



# Request for Proposal: Behavioural Insights Capacity Building in Malaysia 2023 - 2025

Faisal Naru

Think.Test.Do

6 January 2023

This proposal contains commercially sensitive information and is only for the purpose of MPC and other relevant decision-making authorities in Malaysia. Any other sharing of information in this document requires explicit written consent.

## Contents

Malaysia and Behavioural Insights (BI) .....	3
Introduction .....	3
The Importance of BI in Public Policy Making .....	3
Behavioural Insights in Malaysia .....	4
The challenges in applying BI in Malaysia .....	4
1. BI Capacity Building Approach.....	5
Overarching objectives of Capacity Building: .....	5
Target audience .....	5
Duration .....	5
2. 2023 – 2025 Behavioural Insights Services .....	6
Twelfth Malaysia Plan (2021-2025) .....	6
Scheduled Programme of Activities – 2023 - 2025 .....	9
2023 – 2025 Budget .....	10
Final proposal comments.....	11

Think.  
Test.  
Do.

## Malaysia and Behavioural Insights (BI)

### Introduction

There are over 450 public policy entities across the world that have started to systematically apply BI in public policy. There are many more who have embarked on projects at least once. Within Southeast Asia only Singapore has systematically applied BI in public policy with many Ministries having their own BI capacities. Indonesia has conducted some BI experiments in Ministry of Finance also, but not set up a unit.

The reason that these units/initiatives exist or have been set up, is because BI is a new tool for policy makers – like cost-benefit analysis is a tool used in policy making, and therefore is a capability that governments and public bodies are building in order to deliver more effectively and efficiently on their mandates.

### The Importance of BI in Public Policy Making

Often governments are faced with regulations and policies that when implemented do not work. That is because when they are designed or implemented, they are done with an assumption of what drives people to behave the way that they do. Behavioural insights, through scientific understanding and experimentation, uses a more realistic understanding of people's behaviour in order to design and implement policies so that they have greater impact.

#### **The benefits of embedding BI into Public Policy for Malaysia are:**

- Policies that have better understanding of human behaviour and therefore potentially work better;
- Less waste of resources through ineffective policy implementation;
- Building trust with stakeholders through having policies that work and that have evidence base;
- Positioning Malaysia as one of the leaders in ASEAN in terms of best practice in public policy, like in good regulatory practice (GRP)

## Behavioural Insights in Malaysia

In Malaysia, many policies either do not work or could be more effective. In a region that is increasingly competitive it is critical to keep improving the way that Malaysia designs and implements policies. For instance, The Indian Economic Strategy, includes applying behavioural insights as one of the key pillars for economic strategy and development and has set up a number of behavioural units centrally and at the state level. Malaysia would be the first in ASEAN to make a similar explicit commitment and declaration to apply the latest best practice tools in government.

## The challenges in applying BI in Malaysia

MPC has tested capacities to date, and it is apparent that the BI in Public Policy skills is not readily available and obtaining them will take some investment and time. Building capacity is therefore a critical next step for Malaysia.

There are different capacities required in order to embed and mainstream BI in the Malaysia policy making system.

### Top-Down Demand

The key leaders and decision-makers in public policy and regulatory institutions should be made aware and create the demand from their teams and officials to improve policy making and implementation through new tools. Having their awareness and buy-in is critical to ensure resources are allocated effectively inside their organisations that will support and deliver BI projects in the future.

### Bottom-Up Awareness

In the Malaysia public policy eco-system, there is a need for peer-to-peer awareness, oversight and coordination inside Ministries, Agencies and Regulatory Bodies. Engaging Regulatory Coordinators or Policy Coordinators inside each ministry, agency and regulatory body is important to spread the awareness of BI and provide a network of supporters at the technical level inside public bodies.

### Skills and Capacities to Deliver

In parallel to the awareness and buy-in of BI in public bodies, there is a need for BI capacities to exist that can meet the demand and conduct BI work. Policy officials with these skills will need to be nurtured and developed over a longer time-frame so that they can be part of a cohort across the Malaysia public service that can be deployed and create a community of BI practitioners.

## 1. BI Capacity Building Approach

### Overarching objectives of Capacity Building:

- To develop strong foundation on competency and knowledge on BI among policy makers, regulators and public officials;
- To learn practical methods and tools that can be used to apply behavioural insights to develop more effective policies and services; and
- To promote BI concepts, initiatives and method to improve efficiency of public policy.

### Target audience

There are three sets of stakeholders who should partake in the capacity building programmes:

- i. **Leaders:** *Senior management or leadership*  
Jusa level officers, including Director Generals, who are in management and decision-making positions in Ministries, Agencies and Regulatory Bodies.
- ii. **Talent:** *Regulatory and policy coordinators*  
RCs and policy coordinators in Ministries, Agencies and Regulatory Bodies are responsible for ensuring that new policies and regulations adhere to good regulatory and policy practice. They have an oversight role within their organisation working with policy teams across their organisation.
- iii. **Practitioner:** *Policy experts applying behavioural projects*  
Policy officials who have graduated from university with a social science, mathematical or statistical course and who would either be responsible for or conducting public policy work in the near future.

### Duration

The capacity building is proposed to begin in 2023 and be completed by end of 2025.

## 2. 2023 – 2025 Behavioural Insights Services

### Twelfth Malaysia Plan (2021-2025)

In line with the objectives of the Twelfth Malaysia Plan 2021-2025 (Twelfth Plan), Behavioural Insights (BI) will be used to design and implement policies to guide the *rakyat* towards making better decisions. It is expected that the BI approach will be applied to steer mindset and behavioural changes, mainly through the provision of appropriate facilities, product labelling and reward systems as well as incorporation in faith practices. It is anticipated that this will assist in increasing environmental awareness and contribute to sustainable lifestyles.

In order to support this ambition in the Twelfth Plan there are three service streams being requested by the Malaysia Productivity Corporation (MPC).

#### **Stream 1: Developing BI modules for the three target audiences**

There are specific needs and requirements to the Malaysia public policy context that require the development of BI modules to suit the local environment. While off-the-shelf training programmes are available they are often not relevant to the realities of those involved in public policy within Malaysia.

There are three modules that will require development for the needs in Malaysia:

Module 1: Leaders

Module 2: Talent

Module 3: Practitioners

The BI policy modules will be developed according to a needs assessment that will guide the design of the content, which will include international best practice.

Module 3 will be developed in year 1 and delivered throughout the project.

Module 1 will be developed in year 2.

Module 2 will be delivered in year 3. In year 3 both Module 1 and 3 will also be revised and refreshed based on any learnings from their roll out in 2023 and 2024.

By the end of the project, up to date, tested and revised modules will be provided and delivered.

This will contain:

- Needs assessment report;
- Module programme;
- Module powerpoint slides;
- Module handbook for participants (including independent reading and assignments where applicable).

The module content will be behaviourally designed to include relevant and consumable content for each audience based on the needs assessment, and will therefore be salient and concise.

## **Stream 2: BI Training of Modules**

The delivery of the training modules will be conducted annually in cohorts of participants throughout the year. This will help to build communities of awareness, knowledge and expertise in BI within Malaysia among peers. **It is therefore important to select the participants carefully so that they can use the training provided to them.**

The first cohort (Leaders) are senior managers and leaders, who will be provided with knowledge that will assist them in becoming champions for BI in their institutions and across the public service. They are also in a position to support and create demand for BI projects in their areas of responsibility. The training will also help them in being aware and understanding about BI within their own decision-making context. Recognising that they are often very busy people, the module that will be designed for them will be of a training module of two hours each across the three years. They will also be provided with guidance on further reading materials that they can use in their own independent learning. There will be up to 15 participants to complete this training annually.

The second cohort (Talent) are officials in public institutions (Ministries, agencies and regulators) who require increased awareness of BI. This cohort is often responsible for policy coordination and includes Regulatory Coordinators across the civil service that MPC is already engaged with for Good Regulatory Practices (GRP). The training will provide them with the knowledge and understanding of the behavioural public policy and its relevance within their policy domain. This cohort will benefit from three training modules that are each for half a day, in one year. They will also be provided with guidance on further reading materials that they can use in their own independent learning. There will be up to 125 participants to complete this training annually for the first two years and 50 in the last year. In the first two years, there will be two groups of 60 & 65 that will attend the training for half a day each, three times in the year.

The third cohort (Practitioners) are policy experts or officials who are currently engaged in BI projects or who will be applying BI in future projects. This is a more comprehensive module that will include six training sessions for 1 day each through the year. It will also cover one assignment to be conducted either individually or in groups. There will also be two guest lectures for the cohort with international BI experts. This is a more immersive and inter-active training module and therefore it will have up to 25 participants annually.

### **Stream 3: BI Advisory Services**

There will be support services provided for up to 5 BI projects per year with advice and guidance given to the policy teams conducting the BI projects. This is incorporated into the training programme for the Practitioners. The advisory services will be structured in the following way for the first two years:

1. Kick-off meeting to provide an orientation of the advisory services support that will be provided and that will assist in understanding the support services throughout the year.
2. There will be 3 online sessions that will be for up to 3 hours each that will provided advice and guidance on the BI projects throughout the year. This online session will discuss progress and share lessons among the 5 BI project teams.
3. There will be 10 physical review sessions in Malaysia that will be for up to 2 hours each. These are envisaged to be two sessions with each BI project team individually for half a day at a time during the year.
4. There will be 4 physical review sessions in Malaysia that will be for up to 3 hours each, and will be held with two or more BI project teams. These sessions will help share knowledge, experience and build a community of practice of policy officials applying BI in Malaysia. This will also provide an opportunity for peer-to-peer learning and experience.

In year three, there will be continued work with the 10 BI projects that will have commenced and for future projects with the Practitioners who have already participated in the programme of activities in this project. This will include:

1. 10 physical review sessions in Malaysia that will be for up to 2 hours each. These are envisaged to be two sessions with each BI project team for half a day during the year.
2. 4 physical review sessions in Malaysia that will be for up to 3 hours each, and will be held with two or more BI project teams. These sessions will help share knowledge, experience and build a community of practice of policy officials applying BI in Malaysia.
3. Two 1 day consultations with all the Practitioners to discuss findings, obtain key lessons and help develop a plan for Malaysia in the 13th Malaysia Plan based upon experience. These will be physical in person meetings that will be complimented with meetings with other key stakeholders.

This advisory service may be altered based on discussions with MPC and the BI project teams during the year based on the requirements of the BI projects.



## Scheduled Programme of Activities – 2023 - 2025

Stream	Activity	2023	2024	2025	Total Outputs to be provided
<i>Stream 1: Developing BI Capacity Building Modules</i>	S1.1. Develop Module 1	X	Leader Module	Leader Module Finalisation	<b>1 x Leader Module</b>
	S1.2. Develop Module 2	X	X	Talent Module	<b>1 x Talent Module</b>
	S1.3. Develop Module 3	Practitioner Module	X	Practitioner Module Finalisation	<b>1 x Practitioner Module</b>
<i>Stream 2: BI Training of Modules</i>	S2.1. Leader Training	1 x 2 hour session	1 x 2 hour session	1 x 2 hour session	<b>6 hours executive training + independent reading</b>
	S2.2. Talent Training	3 x 1 day sessions (½ day each group x2)	3 x 1 day session (½ day each group x2)	3 x 1 day session (½ day each group x2)	<b>9 days training + independent reading</b>
	S2.3. Practitioner Training	6 x 1 day training 1 x self-assignments 2 guest speaker sessions	6 x 1 day training 1 x self assignments 2 guest speaker sessions	2 x 1 day consultation session	<b>12 x 1 day training 2 x 1 day consultation session 2 self assignments 4 guest speaker sessions</b>
<i>Stream 3: BI Advisory Services</i>	S3.1. Kick-Off Meeting	1 x Kick Off Meeting	1 x Kick Off Meeting	X	<b>2 x Kick Off Meetings</b>
	S3.2. Online Review Sessions	3 x Online Sessions	3 x Online Sessions	X	<b>6 x Online Sessions</b>
	S3.3. Physical Review Sessions	10 x Physical Sessions	10 x Physical Sessions	10 x Physical Sessions	<b>30 x Physical Sessions</b>
	S3.4. Physical Group Sessions	4 x Physical Sessions	4 x Physical Sessions	4 x Physical Sessions	<b>12 x Physical Group Sessions</b>

## 2023 – 2025 Budget

	2023	2024	2025	Total (MYR)
<b>Stream 1</b>				
Develop Module 1	X	✓	X	
Finalise Module 1	X	X	✓	
Develop Module 2	X	X	✓	
Develop Module 3	✓	X	X	
Finalise Module 3	X	X	✓	
<b>Stream 1 Total (MYR)</b>	132k	110k	306k	<b>548k</b>
<b>Stream 2 &amp; 3</b>				
Leaders	15	15	15	45 Participants
Unit Cost for Training (MYR)	2.5k	2.5k	2.5k	2.5k
Total (MYR)	37.5k	37.5k	37.5k	112.5k
Talent	125	125	50	300 Participants
Unit Cost for Training (MYR)	4.2k	4.2k	4.2k	4.2k
Total (MYR)	525k	525k	210k	1,260k
Practitioners	25	25	25	50 participants
Unit Cost for Training (MYR)	25k	25k	15k	25k (Y1&2) 15k (Y3)
Total (MYR)	625k	625k	375k	1,625k
<b>Stream 2 Total (MYR)</b>	1,187.5k	1,187.5k	585k	<b>2,960k</b>
Discount based on 3 years project (20%)	(237.5k)	(237.5k)	X	<b>(475k)</b>
<b>UK VAT tax (20%)</b>	216.4k	212k	178.2k	<b>606.6k</b>
<b>Total Budget</b>	<b>1,298.4k</b>	<b>1,272k</b>	<b>1,069.2k</b>	<b>3,639.6k</b>

**NB** – Taxes across borders for virtual/online training and activities is an evolving issue. The tax calculation above may change upon commencement of the project and based upon consultation with the relevant tax authorities in Malaysia and the UK. The anticipated UK taxes are included. Any tax liability in Malaysia is not included.

The fees in this proposal are for intellectual and consulting services. They also include the cost of travel and accommodation for the Think.Test.Do team during Missions to Malaysia. All other costs are to be borne by MPC such as travel in Malaysia and for physical sessions.

## Final proposal comments

This proposal has been developed based upon international experience and feasibility of participants to partake and benefit from the training in Malaysia virtually. A *behavioural insights* approach has been used in designing this bespoke capacity building programme to maximise value for money and learning of course participants.

A substantial discount has also been applied with the understanding that this is a long term engagement over 3 years.

If there are any suggestions, comments or adaptations to this proposal then further conversations with MPC are welcome to be scheduled.

**END**

Think.  
Test.  
Do.