory or higher, and only four criteria may be rated Needs Improvement. | One or more criteria are rated Inadequate, or five or more criteria are rated Needs Improvement. |
| **DECISION** | | | | |
| • **APPROVE** – the project is of sufficient quality to be approved in its current form. Any management actions must be addressed in a timely manner.<br>• **APPROVE WITH QUALIFICATIONS** – the project has issues that must be addressed before the project document can be approved. Any management actions must be addressed in a timely manner.<br>• **DISAPPROVE** – the project has significant issues that should prevent the project from being approved as drafted. | | | | |
| **RATING CRITERIA**<br>**For all questions, select the option that best reflects the project** | | | | |
| **STRATEGIC** | | | | |
| **1. Does the project specify how it will contribute to higher level change through linkage to the programme's Theory of Change?**<br>• **3:** The project is clearly linked to the programme's theory of change. It has an explicit change pathway that explains how the project will contribute to outcome level change and why the project's strategy will likely lead to this change. This analysis is backed by credible evidence of what works effectively in this context and includes assumptions and risks. | | | **3** | 2<br>1<br>**Evidence**<br>Yes. The theory of change that informs UNDP's contribution to this outcome area is that if the measurement of multidimensional poverty is |

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| • **2:** The project is clearly linked to the programme's theory of change. It has a change pathway that explains how the project will contribute to outcome-level change and why the project strategy will likely lead to this change.<br>• **1:** The project document may describe in generic terms how the project will contribute to development results, without an explicit link to the programme's theory of change.<br>**Note: Projects not contributing to a programme must have a project-specific Theory of Change. See alternative question under the lightbulb for these cases.* | enhanced to better reflect the deprivation and needs of the different types of communities and vulnerable groups; and if a more effective and participatory engagement mechanism is in place; and if the government institutional and technical capacity is strengthened; then the increased understanding by policy makers and the improved MPI will lead to more effective and targeted implementation of poverty alleviation initiatives to narrow households inequality, empower the poor and vulnerable to have more equitable access to essential services and economic opportunities to uplift the standard of living which will lead to inclusive development | |
| **2. Is the project aligned with the UNDP Strategic Plan?**<br>• **3:** The project responds to at least one of the development settings as specified in the Strategic Plan[30] and adapts at least one Signature Solution[31]. The project's RRF includes all the relevant SP output indicators. *(all must be true)*<br>• **2:** The project responds to at least one of the development settings as specified in the Strategic Plan[4]. The project's RRF includes at least one SP output indicator, if relevant. *(both must be true)*<br>• **1:** The project responds to a partner's identified need, but this need falls outside of the UNDP Strategic Plan. Also select this option if none of the relevant SP indicators are included in the RRF. | 3 | 2<br>1<br>**Evidence**<br><br>Initiatives under this outcome area will contribute to national objectives under SDGs 1, 2, 3, 4, 5, 6, 9 and 10, and to UNDP Signature Solutions 1, 2, and 6. Particularly for SDG 5 and Signature Solution 6, this initiative will have an impact on addressing gender associate vulnerabilities through the inclusion of gender lens analysis and gender responsive initiatives in this exercise. |
| **3. Is the project linked to the programme outputs? (i.e., UNDAF Results Group Workplan/CPD, RPD or Strategic Plan IRRF for global projects/strategic interventions not part of a programme)** | **Yes** | **No** |
| **RELEVANT** | | |
| **4. Does the project target groups left furthest behind?** | 3 | 2<br>1 |

[30] The three development settings in UNDP's 2018-2021 Strategic Plan are: a) Eradicate poverty in all its forms and dimensions; b) Accelerate structural transformations for sustainable development; and c) Build resilience to shocks and crises

[31] The six Signature Solutions of UNDP's 2018-2021 Strategic Plan are: a) Keeping people out of poverty; b) Strengthen effective, inclusive and accountable governance; c) Enhance national prevention and recovery capacities for resilient societies; d) Promote nature based solutions for a sustainable planet; e) Close the energy gap; and f) Strengthen gender equality and the empowerment of women and girls.

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| • **3:** The target groups are clearly specified, prioritising discriminated and marginalized groups left furthest behind, identified through a rigorous process based on evidence.<br>• **2:** The target groups are clearly specified, prioritizing groups left furthest behind.<br>• **1:** The target groups are not clearly specified.<br>*Note: Management Action must be taken for a score of 1. *Projects that build institutional capacity should still identify targeted groups to justify support* | **Evidence**<br><br>Poor and vulnerable communities are the core target of this project, which will be identified during the analysis of the stakeholder engagement exercise. This project is committed to providing the opportunity for the selected communities to share their experience of deprivation to inform MPI indicators that reflect the multidimensional deprivation experienced by different communities through the participatory approach. This intervention will enhance or broaden the horizon of the way the government understands poverty, support informed policy, and intervention design that address poverty effectively and efficiently. |
| **5. Have knowledge, good practices, and past lessons learned of UNDP and others informed the project design?**<br>• **3:** Knowledge and lessons learned backed by credible evidence from sources such as evaluation, corporate policies/strategies, and/or monitoring have been explicitly used, with appropriate referencing, to justify the approach used by the project.<br>• **2:** The project design mentions knowledge and lessons learned backed by evidence/sources, but have not been used to justify the approach selected.<br>• **1:** There is little or no mention of knowledge and lessons learned informing the project design. Any references made are anecdotal and not backed by evidence.<br>*Note: Management Action or strong management justification must be given for a score of 1 | 3 \| 2<br>1<br>**Evidence**<br>The design of the project will be informed using evidence-based tool and relevant best practices standard applied by the international,regional and national expertise. A well-qualified consultant with vast experience and technical knowledge in conducting MPI measurement and familiar with international guidelines and tools will be hired to ensure the project is designed according to credible evidence. |

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| **6. Does UNDP have a clear advantage to engage in the role envisioned by the project vis-à-vis national/regional/global partners and other actors?**<br>• **3:** An analysis has been conducted on the role of other partners in the area where the project intends to work, and credible evidence supports the proposed engagement of UNDP and partners through the project, including identification of potential funding partners. It is clear how results achieved by partners will complement the project's intended results and a communication strategy is in place to communicate results and raise visibility vis-à-vis key partners. Options for south-south and triangular cooperation have been considered, as appropriate. *(all must be true)*<br>• 2: Some analysis has been conducted on the role of other partners in the area where the project intends to work, and relatively limited evidence supports the proposed engagement of and division of labour between UNDP and partners through the project, with unclear funding and communications strategies or plans.<br>• **1:** No clear analysis has been conducted on the role of other partners in the area that the project intends to work. There is risk that the project overlaps and/or does not coordinate with partners' interventions in this area. Options for south-south and triangular cooperation have not been considered, despite its potential relevance.<br>*Note: Management Action or strong management justification must be given for a score of 1 | 3 | 2 |
| | 1 | |
| | **Evidence**<br>Yes. UNDP have a clear advantage to support the Equity Development Division of EPU (BEQT, EPU) in improving the national MPI. UNDP will draw on its strong global network of expertise and partnerships, to identify the most appropriate benchmarking with a framework that is feasible to the country's context informed through the consultative process as well as international best practices such as the OPHI's Global MPI, OECD's Well-being index and WB's MPM. A communication strategy plan including SSC/TrC and Asean Conference to socialise the improved NMPI is part of the core components of this project. | |
| **PRINCIPLED (SATISFACTORY)** | | |
| **7. Does the project apply a human rights-based approach?**<br>• 3: The project is guided by human rights and incorporates the principles of accountability, meaningful participation, and non-discrimination in the project's strategy. The project upholds the relevant international and national laws and standards. Any potential adverse impacts on enjoyment of human rights were rigorously identified and assessed as relevant, with appropriate mitigation and management measures incorporated into project design and budget. *(all must be true)*<br>• **2:** The project is guided by human rights by prioritizing accountability, meaningful participation and non-discrimination. Potential adverse impacts on enjoyment of human rights were identified and assessed as relevant, and appropriate mitigation and management measures incorporated into the project design and budget. *(both must be true)*<br>• **1:** No evidence that the project is guided by human rights. Limited or no evidence that potential adverse impacts on enjoyment of human rights were considered.<br>*Note: Management action or strong management justification must be given for a score of 1 | 3 | 2 |
| | 1 | |
| | **Evidence**<br>The project integrates principle of human-rights in its core activities such as inclusive and meaningful participation of the poor and marginalized groups directly or through representative of relevant CSOs or the local community-based organizations for youth, women & children, indigenous, people with disabilities, elderly, etc. In NMPI review, this project is designed to facilitate marginalized groups to have equal opportunity with others in exercising their rights and fundamental freedoms in the development process of this policy. | |
| **8. Does the project use gender analysis in the project design?**<br>• 3: A participatory gender analysis has been conducted and results from this gender analysis inform the development challenge, strategy and expected results sections of the project document. Outputs and indicators of the results framework include explicit references to gender equality, and specific indicators measure and monitor results to ensure women are fully benefitting from the project. *(all must be true)*<br>• 2: A basic gender analysis has been carried out and results from this analysis are scattered (i.e., fragmented and not consistent) across the development challenge and strategy sections of the project document. The results | 3 | 2 |
| | 1 | |
| | **Evidence**<br>Based on the gender analysis, the project design includes a focus on gender-sensitive planning, implementation and capacity building to ensure gender equity is maximized starting from policy level. | |

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| framework may include some gender sensitive outputs and/or activities but gender inequalities are not consistently integrated across each output. *(all must be true)*<br>• **1:** The project design may or may not mention information and/or data on the differential impact of the project's development situation on gender relations, women and men, but the gender inequalities have not been clearly identified and reflected in the project document.<br>*Note: Management Action or strong management justification must be given for a score of 1 | Additionally, by focusing on gender-sensitive strategies and initiatives, the project ensures that women are empowered because the improved NMPI will include mechanism to ensure gender equality is enhanced such as sex-disaggregated data, and considerations of indicators that will be useful in developing gender responsive policymaking. |
| **9. Did the project support the resilience and sustainability of societies and/or ecosystems?**<br>• **3:** Credible evidence that the project addresses sustainability and resilience dimensions of development challenges, which are integrated in the project strategy and design. The project reflects the interconnections between the social, economic and environmental dimensions of sustainable development. Relevant shocks, hazards and adverse social and environmental impacts have been identified and rigorously assessed with appropriate management and mitigation measures incorporated into project design and budget. *(all must be true)*.<br>• **2:** The project design integrates sustainability and resilience dimensions of development challenges. Relevant shocks, hazards and adverse social and environmental impacts have been identified and assessed, and relevant management and mitigation measures incorporated into project design and budget. *(both must be true)*<br>• **1:** Sustainability and resilience dimensions and impacts were not adequately considered.<br>*Note: Management action or strong management justification must be given for a score of 1 | 3 \| 2<br>1<br>**Evidence**<br>To ensure sustainability, the project works with existing institutions and processes, where the BEQT, EPU is the main driver behind this initiative supported by UNDP. BEQT, EPU is also the lead unit and secretariat of the national Steering Committee for Policy on Addressing Poverty. By working with Governments and partners towards 'risk-informed' national, local and sectoral development planning processes, UNDP helps build the resilience of communities and nations. This includes identifying and addressing the interconnections among issues related to the environment, human rights, conflict, crises and vulnerability, where relevant. |
| **10. Has the Social and Environmental Screening Procedure (SESP) been conducted to identify potential social and environmental impacts and risks?** The SESP is not required for projects in which UNDP is Administrative Agent only and/or projects comprised solely of reports, coordination of events, trainings, workshops, meetings, conferences and/or communication materials and information dissemination. [if yes, upload the completed checklist. If SESP is not required, provide the reason for the exemption in the evidence section.] | Yes \| No<br>SESP has been conducted. Currently SESP has identified the project risk as moderate. Please refer to SESP log for more details. |
| **MANAGEMENT & MONITORING (SATISFACTORY)** | |
| **11. Does the project have a strong results framework?**<br>• **3:** The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators that measure the key expected development changes, each with credible data sources and populated baselines and targets, including gender sensitive, target group focused, sex-disaggregated indicators where appropriate. *(all must be true)*<br>• **2:** The project's selection of outputs and activities are at an appropriate level. Outputs are accompanied by SMART, results-oriented indicators, but baselines, targets and data sources may not yet be fully specified. Some use of target group focused, sex-disaggregated indicators, as appropriate. *(all must be true)*<br>• **1:** The project's selection of outputs and activities are not at an appropriate level; outputs are not accompanied by SMART, results-oriented indicators that measure the expected change and have not been populated with baselines and targets; data sources are not specified, and/or no gender sensitive, sex-disaggregation of indicators. *(if any is true)* | 3 \| 2<br>1<br>**Evidence**<br>The indicators set for each outputs are results-oriented which measure the expected development changes with credible data sources and populated baselines and targets, including gender sensitive, target group focused and sex-dissaggregated indicators where appropriate. |

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| *Note: Management Action or strong management justification must be given for a score of 1 | | |
| **12. Is the project's governance mechanism clearly defined in the project document, including composition of the project board?**<br>• **3:** The project's governance mechanism is fully defined. Individuals have been specified for each position in the governance mechanism (especially all members of the project board.) Project Board members have agreed on their roles and responsibilities as specified in the terms of reference. The ToR of the project board has been attached to the project document. *(all must be true)*.<br>• 2: The project's governance mechanism is defined; specific institutions are noted as holding key governance roles, but individuals may not have been specified yet. The project document lists the most important responsibilities of the project board, project director/manager and quality assurance roles. *(all must be true)*<br>• **1:** The project's governance mechanism is loosely defined in the project document, only mentioning key roles that will need to be filled at a later date. No information on the responsibilities of key positions in the governance mechanism is provided.<br>*Note: Management Action or strong management justification must be given for a score of 1 | 3 / 2 / 1<br>**Evidence**<br>The project will be governed by a Project Steering Committee (PSC) chaired by the Director BEQT, EPU (the implementing partner of this project). The ToR of the PSC has been developed but yet to share with the members of PSC | |
| **13. Have the project risks been identified with clear plans stated to manage and mitigate each risk?**<br>• **3:** Project risks related to the achievement of results are fully described in the project risk log, based on comprehensive analysis drawing on the programme's theory of change, Social and Environmental Standards and screening, situation analysis, capacity assessments and other analysis such as funding potential and reputational risk. Risks have been identified through a consultative process with key internal and external stakeholders. Clear and complete plan in place to manage and mitigate each risk, reflected in project budgeting and monitoring plans. *(both must be true)*<br>• 2: Project risks related to the achievement of results are identified in the initial project risk log based on a minimum level of analysis and consultation, with mitigation measures identified for each risk.<br>• **1:** Some risks may be identified in the initial project risk log, but no evidence of consultation or analysis and no clear risk mitigation measures identified. This option is also selected if risks are not clearly identified and/or no initial risk log is included with the project document.<br>*Note: Management Action must be taken for a score of 1 | 3 / 2 / 1<br>**Evidence**<br>Risk related to the project is fully described in the project risk log as well as in the SESP. Clear and complete plan is in place to manage and mitigate each risk, reflected in the project budgeting and monitoring plan. However, risks have been identified only with the BEQT, EPU and key internal stakeholders. | |
| **EFFICIENT** (satisfactory) | | |
| | Yes (3) | No (1) |

| | |
|---|---|
| **14. Have specific measures for ensuring cost-efficient use of resources been explicitly mentioned as part of the project design? This can include, for example: i) using the theory of change analysis to explore different options of achieving the maximum results with the resources available; ii) using a portfolio management approach to improve cost effectiveness through synergies with other interventions; iii) through joint operations (e.g., monitoring or procurement) with other partners; iv) sharing resources or coordinating delivery with other projects, v) using innovative approaches and technologies to reduce the cost of service delivery or other types of interventions.**<br>*(Note: Evidence of at least one measure must be provided to answer yes for this question)* | The project works in partnership with various Ministries and Agencies in joint planning and funding, in line with national interest (including national monitoring mechanism through the national Steering Committee for Policy on Addressing Poverty) and internal Government agencies' planning. |
| **15. Is the budget justified and supported with valid estimates?**<br>• 3: The project's budget is at the activity level with funding sources, and is specified for the duration of the project period in a multi-year budget. Realistic resource mobilisation plans are in place to fill unfunded components. Costs are supported with valid estimates using benchmarks from similar projects or activities. Cost implications from inflation and foreign exchange exposure have been estimated and incorporated in the budget. Adequate costs for monitoring, evaluation, communications and security have been incorporated.<br>• 2: The project's budget is at the activity level with funding sources, when possible, and is specified for the duration of the project in a multi-year budget, but no funding plan is in place. Costs are supported with valid estimates based on prevailing rates.<br>• 1: The project's budget is not specified at the activity level, and/or may not be captured in a multi-year budget. | 3 \| 2<br>1<br>**Evidence**<br>The project's budget is at the activity level with the identified source of funding. The budget was estimated based on similar projects or activities including incorporation of adequate costs for M&E, communication and security. |
| **16. Is the Country Office/Regional Hub/Global Project fully recovering the costs involved with project implementation?**<br>• 3: The budget fully covers all project costs that are attributable to the project, including programme management and development effectiveness services related to strategic country programme planning, quality assurance, pipeline development, policy advocacy services, finance, procurement, human resources, administration, issuance of contracts, security, travel, assets, general services, information and communications based on full costing in accordance with prevailing UNDP policies (i.e., UPL, LPL.)<br>• 2: The budget covers significant project costs that are attributable to the project based on prevailing UNDP policies (i.e., UPL, LPL) as relevant.<br>• 1: The budget does not adequately cover project costs that are attributable to the project, and UNDP is cross-subsidizing the project.<br>*Note: Management Action must be given for a score of 1. The budget must be revised to fully reflect the costs of implementation before the project commences. | 3 \| 2<br>1<br>**Evidence**<br>Yes the budget some project costs attributable to the project based on prevailing UNDP policies |
| **EFFECTIVE** (satisfactory) | |
| **17. Have targeted groups been engaged in the design of the project?**<br>• 3: Credible evidence that all targeted groups, prioritising discriminated and marginalized populations that will be involved in or affected by the project, have been actively engaged in the design of the project. The project has an explicit strategy to identify, engage and ensure the meaningful participation of target groups as stakeholders throughout the project, including through monitoring and decision-making (e.g., representation on the project board, inclusion in samples for evaluations, etc.)<br>• 2: Some evidence that key targeted groups have been consulted in the design of the project.<br>• 1: No evidence of engagement with targeted groups during project design. | 3 \| 2<br>1<br>**Evidence**<br>The intended beneficiaries of the project are primarily federal government policymakers and agencies, and secondarily the experts (such as academician, think tanks, NGOS and CSO – through socialisaion of MPI). Additionally, the project's product will benefit rakyat |

| | | |
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| | particularly the vulnerable and marginalized communities. The federal government have been consulted in the design of the project. Consultation with the marginalized communities will be included in the inception phase of this project and a targeted stakeholder engagement plan is being developed to ensure their communities have equal opportunities to participate in the formulation of the NMPI. | |
| **18. Does the project plan for adaptation and course correction if regular monitoring activities, evaluation, and lesson learned demonstrate there are better approaches to achieve the intended results and/or circumstances change during implementation?** | Yes (3) | No (1) |
| **19. The gender marker for all project outputs are scored at GEN2 or GEN3, indicating that gender has been fully mainstreamed into all project outputs at a minimum.**<br>*Note: Management Action or strong management justification must be given for a score of "no" | Yes (3) | No (1) |
| | Gender marker for this project is GEN2. The project will integrate gender mainstreaming such as<br>• equal participation in consultation to ensure adequate responses to needs and challenges at the baseline assessment and development of the improved NMPI<br>• sensitizing national level policy makers to gender gaps and needs, involvement of women users in the pilot study to validate the proposed NMPI and gather feedback<br>• include mandatory trainings on gender for key project staffs including the implementing partner | |
| **SUSTAINABILITY & NATIONAL OWNERSHIP** | | |
| **20. Have national/regional/global partners led, or proactively engaged in, the design of the project?**<br>• 3: National partners (or regional/global partners for regional and global projects) have full ownership of the project and led the process of the development of the project jointly with UNDP.<br>• 2: The project has been developed by UNDP in close consultation with national/regional/global partners.<br>• 1: The project has been developed by UNDP with limited or no engagement with national partners. | 3 | 2<br>1 |
| | BEQT, EPU is the national counterpart and implementing partner have the full ownership of this project and led the process of the development of the project jointly with UNDP. BEQT, EPU will act as the national focal point for all project matters. Additionally, DOSM who is the central agency in data management has been heavily consulted and joined since inception phase as the technical lead government agency in the project. | |
| | 3 | 2<br>1 |

| | | |
|---|---|---|
| **21. Are key institutions and systems identified, and is there a strategy for strengthening specific/ comprehensive capacities based on capacity assessments conducted?**<br>• **3:** The project has a strategy for strengthening specific capacities of national institutions and/or actors based on a completed capacity assessment. This strategy includes an approach to regularly monitor national capacities using clear indicators and rigorous methods of data collection, and adjust the strategy to strengthen national capacities accordingly.<br>• **2:** A capacity assessment has been completed. There are plans to develop a strategy to strengthen specific capacities of national institutions and/or actors based on the results of the capacity assessment.<br>• 1: Capacity assessments have not been carried out. | Capacity assessment is not needed because it is a NIM modality. However, a HACT Micro Assessment exercise with Implementing Partners ( BEQT, EPU ) and that Deloitte is the appointed consultant undertaking this assignment.<br>First, HACT framework represents a common operational (harmonized) framework for transferring cash to government and non-governmental Partners irrespective of whether these partners work with one or multiple United Nations agencies. Secondly, the purpose of the HACT Micro Assessment is to assess a Partner's (here is ICU) financial management capacity (i.e. Accounting, procurement, reporting, internal controls, etc.) to determine the overall risk rating and assurance activities. | |
| **22. Is there is a clear strategy embedded in the project specifying how the project will use national systems (i.e., procurement, monitoring, evaluations, etc.,) to the extent possible?** | Yes (3) | No (1) |
| **23. Is there a clear transition arrangement/ phase-out plan developed with key stakeholders in order to sustain or scale up results (including resource mobilisation and communications strategy)?** | Yes (3)<br><br>The project will be monitored under the national monitoring mechanism through national Steering Committee for Policy on Addressing Poverty. Technical and knowledge transfer is part of the component of this project to ensure sustainability. Additionally, the enhanced NMPI will be integrated into HIES which is periodically conducted by DOSM. | No (1) |

# Annex-2: Social and Environmental Screening

## Project Information

| ***Project Information*** | |
|---|---|
| 1. Project Title | Improving National Multidimensional Poverty Index (MPI) as a Policymaking Tool for Poverty Reduction |
| 2. Project Number (i.e. Atlas project ID, PIMS+) | |
| 3. Location (Global/Region/Country) | Malaysia |
| 4. Project stage (Design or Implementation) | Design |
| 5. Date | May 13, 2022 |

## Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability

| **QUESTION 1: How Does the Project Integrate the Programming Principles in Order to Strengthen Social and Environmental Sustainability?** |
|---|
| ***Briefly describe in the space below how the project mainstreams the human rights-based approach*** |
| The project adopts a rights-based approach towards achieving the objective of this project which aims to empower the vulnerable and marginalized community to have more equitable access to essential services, increase income, and uplift the standard of living of the poor through the improved poverty measurement from a multidimensional perspective. The project integrates the principle of human-rights in its core activities such as inclusive and meaningful participation of the poor and marginalized groups directly or through the representation of relevant CSOs or the local community-based organizations for youth, women & children, indigenous, people with disabilities, elderly, etc. In designing the national multidimensional poverty index (NMPI), this project will undertake a robust statistical analysis informed through a series of participatory multi-stakeholder engagement processes which is designed to facilitate marginalized groups to have equal opportunities in exercising their rights and fundamental freedoms in the development process of this NMPI. The project will also support duty bearers in the public sector to be committed to improving the measurement of poverty through a set of capacity-building interventions that will improve skills and competencies to technically estimate MPI and adoption of the MPI for effective poverty alleviation programmes. The project will specifically respond to the need for a paradigm shift towards an inclusive poverty measurement where no one is left behind. |
| ***Briefly describe in the space below how the project is likely to improve gender equality and women's empowerment*** |
| The project focuses on gender-responsive planning and implementation to ensure the highest gains are made for gender equity. Poverty affects women more disproportionately than men due to social norms and cultural factors. The experience of poverty by women is often associated with social problems |

such as domestic violence and the lack of social security. The MPI measures of multidimensional poverty in ten indicators at the household level are not reflective of issues revolving around gender. The current MPI will be reviewed to capture both the prevalence of poverty among female-headed of household as compared to male-headed of households, and the complex lived realities of women and men who experience poverty beyond household-level averages[32]. A measure of poverty from a gender perspective will identify the underlying causes of women's lack of employment involvement/opportunities and participation in decision-making roles.

Under this project, mainstreaming gender equality and women's empowerment will be implemented through the following initiatives:

- equal participation in consultation to ensure adequate responses to needs and challenges in measuring intra-household inequality
- sensitizing national level policy makers to gender gaps and needs, involvement of women users in the pilot roll-out to gather feedback
- include mandatory trainings on gender for key project staffs including the implementing partner
- ensure efforts of stakeholder engagement are gender-responsive and equitably engage women and men (and youth, when applicable);
- includes analysis of gender inequalities in the inception phase of the project and makes clear how UNDP will promote changes in relation to gender equality;
- project strategies and activities to include or target women and female-headed households (outputs and activities);
- identify and formulate sex-disaggregated data and gender-sensitive indicators enabling monitoring of project activities and its benefits to women;
- devote and allocate adequate funds, resources and expertise for implementing gender-related strategies, monitoring the results of implementation, and project team to drive consistent communications at levels of project governance structure to promote gender equality outcomes;
- advocate for Gender Equality and Women's Empowerment (GEWE) through project workshops, steering committee meetings and integrated in the communications plan to key stakeholders

***Briefly describe in the space below how the project mainstreams sustainability and resilience***

By working with Governments and partners towards 'risk-informed' national, local and sectoral development planning processes, the project will help build the resilience of communities and nations. This includes identifying and addressing the interconnections among issues related to the environment, human rights, conflict, crises and vulnerability, where relevant. In specific, the project will explore and propose new MPI indicators to address poverty-environment nexus. The recommendations expected to be the foundation for follow-up developmental discussion and interventions to support for more effective poverty policymaking through sustainable environment and natural resources management

***Briefly describe in the space below how the project strengthens accountability to stakeholders***

[32] "Multidimensional Poverty among Female Householders in Korea: Application of a Latent Class Model. (2021). Su-Jung Nam. Sustainability 2020, 12, 701; doi:10.3390/su12020701

This project will be executed under the National Implementation Modality (NIM) with the provision of support services by the UNDP Malaysia Country Office and will be governed by a Project Steering Committee (PSC) chaired by the Deputy Director-General of Economic Planning Unit, Prime Minister's Office. The national counterpart and implementing partner will be the Equity Development Division of the Economic Planning Unit which will act as the national focal point for all project matters. A Project Management Unit (PMU) team will be established to manage and monitor the project's progress and to ensure that stakeholders who may be adversely affected by this project can communicate their concerns about the social and environmental performance of the project through various entry points, scaled appropriately to the nature of the activity and its potential risks and impacts. Potentially affected stakeholders will be informed about available platforms (eg. Project Grievance Redress Mechanism and the UNDP Stakeholder Response Mechanism) for submitting their concerns as part of the stakeholder engagement process. The mandate and functions of a Project-level grievance mechanism will be led by the PSC, with secretariat support from the Project Management Unit. Where needed, UNDP will work together with the Implementing Partners to strengthen capacities to address Project-related grievances. In addition, UNDP's Stakeholder Response Mechanism will be available to Project stakeholders as a supplemental means of redress for concerns that have not been resolved through standard Project management procedures.

## Part B. Identifying and Managing Social and Environmental Risks

| **QUESTION 2: What are the Potential Social and Environmental Risks?** *Note: Complete SESP Attachment 1 before responding to Question 2.* | **QUESTION 3: What is the level of significance of the potential social and environmental risks?** *Note: Respond to Questions 4 and 5 below before proceeding to Question 5* | | | **QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High** |
|---|---|---|---|---|
| ***Risk Description (broken down by event, cause, impact)*** | ***Impact and Likelihood (1-5)*** | ***Significance (Low, Moderate Substantial, High)*** | ***Comments (optional)*** | ***Description of assessment and management measures for risks rated as Moderate, Substantial or High*** |
| If the implementing partner does not have the capacity to meet their obligation to this project, it will result in poor ownership and buy-in from the government partners on the outputs, and then hinder effective implementation of the project objective. | I = 4<br>L = 2 | **Moderate Risk** | Poor ownership and buy-in from the government partners, and lack of strategic direction, all will lead to the project failing (hight impact = 4) to achieve high-quality outputs as intended. Despite the lack of capacity, | Leveraging the existing government mechanism, the project will be implemented through Nationally Implemented Model (NIM) in which the implementing partners will be held accountable to lead the project with support from the UNDP. In the process of designing this project, adequate measures have been identified to address any gaps in implementing partner's capacity. A technical and support personnel will |

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| | | | the Government has demonstrated the highest commitment to undertake this project, aligned with the national priorities indicated in the 12MP. Hence, low likelihood of this risk happening. | be hired to support implementing partners to fulfil their obligations for this project. A Programme Analyst will be overseeing planning, management and the quality standards the project, ensuring financial resources and inputs are expended to achieve quality outputs ito advance social protection. |
| If vulnerable and poor communities are excluded in the consultation, Then the MPI review process is not participatory and inclusive,<br>Impact: the national MPI missed targeting and addressing the needs of the affected communities | I = 4<br>L = 2 | **Moderate Risk** | The exclusion of some communities will result in biased design and selection of national MPI indicators which produce ineffective policy interventions for poverty, hence rated at highest impact at 4. | At the inception phase of the project, a comprehensive stakeholder engagement plan that seeks to ensure no one is left behind and disadvantaged and vulnerable project stakeholders have a voice in project implementation will be established. Stakeholder analysis and engagement in a gender-responsive, culturally sensitive, non-discriminatory, and inclusive manner will be conducted to identify potentially affected vulnerable and marginalized groups and provide them opportunities to participate. |

**QUESTION 4: What is the overall project risk categorization?**

| | | |
|---|---|---|
| ***Low Risk*** | ☐ | |
| ***Moderate Risk*** | x | |
| ***Substantial Risk*** | ☐ | |
| ***High Risk*** | ☐ | |

**QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered? (check all that apply)**

Question only required for Moderate, Substantial and High Risk projects

| | | | | |
|---|---|---|---|---|
| ***Is assessment required? (check if "yes")*** | x | | | ***Status? (completed, planned)*** |
| *if yes, indicate overall type and status* | | x | Targeted assessment(s) | Planned. To minimise the impact of exclusion of certain communities, a stakeholder assessment will be conducted at the inception stage. As for the duty-bearer lack of capacity, personnel with |

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| | | | | | specific roles have been identified and will be recruited to support the implementation of the project |
| | | | ☐ | ESIA (Environmental and Social Impact Assessment) | |
| | | | ☐ | SESA (Strategic Environmental and Social Assessment) | |
| | ***Are management plans required? (check if "yes)*** | x | | | |
| | *If yes, indicate overall type* | | x | Targeted management plans (e.g. Gender Action Plan, Emergency Response Plan, Waste Management Plan, others) | Planned (Stakeholder Management Plan will be developed) |
| | | | ☐ | ESMP (Environmental and Social Management Plan which may include range of targeted plans) | |
| | | | ☐ | ESMF (Environmental and Social Management Framework) | |
| | ***Based on identified <u>risks</u>, which Principles/Project-level Standards triggered?*** | | **Comments (not required)** | | |
| | ***Overarching Principle: Leave No One Behind*** | | | | |
| | ***Human Rights*** | X | | | |
| | ***Gender Equality and Women's Empowerment*** | ☐ | | | |

| | | | |
|---|---|---|---|
| | ***Accountability*** | X | |
| | ***1. Biodiversity Conservation and Sustainable Natural Resource Management*** | ☐ | |
| | ***2. Climate Change and Disaster Risks*** | ☐ | |
| | ***3. Community Health, Safety and Security*** | ☐ | |
| | ***4. Cultural Heritage*** | ☐ | |
| | ***5. Displacement and Resettlement*** | ☐ | |
| | ***6. Indigenous Peoples*** | ☐ | |
| | ***7. Labour and Working Conditions*** | ☐ | |
| | ***8. Pollution Prevention and Resource Efficiency*** | ☐ | |

## Final Sign Off

*Final Screening at the design-stage is not complete until the following signatures are included*

| ***Signature*** | ***Date*** | ***Description*** |
|---|---|---|
| QA Assessor | | UNDP staff member responsible for the project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted. |
| QA Approver | | UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC. |
| PAC Chair | | UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC. |

**SESP Attachment 1. Social and Environmental Risk Screening Checklist**

| Checklist Potential Social and Environmental Risks | |
|---|---|
| INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the SES toolkit for further guidance on addressing screening questions. | |
| **Overarching Principle: Leave No One Behind**<br>**Human Rights** | **Answer (Yes/No)** |
| P.1 Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)? | *No* |
| P.2 Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project? | *Yes* |
| P.3 Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights? | *No* |
| *Would the project potentially involve or lead to:* | |
| P.4 adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups? | No |
| P.5 inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? [33] | No |
| P.6 restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities? | No |
| P.7 exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals? | No |
| **Gender Equality and Women's Empowerment** | |
| P.8 Have women's groups/leaders raised gender equality concerns regarding the project, (e.g. during the stakeholder engagement process, grievance processes, public statements)? | No |
| *Would the project potentially involve or lead to:* | |
| P.9 adverse impacts on gender equality and/or the situation of women and girls? | *No* |
| P.10 reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits? | No |

[33] Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people.

| | |
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| P.11 limitations on women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?<br>*For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being* | No |
| P.12 exacerbation of risks of gender-based violence?<br>*For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc.* | No |
| **Sustainability and Resilience:** Screening questions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below | |
| **Accountability** | |
| *Would the project potentially involve or lead to:* | |
| P.13 exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them? | Yes |
| P.14 grievances or objections from potentially affected stakeholders? | No |
| P.15 risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project? | No |
| **Project-Level Standards** | |
| **Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management** | |
| *Would the project potentially involve or lead to:* | |
| 1.1 adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?<br>*For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes* | No |
| 1.2 activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities? | No |
| 1.3 changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5) | No |
| 1.4 risks to endangered species (e.g. reduction, encroachment on habitat)? | No |
| 1.5 exacerbation of illegal wildlife trade? | No |
| 1.6 introduction of invasive alien species? | No |
| 1.7 adverse impacts on soils? | No |
| 1.8 harvesting of natural forests, plantation development, or reforestation? | No |
| 1.9 significant agricultural production? | No |
| 1.10 animal husbandry or harvesting of fish populations or other aquatic species? | No |
| 1.11 significant extraction, diversion or containment of surface or ground water? | No |

| | | |
|---|---|---|
| | *For example, construction of dams, reservoirs, river basin developments, groundwater extraction* | |
| 1.12 | handling or utilization of genetically modified organisms/living modified organisms?[34] | No |
| 1.13 | utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)[35] | No |
| 1.14 | adverse transboundary or global environmental concerns? | No |
| **Standard 2: Climate Change and Disaster Risks** | | |
| *Would the project potentially involve or lead to:* | | |
| 2.1 | areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions? | No |
| 2.2 | outputs and outcomes sensitive or vulnerable to potential impacts of climate change or disasters?<br>*For example, through increased precipitation, drought, temperature, salinity, extreme events, earthquakes* | No |
| 2.3 | increases in vulnerability to climate change impacts or disaster risks now or in the future (also known as maladaptive or negative coping practices)?<br>*For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding* | No |
| 2.4 | increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change? | No |
| **Standard 3: Community Health, Safety and Security** | | |
| *Would the project potentially involve or lead to:* | | |
| 3.1 | construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams) | No |
| 3.2 | air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation? | No |
| 3.3 | harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)? | No |
| 3.4 | risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health? | No |
| 3.5 | transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)? | No |
| 3.6 | adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)? | No |
| 3.7 | influx of project workers to project areas? | No |
| 3.8 | engagement of security personnel to protect facilities and property or to support project activities? | No |
| **Standard 4: Cultural Heritage** | | |

[34] See the Convention on Biological Diversity and its Cartagena Protocol on Biosafety.

[35] See the Convention on Biological Diversity and its Nagoya Protocol on access and benefit sharing from use of genetic resources.

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| *Would the project potentially involve or lead to:* | | |
| 4.1 | activities adjacent to or within a Cultural Heritage site? | No |
| 4.2 | significant excavations, demolitions, movement of earth, flooding or other environmental changes? | No |
| 4.3 | adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts) | No |
| 4.4 | alterations to landscapes and natural features with cultural significance? | No |
| 4.5 | utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes? | No |
| **Standard 5: Displacement and Resettlement** | | |
| *Would the project potentially involve or lead to:* | | |
| 5.1 | temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)? | No |
| 5.2 | economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)? | No |
| 5.3 | risk of forced evictions?[36] | No |
| 5.4 | impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources? | No |
| **Standard 6: Indigenous Peoples** | | |
| *Would the project potentially involve or lead to:* | | |
| 6.1 | areas where indigenous peoples are present (including project area of influence)? | No |
| 6.2 | activities located on lands and territories claimed by indigenous peoples? | No |
| 6.3 | impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?<br>*If the answer to screening question 6.3 is "yes", then the potential risk impacts are considered significant and the project would be categorized as either Substantial Risk or High Risk* | No |
| 6.4 | the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned? | No |
| 6.5 | the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples? | No |
| 6.6 | forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources? | No |

[36] Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights.

| | | |
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| | *Consider, and where appropriate ensure, consistency with the answers under Standard 5 above* | |
| 6.7 | adverse impacts on the development priorities of indigenous peoples as defined by them? | No |
| 6.8 | risks to the physical and cultural survival of indigenous peoples? | No |
| 6.9 | impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?<br>*Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.* | No |
| **Standard 7: Labour and Working Conditions** | | |
| *Would the project potentially involve or lead to: (note: applies to project and contractor workers)* | | |
| 7.1 | working conditions that do not meet national labour laws and international commitments? | No |
| 7.2 | working conditions that may deny freedom of association and collective bargaining? | No |
| 7.3 | use of child labour? | No |
| 7.4 | use of forced labour? | No |
| 7.5 | discriminatory working conditions and/or lack of equal opportunity? | No |
| 7.6 | occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle? | No |
| **Standard 8: Pollution Prevention and Resource Efficiency** | | |
| *Would the project potentially involve or lead to:* | | |
| 8.1 | the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts? | No |
| 8.2 | the generation of waste (both hazardous and non-hazardous)? | No |
| 8.3 | the manufacture, trade, release, and/or use of hazardous materials and/or chemicals? | No |
| 8.4 | the use of chemicals or materials subject to international bans or phase-outs?<br>*For example, DDT, PCBs and other chemicals listed in international conventions such as the Montreal Protocol, Minamata Convention, Basel Convention, Rotterdam Convention, Stockholm Convention* | No |
| 8.5 | the application of pesticides that may have a negative effect on the environment or human health? | No |
| 8.6 | significant consumption of raw materials, energy, and/or water? | No |

## Annex-3: Risk Analysis

| **Project Title:** Improving National Multidimensional Poverty Index (MPI) as a Policymaking Tool for Poverty Reduction | | | **Project Number:** | | **Date: 16 June 2022** |
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| **#** | **Description** | **Risk Category** | **Impact (I) & Likelihood (L) = Risk Level** | **Risk Treatment / Management Measures** | **Risk Owner** |
| 1 | If the COVID-19 cases spike or any other emerging unforeseen pandemic, the Government might enforce lockdown as a mitigation measure and this will disrupt ground data collection in 2022/2023 and therefore delay the timely delivery of this project | Social and Environmental<br>**Financial (Delivery)**<br>**Operational**<br>Organizational<br>Political<br>Regulatory<br>Strategic<br>Safety and Security | The delayed inclusion in the Global MPI will result in Malaysia waiting for another 2 years to be included in the Global MPI as the data collection is tied with HIES data collection.<br><br>L = 2<br>I = 3<br><br>Moderate Risk | A comprehensive workplan with appropriate resources and time will be developed and closely monitor to track the progress of data collection and minimize potential delays in data collection stage. Mitigation measures such as digitalisation of survey (where possible) using DOSM e-census will be implemented to ensure on-track data collection. | • UNDP Programme Analyst<br>• DOSM |
| 2 | If there is a lack of buy-in among policymakers ie members of parliament it could result in less substantive participation and consultations in the process of developing the national MPI and adoption of the | Social and Environmental<br>Financial<br>Organizational<br>**Political (Political will)**<br>Regulatory<br>Strategic<br>Safety and Security | The lack of buy-in from policymakers will result in poor adoption of new MPI as a policy tool for poverty<br><br>L: 3<br>I: 3<br><br>Moderate risk | A well-targeted communication strategy will be developed to demonstrate the benefit of this project to the members of parliament in using the MPI to address poverty at their constituency. Additionally, the members of parliament will be engaged to review and approve the resulting national MPI through series of consultations and capacity building will be organised to educate and increase awareness among policy makers on utilisation of the national MPI. | • UNDP Programme Analyst<br>• UNDP Communication Strategy Specialist |

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| | newly developed MPI for poverty alleviation programme | | | | |
| 3 | If there are no suitable consultants applying for the consultants position, procurement needs to extend the recruitment process which will delay the roll-out of the project as the national consultants are responsible to lead and undertake the National MPI Project | Social and Environmental<br>Financial<br>Operational<br>**Organizational (Procurement)**<br>Political<br>Regulatory<br>Strategic<br>Safety and Security | The delay in recruitment will cause a delay in project implementation and affect timely delivery as the project need to complete by 2024<br><br>L = 2<br>I = 3<br><br>Moderate risk | Appropriate recruitment strategies will be identified to ensure the recruitment announcement reaches a greater pool of candidates. Besides social media ie UNDP Linkedin, FB and Twitter, emails announcement will be sent to universities, think tanks, and consultancy firms that are well-qualified and experienced in poverty measurement. | UNDP Programme Analyst |
| 4 | There is the possibility that some communities are excluded and will not have the access to provide their feedback in the process of designing national MPI | **Social and Environmental**<br>• **LNOB**<br>• **Stakeholder engagement**<br>• **Sustainability & Resilience**<br>Financial<br>Operational<br>Organizational<br>Political<br>Regulatory<br>Strategic<br>Safety and Security | The exclusion of some communities will result in biased design and selection of national MPI indicators which produce ineffective policy interventions for poverty<br><br>L = 1<br>I = 5<br><br>Low risk | At the inception phase of the project, a comprehensive stakeholder engagement plan that seeks to ensure no one is left behind and disadvantaged and vulnerable project stakeholders have a voice in project implementation will be established. A stakeholder analysis and engagement in a gender-responsive, culturally sensitive, non-discriminatory and inclusive manner will be conducted to identify potentially affected vulnerable and marginalized groups and providing them opportunities to participate. | • National Project Director of Implementing Partners<br>• UNDP Programme Analyst<br>• UNDP Engagement Specialist |

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| 5 | If the implementing partner does not have the capacity to meet their obligation to this project due to constraints in manpower, it will result in poor ownership and buy-in from the government partners, lack of strategic direction, and hinder effective implementation of the project | **Social and Environmental**<br>• **LNOB**<br>• **Stakeholder engagement**<br>Financial<br>Operational<br>Organizational<br>Political<br>Regulatory<br>Strategic<br>Safety and Security | Poor ownership and buy-in from the government partners, and lack of strategic direction, all will lead to the project failing to achieve high-quality outputs as intended<br><br>L = 1<br>I = 5<br><br>Low risk | Leveraging the existing government mechanism, the project will be implemented through Nationally Implemented Model (NIM) in which the implementing partners will be held accountable to lead the project with support from the UNDP. In the process of designing this project, adequate measures have been identified to address any gaps in implementing partner's capacity. A technical and support personnel will be hired to support implementing partners to fulfil their obligations for this project. A Programme Analyst will be responsible for planning, managing, and monitoring the deliverables of the project, ensuring sufficient resources available, and closely monitoring and updating progress report to NPD and a Project Associate will be based a the EPU BEQT office to support the logistic and coordination need for the project. | • National Project Director of Implementing Partners<br>• UNDP Programme Analyst<br>• UNDP Project Associate |
| 6 | If the resources allocation for this project to achieve all its objectives were underestimated or there is unexpected expansion project scope, this will affect the quality and timely delivery of this project | Social and Environmental<br>**Financial (Delivery)**<br>**Operational (Budget availability and cash flow)**<br>Organizational<br>Political<br>Regulatory<br>Strategic<br>Safety and Security | The project would need an extension if some components of the project cannot be implemented due to funding constraints<br><br>L = 2<br>I = 4<br><br>Moderate risk | A multi-year workplan that identifies allocation need corresponding to the intended outputs has been developed. To ensure appropriate resources have been allocated, in-kind contributions from EPU Equity, DOSM and OPHI have been identified to support some of the outputs, particularly activities on mainstreaming, capacity building, and the HIES survey for data collection for national MPI | • National Project Director of Implementing Partners<br>• UNDP Programme Analyst<br>• EPU Equity<br>• DOSM |
| 7 | The political uncertainty leads to change in government which may result in a change of priorities of the government. | Social and Environmental<br>Financial<br>Organizational<br>**Political**<br>• **Political will**<br>• **Political instability** | Priority changes in government that negatively affect the current efforts to review MPI may cause delays in the approval of the | A comprehensive communication strategy plan will be developed to communicate the project's alignment with the national priorities 12MP. The communication plan will demonstrate the benefit of this project to the government and its return on investment to the country in the long run. In addition, the project will also conduct a series of consultations | • UNDP Programme Analyst<br>• UNDP Communication Strategy Specialist |

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| | National MPI may not be approved by relevant high-level authorities in a timely manner; or it is not enforced even though it is approved due to change in priorities. | • **Change/turnover in government**<br>Regulatory<br>Strategic<br>Safety and Security | newly designed MPI indicators or adoption for policymaking.<br><br>L:2<br>I: 4<br><br>Moderate risk | for different target groups of stakeholders including policy and decision-makers. | |

## Annex-4: Capacity Assessment

Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

- HACT Micro Assessment currently ongoing, to be completed by July 2022

## Annex-5: Project Board Terms of Reference and TORs of Key Management Positions

**Terms of Reference – National Steering Committee (NSC)**

The National Steering Committee (NSC) will provide strategic guidance and direction to the Project Management Unit (PMU) on the project implementation. The NSC will be chaired by Deputy Director General (Policy), EPU or his/her alternate.

The NSC will meet after the receipt of each project deliverable or at least once a year, whichever greater. Meeting quorum is achieved when 50% of NSC membership is in attendance via physical presence or telephone conference. The change of chairperson or project leadership, however, will require full quorum in attendance via physical presence or telephone conference and full consensus amongst the members.

The PSC will have the following duties and responsibilities:

- Provide policy guidance on matters pertaining to the project implementation;
- Monitor and evaluate the implementation of the project towards fulfilment of the objectives and/or outcomes stated in the project document;
- Review, approve and endorse annual work plan and budget, and changes to a project budget affecting the scope (outputs) or completion date, budget re-allocation between project components/outputs, or total estimated project costs require a formal budget revision;
- Review and approve relevant changes to the project result framework;
- Coordinate the roles of the various organizations/entities involved in the project execution and ensure coherence among the relevant outputs and activities;
- Review and approve all related reports or deliverables produced by the project;
- Advice and provide direction on the long-term sustainability strategy of the project; and
- Initiate remedial actions to overcome constraints in the project implementation.

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**Chair:** Deputy Director General (Policy), Economic Planning Unit, Prime Minister's Department

**Members:**

1. Economic Planning Unit (EPU) i.e Social Services, K-Economy, Macro Economy, Human Capital Development, International Cooperation.
2. Department of Statistics Malaysia (DOSM)
3. Ministry of Finance (MOF)
4. Implementation Coordination Unit, Prime Minister's Department (ICU)
5. Ministry of Women, Community and Family Development (MWFCD)
6. Ministry of Education (MOE)
7. Ministry of Health (MOH)
8. Ministry of Rural Development (MRD)

9. Ministry of Federal Territories
10. Ministry of National Unity
11. Ministries of Human Resources
12. United Nations Development Programme (UNDP)

Note: Other ministries/agencies will be members by invitation

**Terms of Reference – Technical Working Committee (TWC)**

The Technical Working Committee (TWC) will act as the technical adviser to the NSC to provide technically sound inputs and information to the development and implementation of project activities, in order to successfully deliver the project outputs.

The TWC will be specifically responsible for:

- Provide technical guidance and decisions on matters pertaining to the technical aspects of the project to ensure that they meet with the objectives set in the project document and with international best practices and standards;
- Monitor and evaluate the technical implementation of the project towards fulfilment of the objective/ outcomes stated in the project document;
- Review and comment on the proposed technical work plan and budget;
- Review and technically endorse the project deliverables; and
- Regular monitoring of the progress of the project and recommend approved technical reports to the PSC.

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**Chair**: Director, Equity Development Division, EPU Prime Minister's Department

**Members**:

1. Economic Planning Unit (EPU) i.e Social Services, K-Economy, Macro Economy, Human Capital Development, International Cooperation.
2. Department of Statistics Malaysia (DOSM)
3. Ministry of Finance (MOF)
4. Implementation Coordination Unit, Prime Minister's Department (ICU)
5. Ministry of Women, Community and Family Development (MWFCD)
6. Ministry of Education (MOE)
7. Ministry of Health (MOH)
8. Ministry of Rural Development (MRD)
9. Ministry of Federal Territories
10. Ministry of National Unity
11. Ministry of Local Housing and Development (PBT)
12. Ministry of Human Resources
13. United Nations Development Programme (UNDP)
14. Local Government(s) / State Government with relevant ministries and agencies
15. Research Team, Think Tanks
16. Relevant NGO(s) and CSO(s)
17. UN Agencies

Note: Other ministries/agencies will be members by invitation

## Terms of Reference – National Project Director

The National Project Director is the Director, Equity Development Division, EPU. The main responsibility of the National Project Director is to coordinate project activities among the main parties to the project i.e. Government coordinating authority, the consultant and UNDP.

Specifically, the National Project Director works in close collaboration with UNDP where the responsibilities include:

- Ensure that the project documents and project revision requiring Government approval are processed through the Government coordinating authority, in accordance with established procedures;
- Finalize work plans based on the inputs from the project team
- Mobilize institutional mechanisms for smooth progress of project;
- Provide formal project/deliverable sign off and acceptance upon verification of the project outputs;
- Review project status reports;
- Provide direction, advice and guidance on project related issues; and to the project team; and
- Approve financial transaction and report.

The National Project Director will be supported by the Programme Analyst and Project Associate who will primarily focused on the day-to-day matters of the project, both on the substantive and operational aspects of the project.

## Terms of Reference – Programme Analyst

The Programme Analyst's role is to manage and coordinate the implementation of various project activities in ensuring quality and timeliness of activities and delivery of outputs. He/she will be based at UNDP with occasional presence at Equity Development Division, EPU.

The specific tasks of the Programme Analyst are:

- Under the advice of the National Project Director, he/she shall provide direction for the project based on the project document(s) and decisions made by the TWC and NSC;
- Manage and coordinate the implementation of the project activities to ensure the maintenance of the quality, timeliness, and delivery of the outputs;
- Liaise and work closely with the project's partners and beneficiaries;
- Reports regularly to the NSC, TWC and National Project Director on the project progress;
- Maintain close contact with designated focal points from stakeholders, indicating any estimated changes to the work plan, and proposing a budget revision when appropriate;
- Ensure that the requisite allocations are available in accordance with the agreed budget and established schedules of payment, if any, in consultation with the National Project Director;
- Coordinate and facilitate the work of multiple teams engaged in implementing the project activities;
- Work closely with key stakeholders in the drafting and preparation of relevant Terms of Reference for local consultants;
- Under the advice of UNDP Programme Analyst, liaise with the relevant focal points in UNDP office to monitor the project funds and resources by preparing progress and financial reports of the project whenever required; and
- Prepare and establish a monitoring plan and comply with Monitoring and Evaluation guidance
- Prepare Mid-Year Progress Report (MYPR) and Annual Year Progress Report (AYPR) and other relevant documents as needed for the project document.

**Terms of Reference – Project Associate**

The Project Associate's role is to coordinate the stakeholder engagement in ensuring quality and timeliness of activities and delivery of outputs. He/she will be based at Equity Development Division, EPU Office

The specific tasks of the Project Associate are:

- Under the advice of UNDP Programme Analyst and/or Equity's NPD to provide coordination support that have direct relevance to the project.
- Planning and organization of consultations/conference/seminar/workshop;
- Liaison person for logistic support;
- Prepare progress reports, meeting minutes, conference/seminar/workshop reports and maintain documentation and records;
- Support consultants in liaising with government agencies to gather data/information and inputs for relevant and timely research to guide the delivery of outputs/reports;
- Synthesize and document lessons learnt and best practices and support the development of knowledge products;
- Provide administrative and logistic support for consultants and PMU;
- Under the advice of UNDP Programme Analyst, liaise with the relevant focal points in the UNDP office to support in preparing progress and financial reports of the project whenever required; and
- Any other duties assigned by UNDP Programme Analyst and/or Equity's NPD that have direct relevance to the project.