



DEVELOPMENT THROUGH INTERNATIONAL COOPERATION

27

I. INTRODUCTION

27.01 During the Eighth Plan period, cooperation fostered with the international community resulted in strengthening international cooperation at the bilateral, regional and multilateral levels. International cooperation is important in view of the openness of Malaysia's economy as indicated by its ranking as the 18th largest trading country in the world. Malaysia also supported multilateral cooperation, in advancing international peace and development as well as actively promoting South-South cooperation through the Malaysian Technical Cooperation Programme (MTCP).

27.02 Malaysia will continue to intensify efforts to strengthen international cooperation towards the formulation of appropriate policy options and strategies to enable developing countries to harness the benefits of globalisation on a more equitable basis. During the Ninth Plan period, initiatives will be undertaken to enhance regional cooperation and cooperation with development partners towards expanding Malaysia's global outreach. To further strengthen the MTCP, new strategies will be undertaken to enhance cooperation with the private sector and non-governmental organisations (NGOs). While the MTCP will continue to focus on building human capital in cooperation with other developing countries, it will also support initiatives that will further enhance bilateral relations.

II. PROGRESS, 2001-2005

27.03 During the Eighth Plan period, Malaysia cooperated with bilateral, multilateral and regional development partners to address a number of regional and global issues which impacted on its development as well as advocated South-South cooperation through the sharing of development experiences. Special emphasis was given to the development of human capital and the enhancement of institutional capacity towards the achievement of the Millennium Development Goals (MDGs). Efforts were undertaken to strengthen political and economic relations in line with Malaysia's foreign policy, especially in regional groupings

such as the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC) as well as groupings such as the Organisation of Islamic Conference (OIC) and the Non-Aligned Movement (NAM).

Bilateral Cooperation

27.04 Bilateral cooperation was enhanced with cooperating countries through the establishment of 22 new diplomatic missions, signing of 14 economic, scientific and technical cooperation agreements, and 23 Joint Commission Meetings. Trade and services cooperation was also enhanced with the signing of 45 trade and services agreements. Negotiations on bilateral free trade agreements were also initiated with several major trading partners. The Japan-Malaysia Economic Partnership Agreement (JMEPA) was signed in 2005 to promote cooperation, liberalisation and facilitation in trade and investment. Negotiations for similar arrangements were undertaken with Pakistan, India, Australia and New Zealand while preparations were also made for negotiations with the United States of America (USA) and Chile. In addition, the Malaysia-Thailand Committee on Joint Development Strategy (JDS) for border areas was established to promote economic development in four states of Malaysia and five provinces of Thailand.

27.05 Malaysia continued to receive bilateral official development assistance (ODA), albeit at a lower level. Japan was the largest bilateral assistance partner, providing soft loans amounting to US\$1.5 billion for projects in human resource development, small and medium enterprises (SMEs) and infrastructure.

27.06 The total amount of bilateral technical assistance received by Malaysia was US\$328.4 million, of which US\$260.1 million or 79 per cent of the total was received from Japan, as shown in *Table 27-1*. ODA received from Denmark was US\$46.4 million in the area of environment and US\$12.5 million from Germany for skills training. Australia and Canada graduated Malaysia from their ODA programmes in 2003 and 2004, respectively.

Regional Cooperation

27.07 In line with the commitment to open regionalism, Malaysia continued its active participation in ASEAN, APEC and the Asia-Europe Meeting (ASEM). ASEAN has been the main thrust of Malaysia's external and regional policies involving cooperation in broad areas of mutual interest. Participation in APEC was aimed at fostering cooperation in a broad range of regional and global trade and economic issues, particularly in the area of trade and business facilitation and capacity building. APEC also provided a useful forum to seek feedback from the international business community in evolving APEC initiatives that facilitate and enhance business activities in the Asia Pacific region. Cooperation with ASEM was based on political dialogue, economic cooperation and cultural interaction.

TABLE 27-1
TECHNICAL ASSISTANCE RECEIVED BY SOURCE, 2001-2005
 (US\$ '000)

Source	2001	2002	2003	2004	2005	8MP
Bilateral	75,990	66,831	71,500	61,200	52,900	328,421
Australia	1,790	831	3,100	0	0	5,721
Canada	1,100	1,300	800	500	0	3,700
Denmark	9,200	7,200	14,500	9,600	5,900	46,400
Germany	2,700	2,500	3,100	2,200	2,000	12,500
Japan	61,200	55,000	50,000	48,900	45,000	260,100
Multilateral	7,555	6,997	7,419	6,692	9,009	37,672
UN Organisations/Funds	7,335	6,731	7,214	6,219	8,042	35,541
Food and Agricultural Organisation	200	453	800	300	400	2,153
Global Environmental Facility Fund	1,600	2,580	2,200	2,000	3,300	11,680
International Atomic Energy Agency	350	421	493	522	603	2,389
Montreal Protocol	1,764	338	359	295	160	2,916
United Nations International Drug Control Programme	0	3	20	13	15	51
United Nations Development Programme	746	1,055	1,290	1,218	1,200	5,509
United Nations Educational, Scientific and Cultural Organisations	600	23	10	30	30	693
United Nations Population Fund	150	150	300	200	200	1,000
United Nations Children's Fund	693	405	462	611	1,214	3,385
World Health Organisation	490	480	480	430	420	2,300
Other UN Specialised Agencies/ International Organisations	742	823	800	600	500	3,465
Development Banks/Financial Institutions	220	266	205	473	967	2,131
Asian Development Bank	0	0	0	0	0	0
Islamic Development Bank	0	52	50	108	504	714
World Bank ¹	220	214	155	365	463	1,417
Total	83,545	73,828	78,919	67,892	61,909	366,093

Source: Economic Planning Unit

Notes: ¹ Excluding funds sourced from trust funds.

27.08 During the Plan period, ASEAN members intensified cooperation to address economic, political and security issues affecting the region. ASEAN members at the Ninth ASEAN Summit in Bali, Indonesia in 2003 reaffirmed their commitment through the Declaration of ASEAN Concord II to establish an ASEAN Community as envisioned by ASEAN Vision 2020.

27.09 The 11th ASEAN Summit and Related Summits hosted by Malaysia from 12 to 14 December 2005 achieved considerable progress towards deepening commitments to enhance economic integration within the region. These achievements included the advancement of the liberalisation of the ASEAN services sector by five years to 2015 and to further fast track the integration of tourism and air travel services sectors under the implementation of Phase II of the Priority Integration Sectors.

27.10 Measures were taken to strengthen ASEAN's economic linkages with its major dialogue partners including the Plus Three Countries¹, India, the Russian Federation and Australia-New Zealand. The Framework Agreement on Comprehensive Economic Cooperation between ASEAN and China signed in 2002 provided, among others, for the establishment of the ASEAN-China Free Trade Area (FTA) by 2010. The Agreement on Trade in Goods was implemented since 1 July 2005. Similar Framework Agreements were also signed between ASEAN-Korea, ASEAN-India, and ASEAN-Japan to further enhance their economic cooperation, including the establishment of the FTA by 2010, 2011 and 2012, respectively. In conjunction with the 11th Summit, Malaysia also hosted the First East Asia Summit (EAS) which provided a forum for the ASEAN and Plus Three Countries to engage their partners, namely India, Australia-New Zealand and the Russian Federation on issues of broad strategic interest to the East Asia region.

27.11 The sub-regional initiatives within ASEAN also received greater attention with the convening of the First Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Summit and the Second Brunei-Indonesia-Malaysia-the Philippines-East ASEAN Growth Area (BIMP-EAGA) Summit on 11 December 2005 in Kuala Lumpur. To narrow the development gap among ASEAN countries, Malaysia implemented 33 capacity-building projects under the Initiative for ASEAN Integration (IAI) for Cambodia, Lao PDR, Myanmar and Vietnam with a total cost of RM5.8 million.

Multilateral Cooperation

27.12 Malaysia continued to cooperate with the Colombo Plan, Commonwealth, OIC, NAM and World Trade Organisation (WTO) to enhance development cooperation. Cooperation with the Asian Development Bank (ADB), Islamic Development Bank (IDB) and World Bank was to enhance national capacity in various fields such as productivity, investment and education. Malaysia continued to source capital assistance from IDB amounting to US\$148.4 million for the procurement of equipment. Malaysia hosted the 30th IDB Governors' Meeting in June 2005, during which two Memoranda of Understanding and three agreements were signed including on a joint scholarship programme for tertiary education and capacity building in the palm oil industry in Sierra Leone. Malaysia was also

¹ People's Republic of China, Japan and Republic of Korea.

appointed the Chair of the IDB 1440H Vision Commission, which was entrusted to identify the challenges faced by the *ummah* and shape the future role of the IDB to better respond to these challenges. Malaysia participated in the OIC Trade Preferential System and signed bilateral payment arrangements (BPAs) with several OIC member countries. As part of its commitment to United Nations (UN) peacekeeping efforts, Malaysia participated in 13 missions in Africa, Middle East, Central Europe, Caribbean and Asia.

27.13 Malaysia received technical assistance amounting to US\$35.5 million from the UN specialised agencies. Although technical assistance received was on a decline, Malaysia continued its engagement with UN specialised agencies such as the United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA) and United Nations Children's Fund (UNICEF). However, Malaysia increasingly assumed the role of a development partner where projects were implemented on a cost-sharing basis. The achievement of the MDGs was documented and launched in January 2005. It highlighted Malaysia's achievements in all the MDG targets, namely, poverty, health, education, environment and global partnership, earlier than the target date of 2015, with the exception of Goal 6, namely, halting and reversing the spread of HIV/AIDS. Malaysia's contribution to multilateral organisations and institutions amounted to RM341.3 million, as shown in *Table 27-2*.

Malaysian Technical Cooperation Programme

27.14 During the Plan period, Malaysia further widened the scope of South-South cooperation through the sharing of its development experience with other developing countries. In this regard, the MTCP was expanded in terms of scope and coverage with continued focus on human capital development, project-type cooperation and advisory services. The MTCP participating countries increased from 121 to 135 countries while 16 new training institutions joined the programme to provide short-term courses, hence, almost doubling the total number of training providers to 34. By the end of the Plan period, the number of MTCP participants increased to reach a total of 7,030, a significant increase of 158 per cent compared with the previous plan, as shown in *Chart 27-1*. A total of RM164.3 million was utilised to implement the MTCP activities.

27.15 Several special projects were undertaken including special advisory services for Algeria, Pakistan, Sudan, Timor Leste, Uganda, South Africa and Namibia as well as development projects in Bosnia Herzegovina, Malawi, Lao PDR and feasibility studies in Iran, Syria and Myanmar. To strengthen its impact, MTCP undertook several initiatives, including promoting networking among MTCP alumni, production of a corporate video, publication of a book on MTCP and an annual training directory as well as a MTCP Alumni Newsletter which is issued three times a year. An Alumni Homecoming and Study Visit Programme was held in May 2005 to renew bilateral ties and promote networking between alumni and Malaysian counterparts including the private sector. Collaborations

TABLE 27-2

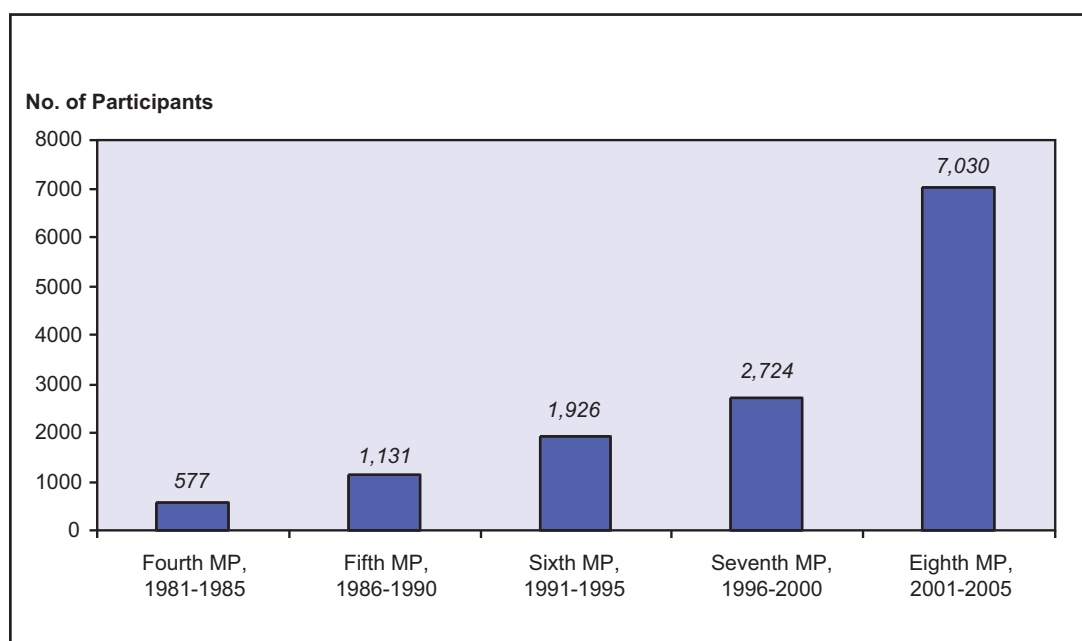
**MALAYSIA'S CONTRIBUTION TO MULTILATERAL
ORGANISATIONS, 2001-2005**
(RM '000)

<i>Organisation</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>8MP</i>
Development Banks/Financial Institutions						
Asian Development Bank	3,046.0	3,023.3	1,970.0	1,100.0	-	9,139.3
Asian Development Fund	3,518.0	4,130.0	4,282.0	3,926.0	3,386.0	19,242.0
Islamic Development Bank	5,842.6	5,571.0	-	-	-	11,413.6
Development-related Organisations						
ASEAN	2,917.6	2,917.6	2,917.6	2,917.6	2,917.6	14,588.0
Food and Agriculture Organisation	2,921.6	2,917.0	2,896.3	1,520.1	1,520.1	11,775.1
International Civil Aviation Organisation	865.3	1,033.0	1,035.5	1,039.0	1,130.0	5,102.8
Organisation of Islamic Conference	1,927.5	1,927.5	1,927.5	1,927.5	1,927.5	9,637.5
International Labour Organisation	1,341.4	2,053.4	2,312.9	2,312.9	2,288.4	10,309.0
International Maritime Organisation	878.8	968.3	1,039.3	1,191.0	1,385.1	5,462.5
International Telecommunication Union	-	725.8	867.2	963.3	1,021.9	3,578.2
International Tropical Timber Organisation	927.5	912.3	1,075.5	1,087.8	1,210.0	5,213.1
Islamic Education, Scientific and Cultural Organisation	765.0	1,530.0	1,721.9	1,834.1	1,834.1	7,685.1
Regional Centre of Education in Science and Mathematics	3,300.0	3,300.0	3,300.0	5,300.0	3,300.0	18,500.0
South East Asian Ministers of Education Secretariat	727.0	727.0	727.0	727.0	918.7	3,826.7
United Nations	13,727.1	13,727.1	13,727.1	13,727.1	13,727.1	68,635.5
United Nations Development Programme	2,846.0	2,067.0	2,831.6	2,811.9	2,390.0	12,946.5
United Nations Educational, Scientific and Cultural Organisation	2,871.7	1,767.0	2,531.6	2,511.9	2,071.3	11,753.5
United Nations Population Fund	57.0	57.0	817.0	817.0	817.0	2,565.0
United Nations Peacekeeping	6,785.6	6,785.6	6,785.6	6,785.6	6,785.6	33,928.0
UN World Tourism Organisation	179.8	493.4	504.3	529.9	529.9	2,237.3
World Health Organisation	2,781.7	2,996.6	2,996.6	3,365.4	3,406.1	15,546.4
World Trade Organisation	4,521.3	4,196.5	5,464.9	6,452.3	6,751.3	27,386.3
Others (annual contributions less than RM500,000)	5,769.9	6,126.6	6,080.0	6,295.1	6,514.2	30,785.8
Total	68,518.4	69,953.0	67,811.4	69,142.5	65,831.9	341,257.2

Source: Economic Planning Unit

CHART 27-1

NUMBER OF MTCP PARTICIPANTS, 1981-2005



Source: Economic Planning Unit
 Notes: MP refers to Malaysia Plan.

were made with Colombo Plan and Japan International Cooperation Agency (JICA) to conduct 47 Third Country Training Programme (TCTP) on a cost-sharing basis, based on 11 themes such as diplomacy, medical training, skills training and SME development.

III. PROSPECTS, 2006-2010

27.16 During the Ninth Plan period, Malaysia will continue to actively participate at the bilateral, regional and multilateral levels to promote international cooperation in order to create a more just and equitable international system as well as to achieve the national goals. While the MTCP will continue to focus on capacity building and the sharing of experiences with other South countries, it will also embark on new strategic directions which will include more private sector and NGO involvement in the implementation of its programme as well as streamline its activities to ensure its cost-effectiveness and impact.

Bilateral Cooperation

27.17 During the Plan period, Malaysia will continue its policy of development cooperation through the establishment and strengthening of bilateral relations

with both developed and developing countries. The thrust of Malaysia's bilateral relations will be the strengthening of ties for mutual benefits. New diplomatic missions in cooperating countries will be established while the Joint Commission mechanism will be strengthened to improve bilateral relations, particularly in cooperation in science and technology, educational and cultural exchanges as well as trade and investment. In this respect, investment guarantee agreements (IGAs), BPAs, and Palm Oil Credit Payment Arrangements (POCPAs) as well as trade and investment agreements will be negotiated between Malaysia and cooperating countries.

27.18 *Bilateral Official Development Assistance.* Malaysia will continue to seek further cooperation from traditional sources of capital assistance to implement projects in identified focus areas, particularly for human capital development. Malaysia and Japan Bank for International Cooperation (JBIC) will undertake joint evaluation on ODA projects two years after their completion to ensure that these projects are mutually beneficial. Through this approach, the project will be evaluated from the perspectives of both countries, which will also contribute towards future project formulation.

27.19 *Bilateral Technical Assistance.* During the Plan period, technical assistance from Japan will be guided by the JMEPA. In this regard, initiatives, programmes and projects will be implemented under the Economic Partnership Programme (EPP) of the JMEPA where both countries will be committed to the objectives of enhancing socio-economic development, strengthening competitiveness, developing human capital, promoting sustainable development and narrowing the gaps between Malaysia and Japan.

27.20 Technical assistance will continue to comprise development studies, project-type cooperation, cultural grants as well as the fielding of Japan Overseas Cooperation Volunteers (JOCVs), Japan Senior Volunteers (JSVs) and experts. The JOCVs and JSVs will be assigned to complement and support project-type activities and services of experts. JOCVs will continue to provide services, particularly in rural development, special education, social welfare services and the environment. The experience and expertise of the JSVs will continue to contribute towards capacity building and the transfer of technical and industrial skills for the development of the manufacturing sector.

27.21 During the Plan period, cooperation with the Danish International Development Agency (DANIDA) will continue to focus on environmental hazardous substances, solid waste management and biodiversity management components of the Environment Cooperation Programme (ECP). A Programme Support Unit will be established in the Economic Planning Unit (EPU) in 2006 as the secretariat for the review and implementation of ECP projects. This Unit will also assume the functions of the DANIDA team in Kuala Lumpur from 2007 onwards while DANIDA will continue to provide support to the ECP in terms of procedural and technical matters. A programme monitoring system for the ECP will also be put in place to ensure its effectiveness.

27.22 Technical cooperation with Germany will continue through the *Deutsche Gesellschaft Für Technische Zusammenarbeit* (GTZ) on the Malaysian-German Forestry Education Project, a six-year project, which is expected to be completed in 2009. The project will include curriculum development in forestry for undergraduate and post-graduate courses as well as improving research and consultancy capabilities. Through this project, *Universiti Malaysia Sabah* is expected to further develop its School of International Tropical Forestry, which will promote sustainable forestry development, particularly due to its proximity to one of the largest forest ecosystems in the world.

Regional Cooperation

27.23 During the Plan period, Malaysia will continue to cooperate at the regional level to increase the dynamism of the region and enhance inter-regional cooperation. Malaysia will also cooperate with other countries in the region to address common issues and enhance competitiveness for economic growth and development through closer economic integration, particularly among ASEAN members.

27.24 *Association of Southeast Asian Nations.* Malaysia in cooperation with other ASEAN members, will continue to undertake measures to deepen the economic integration of ASEAN towards achieving the objectives of the ASEAN Economic Community (AEC) by 2020. In this regard, Malaysia will cooperate actively with ASEAN members to implement various initiatives under the Vientiane Action Programme (VAP) and the Framework Agreement on Priority Integration Sectors. The acceleration of liberalisation of the services sector is expected to promote intra-ASEAN trade in services and also provide the necessary impetus to sustain and boost economic growth.

27.25 During the Plan period, in addition to ASEAN-China FTA in Goods, ASEAN will also implement the ASEAN-Korea FTA in Goods in 2006. Efforts will be intensified to conclude the on-going FTA negotiations with the other Dialogue Partners. All these FTAs are expected to have significant impact on the ASEAN economies and to provide the catalyst to continue to attract foreign direct investment into the region.

27.26 Malaysia will continue to encourage and support cooperation under the ASEAN Plus Three framework towards the establishment of an East Asia community, including the possibility of an East Asia FTA. Collaboration with Japan, People's Republic of China and Republic of Korea will be continued in sub-regional development initiatives, particularly the Growth Triangles, as well as in efforts towards the integration of ASEAN through the narrowing of development gaps between its members. Malaysia will also spearhead efforts to streamline and strengthen ASEAN through an institutional review and the adoption of the ASEAN Charter.

27.27 *Asia Pacific Economic Cooperation.* Malaysia will continue to emphasise the strengthening of regional economic development and enhancing shared prosperity in the Asia Pacific region. Towards this end, trade and business facilitation will be implemented, whereby the cost of doing business will be reduced and capacity building initiatives will continue to be given emphasis. Malaysia will encourage greater efforts among members to further intensify economic and technical cooperation as well as build human and institutional capacity.

Multilateral Cooperation

27.28 During the Plan period, Malaysia will continue to participate in and support programmes of multilateral organisations. Malaysia will work towards reforms in the UN in efforts to democratise the global decision-making process, strengthen multilateralism and address the pressing issue of poverty in South countries. Malaysia will also continue to cooperate with the UN in its efforts at peacekeeping and conflict resolution. Although technical assistance from multilateral sources is expected to decline during the Plan period, cooperation will continue, particularly to achieve targets beyond the MDGs.

PAGE
520

27.29 Malaysia will promote new cooperation modalities in consultation with development partners including cost-sharing in programme implementation. In addition, Malaysia, in cooperation with the international community, will continue to pursue innovative modalities to finance infrastructure development in developing countries.

27.30 *Organisation of Islamic Conference.* To further promote economic relations among OIC countries, Malaysia will cooperate with member countries to implement business initiatives, which can enhance intra-OIC trade and investment. This will include increasing opportunities to source quality goods and services from among member countries. Malaysia will also cooperate with members to enhance wealth creation through activities such as the production and supply of halal products and services, Islamic banking and finance, education as well as tourism.

27.31 To promote the spirit of self-help, Malaysia will continue to encourage the more developed OIC member countries to assist in the economic development of the less developed member countries through capacity building with the aim of eradicating poverty. This approach will reduce the significant gap between the ten OIC members which are also OPEC members, and the 22 member countries categorised as least developed countries by the UN. In the implementation of the OIC Capacity Building Programme, Malaysia will cooperate with the IDB and other OIC member countries to assist low income and less developed member countries which have been identified. This programme will include capacity building in fishery development in Bangladesh, small enterprises and micro-financing development in Aceh, Indonesia, oil and mineral resources development in Mauritania as well as capacity building in the palm oil industry

in Sierra Leone. In addition, Phase II of the programme will involve Comoros, Guinea, Maldives, Burkina Faso, Palestine and Somalia.

27.32 *Non-Aligned Movement.* Malaysia's Chairmanship of NAM which will end in 2006, will be assumed by Cuba. As one of the countries in the NAM troika, Malaysia will continue to actively contribute towards strengthening NAM to face new global challenges, promote and strengthen multilateralism, promote the primacy of international law and a just and democratic world order as well as global peace and stability. The Centre for Gender Development in Malaysia, established under NAM, will spearhead programmes which will contribute towards greater gender development among member countries.

27.33 *Asian Development Bank.* To further strengthen its national capacity, Malaysia will continue to participate in programmes offered by the ADB. In addition, collaboration with the ADB will include the sharing of development experience with South countries through study visits funded by the Bank in various technical fields. New areas of collaboration will be explored to enhance competitiveness and to promote sustainable rates of growth in the region as well as greater economic integration.

27.34 *Islamic Development Bank.* Malaysia will continue to collaborate with the IDB to further promote and strengthen cooperation among member countries including supporting the activities of the IDB 1440H Vision Commission. As Chair of the Commission, Malaysia will take the lead in formulating an action plan by the IDB to enhance business collaboration and economic linkages through a series of consultations with member countries.

27.35 Malaysia will contribute to capacity building and institutional development of a global Islamic finance system by leveraging on its expertise, experience and knowledge. In this regard, Malaysia will offer capacity building programmes in relation to the Islamic capital market through the Securities Industry Development Centre, the education and training arm of the Securities Commission. Efforts will also be undertaken to collaborate with research and training institutes of the IDB as well as other member countries towards creating a pool of Muslim capital market professionals.

27.36 Malaysia will continue to source financing from the IDB and participate in its capacity building programme for member countries including attachment programmes, dispatch of experts in specific technical areas and the hosting of study visits from member countries. Cooperation with the IDB will be enhanced through the provision of 200 scholarships for the Plan period to students from IDB member countries to pursue tertiary education at the undergraduate and post-graduate levels in local public universities, on a cost-sharing basis.

27.37 *World Bank.* Cooperation with the World Bank will be mainly through technical assistance in specific areas such as investment, competitiveness, education and agriculture. International experts who will undertake specific advisory activities will continue to be sourced when necessary, from the Bank.

27.38 *UN Specialised Agencies.* During the Plan period, technical assistance from the UN specialised agencies is expected to decline. In this regard, new funding modalities for project implementation with development partners will be explored. To continue cooperation with UNICEF, the National Advisory Committee, comprising representatives from the Government agencies and NGOs, will review and recommend an alternative modality that will be implemented in a systematic and transparent manner, optimising available resources, after the completion of the Country Programme Action Plan in 2007. Collaborative partnership with UNFPA will also be reviewed during the Plan period, to maximise benefits from its expertise. It is expected that cooperation projects will increasingly be implemented on a cost-sharing basis with development partners.

27.39 Technical assistance from multilateral development partners such as UNDP, UNFPA, UNICEF and World Health Organisation (WHO) will focus on achieving targets beyond the MDGs through projects on poverty reduction, environmental management, governance, health, education and gender issues. Cooperation with development partners will increasingly be on an equal footing as Malaysia continues to make advancements in these areas. Funding for projects such as biological diversity, energy efficiency, renewable energy, climate change and reducing the release of chlorofluorocarbons (CFCs) and other ozone-depleting substances (ODS) into the atmosphere will continue to be sourced from multilateral funds including the Global Environment Facility (GEF). Malaysia will also utilise the global network of UN specialised agencies to access cutting edge ideas.

27.40 South-South cooperation with multilateral development partners will be enhanced. In this regard, Malaysia will continue to share its development experience with other South countries, particularly in Africa and Central Asia, with focus on poverty alleviation, development planning and development of SMEs. These activities, which will involve specialised short-term training and study visits, will be conducted under the MTCP as well as in collaboration with other international development agencies.

27.41 *Other Multilateral Organisations.* Negotiations in the WTO will focus on improving market access without the inclusion of extraneous issues. To further enhance its capacity to meet new challenges in international trade, Malaysia will fully utilise its participation as an observer in eight committees of the Organisation for Economic Cooperation and Development (OECD) as well as in three of its working and expert groups. In addition, Malaysia will be able to voice its concerns on relevant trade issues and be involved in policy formulation.

Malaysian Technical Cooperation Programme

27.42 As a strong advocate of South-South cooperation and in line with the “prosper-thy-neighbour policy”, Malaysia through the MTCP, will continue to extend technical cooperation to other South countries during the Plan period. The MTCP will assume a more strategic role in strengthening smart partnerships, enhancing bilateral relations and promoting greater self-reliance among developing countries through the sharing of knowledge and experience and the development of human capital. The MTCP will seek to cooperate closely with the private sector and NGOs as well as implement cost-sharing arrangements with member countries and development partners such as JICA and Colombo Plan in order to widen its scope and coverage.

27.43 The strategic thrusts of the MTCP will be to promote cooperation partnerships, greater private sector and NGOs’ involvement as well as tourism, industry, health and education. The implementation, monitoring and evaluation mechanism of the MTCP will also be strengthened to increase its impact and effectiveness.

27.44 In line with efforts to enhance greater South-South cooperation, the MTCP will enhance its programmes to promote partnerships among MTCP member countries. This approach will further strengthen bilateral trade and economic relations between MTCP and member countries.

27.45 The MTCP will continue to cooperate with the NGOs to assist countries affected by the *tsunami* in disaster risk management. Cooperation with NGOs will include collaboration in organising capacity building courses such as disaster management in cooperation with MERCY Malaysia as well as for humanitarian causes.

27.46 During the Plan period, efforts will be made to promote tourism, industry, health and education through the MTCP by incorporating visit programmes in the course curriculum to tourist destinations, industries as well as health facilities. Scholarships at the post-graduate level provided by the MTCP, will be complemented by a special scholarship programme, the *Perdana* International Scholarship Programme, administered by the Ministry of Higher Education.

27.47 Measures will be taken to increase the impact of MTCP through the strengthening of its implementation, monitoring and evaluation mechanisms. The current modalities of technical cooperation among developing countries (TCDC) will be further refined and the scope expanded, particularly to address the digital divide, poverty eradication and governance on global trade and investment as well as promote the process of peace-building. These modalities will be continually reviewed and improved to reflect the current needs of recipient

countries. The MTCP will implement TCTP courses in cooperation with development partners such as JICA and Colombo Plan in designated areas and with greater participation from private sector institutions.

27.48 To implement the MTCP effectively, efforts will be undertaken to work closely with Malaysian missions abroad. These missions will assist in the establishment of an Alumni Association and networking in member countries. The MTCP will continue to utilise its Alumni Network as a forum to obtain inputs for the planning of the future direction of the programme. The Alumni Network will be a resource pool to source expertise for seminars, workshops and conferences. The Network will also be enhanced with the establishment of a data exchange, which will enable the sharing of information among all training institutions.

27.49 The MTCP will continue to actively support South-South cooperation including collaborating with multilateral organisations, donor countries and other developing countries to provide TCTP and other forms of technical cooperation to MTCP member countries. In this regard, more member countries will be encouraged to participate as partners with the MTCP including through a cost-sharing modality. This will apply to more developed member countries, particularly those with higher per capita income than Malaysia.

IV. INSTITUTIONAL SUPPORT AND ALLOCATION

27.50 To implement effective bilateral and multilateral cooperation programmes, the leading agencies are the Ministry of Foreign Affairs, Ministry of International Trade and Industry and the EPU. These agencies will focus on priority areas of cooperation that will contribute towards national economic development and regional integration as well as international networking. Malaysian missions abroad will also play a significant role to implement the MTCP training programme and promote other activities including the MTCP alumni networking. The EPU will coordinate, monitor and evaluate MTCP activities as well as provide for its funding to all the training institutions and agencies which implement the MTCP courses.

27.51 During the Ninth Plan period, a sum of RM200 million will be allocated for the MTCP of which about 75 per cent will be utilised on human capital development. This allocation constitutes an increase of 25 per cent compared with the Eighth Plan.

V. CONCLUSION

27.52 By cooperating actively with the regional and global community, Malaysia was able to enhance relations at the bilateral, regional and multilateral levels during the Eighth Plan period. South-South cooperation continued to be emphasised

as a vehicle for Malaysia to promote greater economic relations with other developing countries for mutual benefits. Significant progress was made in expanding the scope and coverage of the MTCP and its partnerships with other international development agencies as well as spearheading regional cooperation, particularly through ASEAN.

27.53 During the Ninth Plan period, efforts will be undertaken to intensify international cooperation at the bilateral and multilateral levels to enable Malaysia to explore new opportunities for economic development. Regional cooperation with other ASEAN members will be emphasised and inter-regional cooperation will be further promoted through participation in APEC activities. Malaysia will further promote economic relations among OIC countries, particularly in trade and investment as well as capacity-building with the aim of eradicating poverty. The MTCP will play a significant role in enhancing political and economic bilateral relations between Malaysia and member countries. Cooperation with other developing countries will continue to be emphasised to enable the interests of South countries to be integrated in the global agenda and the development gap to be narrowed between developed and developing countries.