



Australian Government

Department of Foreign Affairs and Trade

NOVEMBER 2023

MALAYSIA AND THAILAND REFORM PARTNERSHIPS FINAL EVALUATION MANAGEMENT RESPONSE

The Malaysia and Thailand Reform Partnerships (MTRP) is a collaboration between the Department of Foreign Affairs and Trade (DFAT) and The Asia Foundation (TAF) to support critical reforms for growth and stability in Malaysia and Thailand. It is a three-year program (August 2019-October 2022) valued at AUD 2.7 million.

The program is linked to broader policy work on growth and development trajectories in Advanced Middle-Income Countries (AMICs) as part of the DFAT-TAF Strategic Partnership. MTRP is the first practical application of this policy work, and therefore warrants evaluation to support continuous improvement and understanding of how Australia can contribute to growth and stability as part of our bilateral engagement in AMICs.

An independent final evaluation was conducted by strategic development consultant, Richard Moore, between August to November 2022 following a mid-term Evaluation in May 2021. Mr Moore's evaluation closely examines the impact of the reform initiatives over the life of the program. He was asked to assess the program against three outcomes: the extent to which MTRP met its objectives; identify lessons for successor-programs; and reflect on where Australia might take its development engagement with AMICs.

DFAT RESPONSE TO THE EVALUATION

DFAT welcomes the final evaluation of MTRP. DFAT and TAF consider it to be a robust and fair assessment of the strengths and challenges of the program. The evaluation provides valuable insights to sharpen program performance in any successor programs and will inform the design of future policy and reform based, agile programming. We agree to five recommendations of the final evaluation and partially-agree with three recommendations. We do not agree with one recommendation, and note a further recommendation.

MTRP has been succeeded by separate investments for Thailand and Malaysia modelled on MTRP which will continue the existing reform initiatives and possibly add new reform initiatives. The Australia-Thailand Economic Resilience Partnerships (ATERP) program commenced in June 2021 (while MTRP was in its second phase) and runs until December 2024. The Australia-Malaysia Reform Partnership (AMRP) commenced in October 2022 at the end of MTRP and runs for four years until September 2026. Many of these recommendations have or will continue to be implemented over the course of these programs.



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DFAT-TAF Joint Response to the Recommendations

RECOMMENDATION	RESPONSE	WHO/WHAT/WHEN
<p>1. In any future AMIC work, at any level of ambition, the non-aid character of the development relationship should be protected and strengthened. This includes by:</p> <ul style="list-style-type: none"> i. Maintaining AMIC programs as partnerships, not projects ii. Focusing on shared experiences/problems/public policy dilemmas and regional public goods and building in mutuality through ongoing exchange of ideas and solutions iii. Drawing on non-ODA resources where possible & combined ODA and non-ODA where sensible iv. Evolving a new set of good practice working arrangements for AMICs, more based on overarching public policy and administration than aid machinery v. Managing the relationship and associated activities in the field via appropriately resourced and skilled pol-eco teams, rather than solely aid personnel 	<p>PARTIALLY AGREED</p>	<p>LEAD: Office of Southeast Asia and Post BY: Ongoing</p> <p>DFAT agrees to 1(i), (ii) and (iv). DFAT partially agrees to 1(iii) and (v).</p> <p>DFAT will seek opportunities to complement ODA programming in Malaysia and Thailand with non-ODA activities or other tools of diplomacy to deepen Australia’s partnership with each country, including through the respective comprehensive strategic partnerships.</p> <p>While DFAT acknowledges recommendation (v) as best practice, the composition of teams at Post will be determined by respective Post operational needs and broader Departmental staffing decisions.</p>
<p>2. TAF and DFAT should collaborate to enhance successor-program outcomes by further improving Strategy Testing</p>	<p>AGREED</p>	<p>LEAD: The Asia Foundation and the Office of Southeast Asia BY: June 2023</p>

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<p>(ST) and working Theories of Change (wTOC) processes and addressing MTRP opportunities for improvement, including:</p> <ul style="list-style-type: none"> i. More rigorous activity selection and objective setting to find the most impactful initiatives and specify what partners are trying to achieve ii. Clarity and brevity in documents to allow assessment of progress and illuminate decision points; iii. Joint planning of meeting agendas and choreography to squeeze maximum value out of a short amount of time iv. Sufficient DFAT senior engagement to steer processes, constructively challenge assessments and determine next steps v. Delineating DFAT roles more clearly within an overarching framework that sees the Post responsible for daily decision making and strategic prioritisation, while Canberra sets policy parameters; helps critique performance; gathers, synthesises; and applies knowledge and provides surge capacity 		<p>DFAT agrees to Recommendation 2, which have been actioned in the AMRP design and management model.</p> <p>DFAT and TAF agree to update ST and wTOC processes as well as increase senior management engagement in program management forums to improve oversight on implementation of reform initiatives in successor programs. A light touch review of the previous program’s initiatives will be undertaken to inform the activity selection process. Further, ST and wTOC processes will regularly review outcomes, objectives and activities to ensure they remain effective, relevant and fit for purpose.</p>
<p>3. New AMIC program design should factor in additional resourcing to cover vital tasks that were inadequately provisioned in MTRP:</p> <ul style="list-style-type: none"> i. The inception phase of new programs (the initial 18 months) which is highly resource intensive, difficult and stressful 	<p>PARTIALLY AGREED</p>	<p>LEAD: The Asia Foundation, Office of Southeast Asia BY: July 2023</p> <p>DFAT agrees to Recommendation 3 (i and ii) which have been actioned in the design and set up of AMRP.</p>

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<ul style="list-style-type: none"> ii. Initial diagnostic work that, even if less comprehensive than originally planned for MTRP, still takes substantial time and expertise iii. Dedicated locally engaged staff time to handle administration and meet procedural requirements iv. Sufficient DFAT and TAF senior management time to deliver major value adding in strategic decision making; preparation of policy ready products and high-quality performance assessments 		<p>While DFAT acknowledges recommendation (iii) and (iv) as best practice, the composition of teams at Post will be determined by respective Post operational needs and broader Departmental staffing decisions.</p>
<p>4. New programs should recognise that superior program implementation was achieved through TAF engagement of expert in-house managers, rather than wholesale sub-contracting. This should be the preferred future model</p>	<p>AGREED</p>	<p>LEAD: The Asia Foundation BY: January 2023</p> <p>This Recommendation has been implemented in the design of AMRP.</p>
<p>5. Financial arrangements should be altered so that funding for bilateral programs such as MTRP is not drawn from competitive regional pools by delegates with predominantly regional responsibilities</p>	<p>NOT AGREED</p>	<p>LEAD: Office of Southeast Asia BY: Ongoing</p> <p>As Australia does not have an ODA program with Malaysia or Thailand, funding arrangements for AMRP and ATERP will remain as part of Southeast Asia regional funding, with program decisions continuing to be made jointly by Southeast Asia regional and country delegates.</p>
<p>6. DFAT and TAF should collaborate to strengthen the performance system for successor programs so that it briefly and clearly tracks and reports evidence-based progress, allowing managers to focus on implications and required actions. This includes:</p>	<p>AGREED</p>	<p>LEAD: The Asia Foundation and Office of Southeast Asia BY: September 2023</p> <p>DFAT agrees with Recommendation 6 and has applied these recommendations in the design of AMRP.</p>

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<ul style="list-style-type: none"> i. Ensuring there is a jointly developed and agreed performance framework in place that is consistently used ii. Framing program and initiative objectives carefully at the start; deliberately and transparently refining them where necessary as part of ST and wTOC processes; and applying them consistently iii. Avoiding the temptation to use management meetings as activity briefings, rather using them to interrogate performance information, explore existing and proposed strategies and very clearly determine future directions iv. Appointing a Canberra-based officer with no direct managerial role as a performance sceptic, to provide contestability, constructively pushing for substantiation of claimed progress 		<p>In particular, DFAT and TAF agree to update ST and wTOC processes as well as increase senior management engagement in program management forums to improve oversight on implementation of reform initiatives in successor programs. A light touch review of the previous program’s initiatives will be undertaken to inform the activity selection process. Further, ST and wTOC processes will regularly review outcomes, objectives and activities to ensure they remain effective, relevant and fit for purpose.</p> <p>A robust yet adaptive governance structure and performance reporting will be implemented for the program delivering robust development outcomes. Updates to wTOCs for each reform initiative will be complemented by activity timelines. Any changes to wTOCs will be documented and discussed during ST sessions.</p> <p>DFAT and TAF will update ST processes to focus the agenda on strategy oversight and provide contestability of the proposed activities. One change to help activity this objective is to include a representative from Canberra at these meetings that provides contestability and strategic advice.</p> <p>The Monitoring and Evaluation Plan will be updated to enhance reporting against successor program objectives. These objects will continue being discussed in six-monthly Joint Working Group meetings. Traffic lights and ‘performance on a page’ will be incorporated into Semi-Annual Reports and Annual Reports.</p>
<p>7. DFAT should develop a suite of short, straight-forward, complementary documents that explain the essential operating features of its AMIC model and the key drivers of success to guide staff and embed management principles and protocols</p>	<p>AGREED</p>	<p>LEAD: Office of Southeast Asia BY: Ongoing</p> <p>DFAT and TAF will work together to produce short guidance documents in 2024.</p>

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<p>8. Australian foreign policy principles that apply across all programs and policies, such as gender equality and environmental sustainability should be incorporated into the new operating procedures. This as much to put boundaries around what is asked of the program as it is to ensure broad consistency with DFAT-wide requirements. These principles should be</p> <ul style="list-style-type: none"> i. Few in number and proportional to the small scale of activities and reflecting their non-aid nature ii. Tier 1 government priorities, only iii. Primarily achieved through mainstreaming principles into analysis and reform proposals 	<p>AGREED</p>	<p>LEAD: The Asia Foundation BY: June 2023</p> <p>DFAT and TAF have actioned this recommendation by incorporating GEDSI and Climate Change considerations into the AMRP design and implementation. If an activity is not included against either target this will be documented and outline why it does not fit the scope of the program.</p>
<p>9. DFAT should advance Australian interests in the growing number of Asian AMICs in a strategy that establishes a compelling narrative for cooperation and sets out how to configure the range of diplomatic and development tools available for maximum impact</p>	<p>PARTIALLY AGREE</p>	<p>LEAD: Office of Southeast Asia BY: Ongoing</p> <p>DFAT released a new International Development Policy that outlines our ambitions in the Indo-Pacific region. As a part of this policy DFAT is preparing Development Partnership Plans (DPPs) for our bilateral and regional programs, including one for Southeast Asia Regional position that will outline our policy priorities, strategy and focus in the region over the coming five years. DFAT will consider if a separate AMIC strategy is needed after the DPPs are completed.</p>
<p>10. The AMIC strategy should clarify Australia's objectives and then align strategy, modalities, resourcing and management:</p>	<p>NOTED</p>	<p>LEAD: Office of Southeast Asia BY: Ongoing</p> <p>DFAT notes this Recommendation and will take it under consideration should we choose to proceed with an AMICs strategy in the future. We continue to</p>

RECOMMENDATION

RESPONSE WHO/WHAT/WHEN

<ul style="list-style-type: none">• Low ambition argues for keeping things very simple and proceeding case-by-case• Medium ambition suggests an augmented, MTRP-like program with additional initiatives, longer duration activities & greater AMIC-Australia exchanges, study tours and secondments• High ambition will require a more comprehensive, systematic and robust approach to change perceptions of Australia and work seriously and consistently on some of the biggest regional challenges		engage with AMICs through our valued partnerships with Malaysia and Thailand, which provides a model for any future AMICs work.
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