Malaysia

Higher Education Loan Fund Project

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Field Survey: October 2004

1. Project Profile and Japan's ODA Loan

Area Map of Project Site

A graduate who works as an engineer at a Japanese electronics parts manufacturer

1.1 Background

Malaysia is placing priority on higher education in an effort to create an economy and society based on advanced technology by 2020. The number of students enrolling in higher education has been in an uptrend since the 1980s, with a total of just over 60,000 students enrolled at the university and graduate school level in 1986. However, due to the lack of higher education institutions in Malaysia, more than 20,000 of that 60,000 studied at overseas universities and graduate schools. The Malaysian Government considers the development of core engineers to be vital for the country's economic development, and the government was making efforts to enhance development of universities, particularly the science and engineering fields. However, as it was difficult to increase the number of universities within a short time span, expansion of overseas study opportunities was also considered necessary.

Prime Minister Mahathir's (prime minister at the time of appraisal) propounded the Look East Policy (LEP) to follow the social and economic development modes of East Asian countries such as Japan and South Korea as a model for highly-technological economic society that aspires for Malaysian economy to become, since he believed that Malaysia had more to learn from them than from that of Europe and the US. He endeavored to promote study in Japan and other East Asian countries by Malaysian students. However, at the time of the appraisal, the only overseas study program in Japan with the Malaysian Government funds was one implemented by the Public Service Department of Malaysia (which has sent 40 to 100 students annually to Japan since 1984).

Against such a background, this project, the Higher Education Loan Fund Project

(HELP), was implemented as the first ODA loan project to fund overseas education loans. Furthermore, as of the Ex-Post Evaluation, a successor loan project (HELP (II)) is being implemented.

1.2 Objectives

The objective is to help increase number of qualified engineers by providing scholarships for the study of science and engineering in Japanese universities to Malaysians who wish to study overseas, and thereby contribute to the economic development of Malaysia through promoting science and technology, together with enhancing the implementation of the Look East Policy.

1.3 Borrower/Executing Agency

Government of Malaysia/Yayasan Pelajaran MARA (YPM)

1.4 Outline of Loan Agreement

Loan Amount/ Disbursed Amount	5,493 million yen/5,317 million yen
Exchange of Notes/Loan Agreement	May 1992/May 1992
Terms and Conditions -Interest Rate -Repayment Period (Grace Period) -Procurement	 3.0% 25 years (7 years) General Untied
Final Disbursement Date	September 2002
Principal Contractors (Consulting Services)	Japan-Indonesia Science and Technology Forum
Project Identification and Preparation Study (such as Feasibility Study (F/S))	1991: Preliminary Study by Japan Bank for International Cooperation (JBIC)

2. Evaluation Results

2.1 Relevance

2.1.1 Relevance of the Project Plan at the Time of Appraisal

As stated in "1.1 Background," under the Look East Policy economic and social development with patterning on such as the Japanese and South Koreans models was set forth, and study in these countries was promoted. In the 6th Malaysian Plan (1991-1995), "human resources development primarily in the fields of science and technology, with the goal of becoming an advanced country by 2020" was made explicit, and it aimed to

increase the number of students enrolled in higher education.

The overseas study program of the Public Service Department was implemented under these policies, but further expansion of the program was desirable to increase the number of students studying overseas. Development of higher education institutions was progressing in Malaysia, but as the capacity was insufficient, the condition was such that overseas study was used to supplement domestic education.

This project was a high-priority project given the above-mentioned issues because it was for the purpose of supporting a program for overseas study at science and engineering departments of Japanese universities.

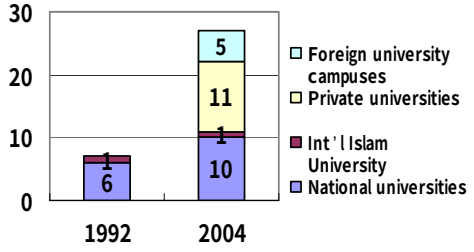
Moreover, the relevance of this project was accentuated by the fact that, as Japanese companies increased their presence in Malaysia, there was an increasing demand for engineers who have studied in Japan

2.1.2 Relevance of the Project Plan at the Time of Ex-post Evaluation

The Look East Policy continues, and the Third Outline Perspective Plan (2001-2010) and the Eight Malaysia Plan (2000-2005) call for "development of high-level human resources in the science and technology fields and research and development fields to achieve a knowledge-intensive economy." [1]

To actualize these goals, overseas study program in Japan by the Public Service Department and HELP (II), the successor of this project, are currently ongoing[2]. With regard to the expansion of institutions of higher education within Malaysia, followed by improvement of legislation and so on, the number of national universities has increased, private universities have opened, and campuses of foreign universities (from Australia, United Kingdom, etc.) have been established (Figure 1). As a result, the necessity of studying overseas has diminished compared to the time of the appraisal; however, in the Eight Malaysia Plan, mention is made of continued promotion of overseas study in new fields and fields that cannot be studied sufficiently in Malaysia. Moreover, it can be said the overseas study continues to be a high-priority project because of the position

Figure 1: Trends in the Number of Universities in Malaysia



Source: JBIC materials, etc.

[1] The number of students enrolled in higher education in Malaysia more than doubled from approximately 150,000 in 1995 to approximately 320,000 in 2000. Among these, the percentage majoring in science and technology fields at the undergraduate level increased from 40.7% in 1995 to 56.6% in 2003.

[2] The Public Service Department's study in Japan program was supported by grant aid from Japan in 1998 and by ODA loans from Japan since 1999. (The "Look East Program", which is scheduled to run until 2008, is currently implemented in parallel with HELP (II).)

of the program under the Look East Policy.

Although the number of Japanese companies in Malaysia has grown at sluggish pace in recent years, as of 2003 there were more than 1,300 Japanese companies located there, and a number of large Malaysian companies are engaged in business and capital tie-ups with Japanese companies. Thus, the demand for Malaysian engineers who can communicate in Japanese is considered likely to remain high.

2.2 Efficiency

Efficiency of this project may be judged as high because the output, project period, and project cost have all achieved or improved upon the levels planned at the time of appraisal.

2.2.1 Output

The output that was planned at the time of appraisal was as follows.

(1) Implementation of pre-departure program prior to study in Japan for a total of 240 students who have completed secondary education, to consist of study of language and basic subjects for a period of 2 years and five months in Malaysia.

(2) Implementation of overseas study program at science and engineering department of Japanese universities for the 240 students who complete the above pre-departure program, to consist of scholarship funds, 75% of which shall be granted and 25% of which shall be loaned as a general rule, for four year of study abroad in Japan.

(3) Consulting service, to consist of the design of the pre-departure program, provision of information and counseling for the students, guidance and support in enrollment procedures of the universities, monitoring the students during study in Japan, and employment search assistance following study in Japan, etc.

The ODA loan was funded for the expenses involved in pre-departure program and overseas study program in Japanese universities as well as consulting service expenses, etc.

The actual output was as follows.

(1) Pre-departure program: The program was implemented at college facilities owned by YPM (the executing agency) located in Bangi, which is on the outskirts of Kuala Lumpur, and a total of 343 students studied in batches of five. Actual period of each batch of the program was shorter than planned at the time of the appraisal that was 1 year and 7 months, starting in May and ending in December of the following year. The number of students accepted was increased in response to demand, reflecting the satisfactory implementation of the project. 33 students dropped-off the program due to poor grades, etc.

(2) Overseas study program at Japanese universities: A total of 310 students completed the pre-departure program in batch of the five, and all of them passed the university entrance exams[3] and proceeded to Japanese universities (Table 1).

Table 1: Enrollees and Graduates of the Pre-departure and University Programs

Batch	Year Entered Univ.	Number of Students in Pre-departure Program			Number of Student in Overseas Study Program in Japan					
		Original Plan	En-Rolled (Actual)	Com-Pleted (Actual)	Dispatched (Actual)			Graduated (Actual)		
					Total	Private Univ.	National Univ.	Total	Within Standard Number of Years	Stayed Extra Years
1	1995	60	60	58	58	35	23	54	51	3
2	1996	80	91	76	76	35	41	67	59	8
3	1997	100	97	94	94	56	38	86	77	9
4	1998	—	41	42	42	31	11	38	31	7
5	1999	—	54	40	40	34	6	34	28	6
Total		240	343	310	310	191	119	279	246	33

Source: Executing agency materials

Factors that enabled all students to obtain admission into Japanese universities include the fact that (1) strict selection criteria[4] were set for the pre-departure program and only outstanding students were accepted, (2) a practical curriculum focused on gaining admittance to the university science and engineer departments was developed and implemented[5], and (3) private Japanese universities, which supplied instructors for the pre-departure program, cooperated with the project consultants by taking active steps to encourage other universities to accept students and to adjust the dates of the entrance exams, etc. As a result of (1) and (2) above in particular, the students in the pre-departure

[3] The students were required, just like ordinary self-funded overseas students, to achieve a certain score on the General Examination for Foreign Students and the Japanese Language Proficiency Test. (Both tests were given to overseas students and persons intending to study Japanese by a Japanese agency. Since FY 2004, the agency is the Japan Student Services Organization, an independent administrative institution. Currently, for self-funded students, these two tests are integrated into the Examination for Japanese University Admission for International Students (EJU)). After that, the students were required to take the entrance exam of their chosen national or private university. In the Public Service Department's overseas study program in Japan, students are assimilate to those who are funded by the Japanese Government, and after taking a test supplied by the Ministry of Education (at the time), they are placed in national universities.

[4] Requirements for acceptance in the pre-departure program include an overall grade of 1 on the Malaysian Certificate of Education (also known as Sijil Pelajaran Malaysia (SPM)) with 90 points or more in modern mathematics. Only the top 5% of SPM test-takers achieve this.

[5] The Japanese instructors of Japanese language, science, and mathematics in the pre-departure program are sent from specific universities (private Japanese universities) that cooperate with the program. The pre-departure program curriculum was devised by the Japanese instructors, Malaysian instructors (persons with experience studying in Japan under the Public Service Department's program or others), and the consultant. The total amount of class hours was 1,540 hours, with 39 hours per week the first year and 40 hours per week the second year. The class content was practical, with the science and math classes utilizing Japanese textbooks and reference texts as well as exam questions from past university entrance exams. Seven graduates who were interviewed for this field survey gave high ratings to the instructors' enthusiasm and to the continual improvements in the class content, at the same time, they said that the program was also extremely tough. According to the beneficiary survey conducted at the field survey, 38 out of 89 valid responses stated "this pre-departure program is better than others" as their reason for applying for this program.

program produced outstanding scores on the General Examination for Foreign Students and the Japanese Language Proficiency Test which were given prior to the university entrance examination[6].

2.2.2 Project Period

The three batches of the pre-departure program and the overseas study program at Japanese universities which were planned at the time of appraisal were implemented as originally planned from May 1992 to March 2002. Due to the increase in the number of students accepted (in the additional fourth and fifth batches) as discussed above, the final completion date of the project was March 2004, which was the graduation date of students who participated in the fifth batch and required an extra year to complete study[7]. Furthermore, because the loan closing arrived in September 2002 when the students in the fifth batch were still fourth-year students, the project was sustained by using ODA Loan (prepaid before the closing) and also by using funds from the Malaysian Government following the loan closing until the students' graduation in March 2003.

2.2.3 Project Cost

The total project cost on a yen basis was 6,202 million yen, less than the 6,379 million yen planned at the time of appraisal, in spite of the fact that the number of students who studied in Japan was nearly 100 more than originally planned. The main reason for the lower project cost is that the rate of inflation was less than the rate estimated at the time of appraisal.

2.3 Effectiveness

The objective of the project, which was to "development of engineers," was achieved since the Malaysian students received their degrees smoothly from Japanese universities, and most of them returned to Malaysia and found employment as engineers. Consequently, this project can be considered highly effective.

2.3.1 Degree Attainment Status of the Students

As indicated in "Table 1" above, 279 of the 310 students received their degrees. All of those degrees were from science and engineer departments, and their majors included 93 students in electricity and electrical engineering, 82 students in mechanical engineering,

[6] The average score of the General Examination for Foreign Students was higher than the overall average. Also, the average score of the students on the Japanese Language Proficiency Test Level 1 was close to the overall average (which was 60% correct responses) even including students from countries that use Chinese characters and long-term students of the Japanese language.

[7] Under the rules of the executing agency, scholarships is provided for up to one year repeating.

and a large number of students in computers and information science. The students appear to have had no problem performing their academic work because, although the information on academic performance of individual students were not obtained, almost all students acquired more credits than required, and 246 students finished with universities in standard four-year period.

Among the factors that contributed to the smooth acquisition of degrees, in addition to the factors mentioned in "2.2.1 Output" that increased the students' understanding of their lectures at the Japanese universities, it may also be pointed out that detailed support of the students was carried out appropriately by the project consultant and the universities where they enrolled[8].

Of the students who were unable to obtain a degree, 4 left university due to health reasons and 27 had their scholarships terminated because they were considered unlikely to graduate within the standard number of years due to poor grades, etc. According to the executing agency, 2 of those 27 are currently continuing their studies in Japan at their own expense.

2.3.2 Pursuit of Further Education and Employment of the Graduates

The career following graduation by 243 out of the 279 students are identified by a study of the executing agency, etc (Figure 2). Of these students, 201 are employed in the private sector, primarily in the manufacturing, telecommunications, and IT industries, etc. Out of these, 162 (67% of those who were identified their career) are employed at Japanese-affiliated companies[9]. Among those not employed by private industry, 3 are instructors and 37 are graduate students, etc[10].

Of the 125 graduates whose job type is identified, 94 (approx. 75%) are employed in engineering positions (as engineers, research and development engineers, and systems engineers (SE), etc. [11]). Of these, 77 are employed at Japanese-affiliated companies (Figure 3).

Nearly all of those employed at Japanese-affiliated companies received unofficial

[8] Most of the graduates who were interviewed in the beneficiary survey (a total of 7 students) said that they consulted whenever necessary during their study in Japan either with their assigned university lecturers concerning academic issues or with the consultant concerning issues in daily life and resolved their issues. In particular, many commented that the consultant who was the student liaison would engage closely in the students' consultations.

[9] The figure of 162 includes all graduates who are recorded as having been employed by a Japanese company for any length of time. Furthermore, according to the responses to the beneficiary survey (which received 92 responses), at least 15 of the 162 have switched to Malaysian companies or governmental research or educational institutions, and 19 have switched to foreign companies other than Japanese companies.

[10] According to materials of the executing agency, 53 entered graduate school following finish their undergraduate degree. This report includes in its employment figures the graduate students who completed their studies and whose jobs are identified at the time of evaluation.

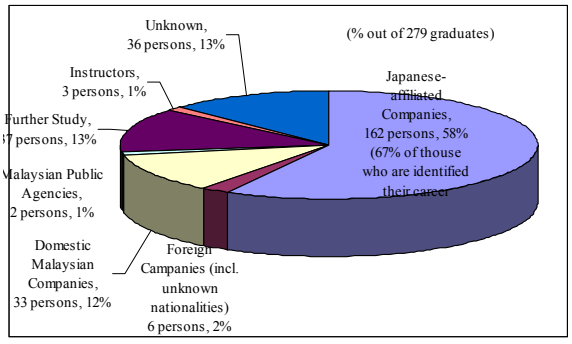
[11] 64 engineers, 6 research and development engineers, and 4 systems engineers (SE).

offers from multiple companies prior to graduation. Contributions to this were the high demand from Japanese companies (see "2.1 Relevance") and participation in the employment seminar held annually in Japan for Malaysian students.

Many students continued their studies in graduate school, and this is consistent with the intention of the Malaysian Government and the executing agency to "promote the acquisition of masters and doctoral degrees and to increase the number of engineers involved in research and development." Moreover, the pursuit of graduate studies contributes to the project's objectives and the overall objectives. At the current time, nearly all of the graduates who are employed as engineers are working in production-related areas, but it can be anticipated that students who complete their graduate studies will boost the percentage of those who work in the area of research and development in the future, and those who become instructors of science and engineering at universities will also contribute to the development of more human resources in science and engineering field.

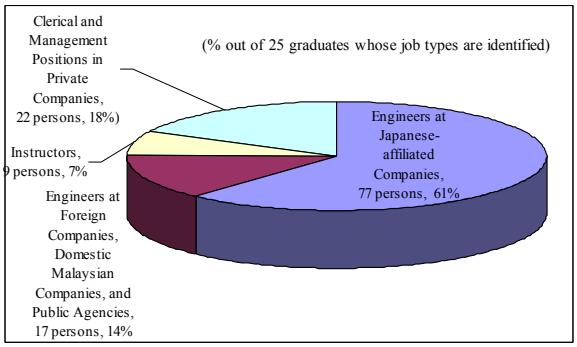
The Malaysian Government does have its own system of accreditation for foreign universities, but accreditation had been received by almost none of the science and engineering departments at the Japanese private universities that accepted students when this project began. However, adjustments were subsequently progressed among the related parties, and in November 2004, accreditation was received by 13 schools involved in this project and in the successor project.

Figure 2: Further Education and Employment of the Graduates



Note: "Japanese-affiliated Companies" includes graduates who were employed at anytime by a Japanese-affiliated company.
"Malaysian Public Agencies" excludes instructors.
Source: Executing Agency Materials and Beneficiary Survey

Figure 3: Job Types of Those Employed



Note: The number of instructors is larger than in Figure 2 because it includes graduates who switched to teaching after being employed by Japanese-affiliated companies (their job type when employed by Japanese-affiliated companies is unknown).
Source: Executing Agency Materials and Beneficiary Survey

2.4 Impact

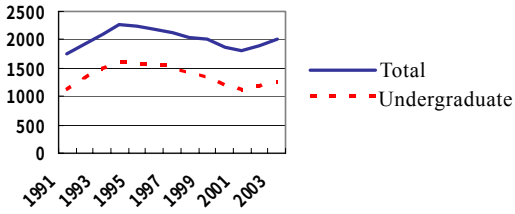
The overall objectives of this project are "(1) to enhance the implementation of the Look East Policy" and "(2) to promote science and technology" in Malaysia. This project is recognized as contributing to both of these overall objectives.

2.4.1 Enhancing the Implementation of the Look East Policy

(1) Increasing the Number of Malaysian Students Studying in Japan

The number of Malaysian students studying in Japan (at technical colleges, undergraduate, and graduate schools) fluctuated at around 2,000 students per year during the 1990s, and this figure included approximately 1,400 students at the undergraduate level (Figure 4 (figures reflect enrollees as of May 1 each year)) [12]. In the latter half of the 1990s when this project implemented, the number of students was in a downtrend, and this downtrend is attributed to the effects of the Asian economic crisis that hit Malaysia at this time. Under such conditions, during the years 1995 to 1999, this project extended the opportunity to study in Japan to an additional 310 students using public scholarships, thus avoiding a further likely drop in the number of Malaysian students in Japan[13].

Figure 4: Trends in the Number of Malaysian Students Studying in Japan (at the technical college level or higher)



Source: Ministry of Education, Culture, Sports, Science, and Technology materials

(2) Learning about Japanese Technology, Culture, Labor Ethic, and Management Systems

When the beneficiary survey questioned intellectuals in Malaysia[14], all 12 unanimously responded that it was important to acquire Japanese technology and culture through study in Japan under the Look East Policy. Moreover, in response to the question, "what is the most important thing that Malaysia has learned from the Look East Policy?" 4 of the 12

[12] Of the students, approximately 100 per year at the university level are financed by Japan's Ministry of Education, Culture, Sports, Science, and Technology. The others include students in this project, the students funded by the Malaysian Government under the Public Service Department's program, and ordinary students who study at their own expense.

[13] At this time, the Public Service Department's overseas study program in Japan also experienced difficulties due to lack of funds. However, it continued with the assistance of ODA loans (see footnote 2), and during the above-mentioned 5-year period, the program sent a total of 683 students to Japanese universities. From its inception in 1984 through 2003, the total number of students in the Public Service Department's overseas study program in Japan was 6,912, including technical college students, undergraduate students, graduate students, Japanese language instructors, and persons employed at private companies, with 2,099 at the undergraduate level.

[14] The beneficiary survey conducted in the evaluation included (1) the graduates, (2) companies in Malaysia that employ the students who studied in Japan under this project, and (3) intellectuals of, such as, government personnel, executives of the private sector, and researchers in Malaysia. Responses were received from (1) 92 graduates (out of 243 who were sent questionnaires), (2) 9 companies (out of 44 who were sent questionnaires), and (3) 12 intellectuals (out of 53 who were sent questionnaires).

mentioned “labor ethic” and 4 of the 12 mentioned “management systems.” When the beneficiary survey questioned the graduates on “what was the greatest benefit of your study in Japan?” the most frequent response was “experience with and acquisition of Japanese culture and language” (mentioned by 22 out of 86 respondents).

Fig.5: A graduate who works at a computer systems development company

Meanwhile, the executing agency has pointed out that there are insufficient opportunities for internships, which are an effective means for students to learn Japanese labor ethic. However, as shown in Figure 2, nearly 60% of the graduates (approx. 70% of the graduates whose careers were identified) are employed by Japanese-affiliated companies, so they have the opportunity to learn Japanese labor ethic during their employment.

2.4.2 Promoting Science and Technology in Malaysia

As shown in Figure 3, over 80% of the graduates whose job type was identified are engaged in work in the fields of science and technology (including instructors). Among the graduates who responded to the beneficiary survey, the 71[15] who said they are “currently employed” (all of whom are employed in Malaysia) were asked about the content of their work, and their responses are shown in Table 2. These responses reveal that the graduates are playing a significant role in the promotion of science and technology in Malaysia. Also, among the graduates who are employed, approximately 52% of the 70 who provided valid responses replied that “the knowledge and skills acquired while studying in Japan have particular usefulness in the current workplace.” [16]

[15] Of the 71, 69 were employed by others and 2 were self-employed. The other 21 graduates who replied were enrolled in graduate school, etc.

[16] Many also replied “average usefulness” (24%) or “little usefulness” (20%). One likely reason behind this is that generally at the undergraduate level in Japan, for both foreign and Japanese students, the emphasis is on learning basic theory, and there are few opportunities to directly learn applied technology that would be used at a company.

Table 2: Current Job Content of the Graduates (extracted from responses to beneficiary survey)

Job Title	Main Work	Job Title	Main Work
Engineer (production) (including electric and electrical engineer, mechanical engineer, quality control engineer)	・Production technology development, production process development, improvement, and cost reduction ・Installation and adjustment of production machinery ・Product Quality Control ・Analysis of customers' complaints ・Writing technical specification documents ・Design/development of machinery and parts ・Management of product information management systems ・Follow up development of new products developed by the head office in Japan ・Project management (bidding, etc.)	R&D Engineer	・Design of new products ・Transfer of technology from Japan to Malaysia
		System Engineer (SE)	・Software design and development ・System maintenance and operation ・Customer relations at the technical advice desk ・Project management
		Designer	・Design, drafting, and project management
		Manager/ Managerial Assistant	・Data analysis ・Project management
		Instructor	・Teaching

The beneficiary survey included questionnaires and interviews with Japanese companies, which employ many of the graduates.[17] According to the interviews, the strong points of the graduates are (1) they are able to deal with technical documents (specifications, manuals, etc.) written in Japanese by using the knowledge and skills they learned at Japanese universities, (2) they understand Japanese culture and can communicate smoothly with Japanese staff,[18] and so (3) the graduates are playing a responsible role in the introduction of new technology from the companies' Japanese headquarters to Malaysia. Six out of the seven companies that responded to the beneficiary survey rated the performance of the graduates "as expected" or "above expectations."[19]

2.5 Sustainability

One obvious standpoint for judging the sustainability of the ODA loan for overseas education project is (1) the continuity of the effects of the project as realized through the graduates. In addition to this, attention was turned to the continuity of the overseas education project itself and study was focused on (2) the continuity of the overseas

[17] In the survey of companies that hired the graduates, questionnaires were returned from nine companies, and interviews were held with personnel staff at four companies that were visited (one computer systems development company, one auto parts manufacturer, and two electronic parts manufacturers).

[18] The representative of the computer systems development company that was visited stated, "I was surprised that the workers who had studied in Japan could not only converse in Japanese, they could also read and write sufficiently at the level that was necessary for their job." Also, personnel staff at the electronic parts manufacturer pointed out that "As an engineer at a Japanese company, work cannot be performed just with the ability to read and write Japanese; it is also necessary to have the knowledge and capability to understand the technological content. The graduates satisfy those requirements."

[19] The opinion was stated by Japanese companies that the technological skills particular to a given company are to be acquired after being hired, and R&D departments hire engineers based on their potential, without regard to whether they completed undergraduate or graduate school programs.

education project by the executing agency and (3) the continuity of the need for study in Japan. The conclusion was reached that a high degree of sustainability can be expected for (1) and (3), and while there is some slight cause for concern regarding (2), no serious problems are visible.

2.5.1 Continuity of the Project's Effects as Realized through the Graduates

According to the beneficiary survey, among the graduates currently employed, 47 out of the 69 who provided valid responses replied that they are "currently satisfied with the content of their job (production technology development, system development, etc.)," and so it can be anticipated that they will continue to work as engineers. There were 32 out of 92 respondents to the beneficiary survey who had changed or left their job at least once between returning from Japan and the time of the beneficiary survey[20]. However, all of the new jobs they selected were once again engineering post and were jobs at private companies, which were primarily Japanese-affiliated companies in Malaysia. Also, there are cases where the graduates proceed to graduate school in Japan or Malaysia after gaining work experience and then continue to do research or return to Malaysia and find new employment. The executing agency also holds seminars (its "Return to Malaysia" program) to assist returnees in finding employment in Malaysia. Consequently, although they may change their place of employment, the graduates can be expected to play a role in promoting science and technology in Malaysia in the future as well. [21]

Furthermore, among the students studying in Japan under the Public Service Department's program, "Alumni Look East Policy Society (ALEPS)" has been being organized, particularly by schoolmates 10 to 20 years following their graduation.[22] Through this, there is visible movement among graduates to deepen their network and to increase opportunities for employment, starting new businesses, and business transactions, etc. The students have been asked to get involved in the alumni, but due to the fact that they are still fresh graduates, no movement to form networks through reunions is yet visible.

2.5.2 Continuity of the Overseas Education Project by the Executing Agency

2.5.2.1 Technical Capacity

[20] Reasons for resigning included enrollment in graduate school, dissatisfaction with the work environment, and dissatisfaction with salary, etc. Compared to Japan, overall a higher percentage of workers in Malaysia change or leave their jobs.

[21] It was pointed out by the executing agency and by several companies where interviews were conducted that, because Japanese companies are based on the seniority system, it is difficult to be promoted to a management position (a position with decision-making power concerning the introduction of new technology, etc.) unless one stays with one company for a lengthy period of 10 years or more.

[22] The JBIC Kuala Lumpur office also offers as much support as possible to Look East Program graduates who are independently engaged in business.

YPM, which is the executing agency, displays no particular technical problems, given that, in addition to this project, it is also capably implemented overseas study programs in cooperation with European and US universities and it has capably implemented overseas study programs in Japan for over 10 years, including HELP (II) which is currently in progress.

2.5.2.2 Operation and Maintenance System

For the same reasons as stated in "2.5.2.1 Technical Capacity," there are no particular organizational or institutional problems in implementing the overseas education projects. The executing agency also plans to expand its follow-up study of the graduates henceforth.

The facilities for pre-departure program were appropriate for the implementation of this project. However, it was necessary to expand the facilities for HELP (II) which is currently in progress because of the introduction of the "Twinning Program"[23], which is part of the Malaysian Government's policy of cutting the cost of study abroad. Under this program, students enter a Japanese university after completing the first part of the university program while still in Malaysia.

The JBIC's interim supervision study proposed to introduce distance learning from Japan using a television conference system. This was actualized in HELP (II), making it possible to attend Japanese university courses while in Malaysia. [24]

2.5.2.3 Financial Status

YPM is a government-financed (under the Ministry of Entrepreneur Development) independent accounting body, and in recent years its accounts have been in the black. However, the amount of surplus fluctuates from year to year. There are no financial problems because budget allocations from the Malaysian Government can be expected[25] for the time being due to the implementation of HELP (II) as stated above (the students in the final batch of this project are scheduled to graduate in 2009).

In 2002, following the precedent set by the Public Service Department, the YPM and the Ministry of Finance reached agreement on a policy to terminate graduates' obligation

[23] Under the government's policy to expand opportunities for higher education within Malaysia and to cut the cost of overseas study, the program have also been introduced for overseas study programs in countries other than Japan.

[24] Distance learning has the merits of allowing students to take specialized university courses in Malaysia without the Japanese instructors having to stay long-term in Malaysia and of raising Malaysia's educational level to the same level as Japan, while simultaneously reducing costs by shortening the students' stay in Japan. Currently, due to limitations on the speed of Internet connections, most classes are replayed on video after downloading them. According to the instructors in charge, it is necessary to expand the available facilities by first installing high-speed connections to actualize genuine distance learning in real time.

[25] Funds for the implementation of HELP are granted to YPM as subsidies from the Malaysian Ministry of Finance.

to repay their tuition and instead to grant them 100% of the scholarships through this project as well. YPM has decided to return part of the scholarship funds that have already been repaid by the students, awaiting only the approval of the agreement within the government.

Figure 6: A graduate of this project who is employed as a Malaysian instructor (on left) in the successor project (YPM College Laboratory)

Figure 7: Distance learning, as proposed by the interim audit of HELP (Demo in HELP (II) is pictured)

2.5.3 Continuity of the Need for Study in Japan

As stated in "2.4 Impact," approximately 2,000 Malaysian students have studied at Japanese institutions of higher education. Also, the number of applicants for HELP (II) which is currently underway is extremely large, at approximately 400 applicants for the first batch and approximately 1,000 applicants for the second batch (both batches are limited to 60 students). Consequently, it appears that the need for study in Japan continues to exist. A likely contributing factor to this is the activity in secondary schools (to promote Japanese language education and to advertise study abroad in Japan) by Malaysia's Public Service Department and The Japan Foundation's Kuala Lumpur office.

3. Feedback

3.1 Lessons Learned

What contributed to the success of this project's overseas study program in Japan was not only the granting of scholarships but also the fact that the executing agency conducted preparations, dispatches (receptions) of the students, and monitoring in both Malaysia and Japan through the consultant with careful attention. Consequently, in order to develop high-quality human resources in similar future projects, it will be effective to establish the structure of the cooperative system between the executing agency and the universities that receive students, and to integrate consulting services for supporting detailed responses.

3.2 Recommendations

-Recommendations for the Executing Agency-

3.2.1 Follow-up studies on the graduates should be strengthened to grasp the continuous effects of this project so as to ensure accountability to the Malaysian Government and the Malaysian people, and to study the lessons learned to apply to overseas education projects in the future.

3.2.2 The sustainability of overseas education projects should be improved by developing facilities for the Twinning Program.

3.2.3 Contributions by graduates to the Malaysian economy and society should be promoted by supporting the networking of graduates through reunions, etc.

-Recommendations for the Public Service Department in Malaysia-

3.2.4 The process of accrediting Japanese private universities by the Malaysian Government should be accelerated to increase the options of students following graduation.

Comparison of Original and Actual Output

Item	Planned	Actual
1. Output	(1) Implementation of pre-departure program prior to study in Japan (240 students) (2) Implementation of overseas study program at science and engineering departments of Japanese universities (same 240 students) (3) Consulting services (foreign total 139 M/M, local total 33 M/M)	(1) Total of 343 students admitted to pre-departure program (2) Total of 310 students studied in Japan (3) Consulting service (foreign total 249 M/M, local total 133 M/M)
2. Project Period	May 1992 – March 2002	May 1992 – March 2004
3. Project Cost Foreign Currency Local Currency Total ODA Loan Portion Exchange Rate	 5,493 million yen 885 million yen (19 million ringgit) 6,379 million yen 5,493 million yen 1 ringgit＝46.6 yen （as of May 1992）	 5,317 million yen 886 million yen （19 million ringgit） 6,202 million yen 5,317 million yen 1 ringgit＝46.6 yen （as of March 2004）