

WHY GOVERNMENT PROJECTS FAIL

Unconvincing proposals by agencies fail to secure funding.

By *Ishun Ahmad*



IT IS NOT uncommon for some government projects to never see the light of day. It could be due to a host of problems, not least inefficient planning.

Most distinct of all is the lack of funding, as without funding any project or programme is most definitely doomed to fail. However, there are also times when funding is not the problem but the lack of projects or planning tied to a budget. This results in the under-utilisation of budgets and the inefficient use of funds.

This is obvious from the fact that some government agencies have more than adequate funds, while others suffer from the lack of it. Not too long ago, the government had raised the issue of some public agencies not having fully utilised their budgets and certain programmes not having been activated under the Eighth Malaysia Plan.

This is all too common, and only lately has the government increased its call for transparency, accountability and efficiency in order to improve the civil service.

One of the main buzzwords to this end is key performance indicators (KPIs) that Prime Minister Datuk Seri Abdullah Ahmad Badawi has been actively promoting lately.

According to SAS Institute Sdn Bhd's Director (financial intelligence solutions)

Sheikh Manzoor Ghani, the failure of government programmes and projects is mainly due to the lack of funding. 'The failure of government agencies to obtain funding from the Ministry of Finance could be due to their unconvincing proposals that are not substantiated. If the agencies are not clear and do not have strong objectives for their programmes, obviously it would be difficult for them to ask for funds,' Manzoor tells *Malaysian Business*.

Another important factor is that organisations like government agencies do not have a good and proper system that can measure the effectiveness and progress of their programmes, he adds.

The failure to have one, such as implementing KPIs, would not only result in poor management but would also cause organisations to not be able to achieve their goals.

'Today's buzzword seems to be KPIs. Unfortunately, they (the organisations) are missing it. They are too focused on staff appraisals and individual motivation rather than the goals of the organisation. KPIs should focus more on the goals and

strategies of the organisation with the bigger picture aligned to KPIs, plans and their budgets,' says Manzoor.

Feedback from a number of government agencies to SAS Institute has indicated that agencies that talk about implementing KPIs only focus on individual and human resource initiatives.

Consensus from government agencies has also found that for KPIs to be successful, they need to be headed by top management themselves.

Manzoor says the overall picture given by government agencies to SAS Institute is that they were in favour of KPIs. Their perception is that KPIs would help them provide more information on the cost of assets, incentives to improve management and a more strategic approach to public expenditure.

In essence, Manzoor says organisations like government agencies need clear goals and objectives. More importantly, they need to stay focused on them and tie them to their budgets. A good example, he points out, is the success of the Immigration Department in catering to the huge increase in people needing its services. 'There used to be long queues at the Immigration Department. Its success was due to the department's clear goals and objectives. It knew what it wanted and went for it. It invested in IT, infrastructure and training. It has clearly paid off,' says Manzoor.

In a nutshell, Manzoor says to increase the success rate of government programmes and projects in the future, the awareness of good budgeting practices has to be increased. He stresses that programmes need to be tied to budgets and be continuously measured to track their effectiveness.

Good budgeting, he adds, will not only help reduce the incidence of failed programmes, but also improve the financial position of the government and provide more balanced funds for all departments.

In the end, the goal of good budgeting will help eliminate the problem of surplus and deficit budgets in government agencies, thus allowing the government to fully utilise its budget. **mb**