

Malaysia Thailand Reform Partnerships

End of Program Evaluation

September 2022

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Main Findings

- The Program as a whole achieved good results. It has confirmed that it is possible to undertake successful, relatively low-cost - albeit short-duration and inevitably incomplete - reform activities in Advanced Middle-Income Countries (AMICs)
- As a bilateral, policy-focused, demand-driven development program, MTRP is close to unique in Malaysia and Thailand
 - This made it highly valued by counterparts - and also by DFAT and TAF
 - Positive partner responses suggest that even amongst more developed middle-income countries there remains a substantial market for international reform options and ideas
 - Local partners are clear about the program's sources of value - including responsiveness to local priorities; cultural/political sensitivity; and its searching, problem solving approach
- It is not clear-cut that all of the reform activities selected under the Program were truly 'critical' to Malaysia and Thailand's future development, rather than 'just' important
 - This is more than semantics - it goes to what Australia wants to achieve and what constitutes success. This is the biggest issue for future AMIC policy and programs to resolve
 - From the outset Australia has been applying a more modest measure of success, that of contributing positively to reform efforts - and accordingly this standard has been applied during the evaluation
- MTRP is rated green, Fully Effective, for *Outcome 1. Achieving meaningful reforms in areas [important] for growth and development*
- The Program is also rated green, Fully Effective for *Outcome 2. Strengthened bilateral relations*
- Relatively minor issues and irritants centred on performance reporting and management (see below) should not detract from the fact that the reform partnerships have fundamentally delivered for all parties
 - Initiative reform progress in Malaysia has come good - and in Thailand has remained good
 - In both locations there is ongoing dialogue between DFAT and TAF resulting in optimal Australian positioning and the desired visibility in supporting local reform priorities
- MTRP is rated amber, Adequate Progress, against *Outcome 3. Foundational research produced and used*
 - Although diagnostic work achieved neither the program-specific nor broader goals sought, most was eventually completed to an acceptable standard and put to use by TAF and DFAT
 - A consensus has developed that the program would benefit from having dedicated capacity to synthesise the best diagnostic materials and statements of national priorities, integrate Australian and TAF strategic thinking and translate the analysis into policy/program choices
- MTRP has resulted in valuable reform products, processes and policies
 - Some of the most useful and tangible products have been policy options papers
 - Given the complexities of entering and exiting reform spaces, specialising in options papers may make sense if resourcing stays small and time frames short (not a highly ambitious option)
- The evaluation's positive findings do not necessarily mean that MTRP represents the only, or optimal form of Australian engagement and programming in AMICs
 - But it is undoubtedly a good start and something similar should be at the programmatic core of future AMIC work
 - As noted in the MTR, there needs to be more thorough research of Australian and international alternatives with a new model matched to Australia's ambitions in the region. This is yet to occur
- A range of lessons is applicable to future AMIC cooperation, whatever form it takes
- First and foremost, it is essential that programs with Advanced Middle-Income Countries are not seen, managed or presented as 'aid'
 - In substance, style and management they must be part of Australia's wider engagement, subject to similar strictures and standards that govern cooperation in areas like defence, immigration or education

- Neither country is looking for imported, pre-packaged reform programs. Experimental approaches that engage local actors in a search for politically viable solutions and generate a range of possible options from local and international experience are most valued
 - The ability to adapt quickly and strategically to opportunities, threats and constraints is central to success
 - The program was repeatedly commended for listening, rather than lecturing
- Strong, strategic, 'just in time' leadership has been evident from TAF and DFAT in the field and is critical for success. So too is continuous, responsive communication and a relentless, results-focus
 - These conditions have been largely met in MTRP, not least because of the quality and experience of key personnel, but a person-dependent model is vulnerable to staff changes
 - Progress has ebbed and flowed with changes in personnel and the different understandings they bring
 - Continuity and capability management require clearer DFAT articulation of light-touch policies, strategies and processes to keep everyone on the same page
 - Approaches to working in AMICs need to be institutionalised
- TAF has rare, but not unique, capability and attributes that allow it to work effectively with DFAT
 - As a politically astute and nimble civil society organisation, specialising in development diplomacy, TAF can work as a highly-trusted DFAT auxiliary, both as partner and agent. This is a key to its success and cannot easily be replicated
 - Locating the program within the bigger TAF-DFAT partnership agreement has helped anchor it as a strategic intervention of special significance
- There are advantages and disadvantages to managing MTRP via DFAT regional teams (as in Thailand) but financing a bilateral program from a competitive regional pool, determined by a delegate whose responsibilities are largely regional, sets up perverse incentives that need to be removed
- Management arrangements were largely appropriate for a modest, adaptive program, but further improvements are possible to make management meetings more strategic, focused and decisive
 - Both parties have major responsibilities to make Strategy Testing (ST) and working Theory of Change (wTOC) processes work well
 - A semi-formal articulation of what partner each needs from the other may help deliver it
- Performance reporting is the most critical element enabling adaptive management:
 - MTRP performance management has improved in line with Mid Term Review proposals, but still needs to become shorter, sharper and more specific. TAF management has a key role in this regard (and needs to weigh in directly sometimes to improve draft reports) that should be recognised and resourced
 - Improvements are essential as a confidence-building measure, to under-pin light-touch management, especially as staff change
- The complex dynamic of Post, desk and agent (TAF) working together within a system of checks and balances delivers better outcomes than unilateral management and should be embraced
 - With a central role for Canberra as the strategic guardian of AMIC policy and programs, facilitating post autonomy in reform selection, management and decision making
- Changed strategic circumstances are compounding middle income country challenges. This may stall regional progress to the detriment of hundreds of millions, imperilling the prosperity and security of Southeast Asia - and Australia
- This warrants deep strategic thinking by Australia as to how it might best work with AMICs to enable them regain confidence, restore inclusive growth and build public policy capability to solve problems and resist coercion
- DFAT should use the MTRP experience to inform broader AMIC policy development

Recommendations

Program management and finance

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:
 - 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 pol-eco teams, rather than aid personnel
2. TAF and DFAT should collaborate to enhance successor-program outcomes by **further improving ST and wTOC processes** and addressing MTRP opportunities for improvement, including:
 - 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, while Canberra sets policy parameters; helps critique performance; gathers, synthesises; and applies knowledge and provides surge capacity
3. New AMIC program design should factor in **additional resourcing to cover vital tasks that were inadequately provisioned in MTRP**:
 - i. The inception phase of new programs (the initial 18 months) which is highly resource intensive, difficult and stressful
 - 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
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**
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

Performance measurement and management

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:
 - 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

Operating procedures

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
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
 - 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

Forward-looking, strategic recommendations

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
10. The AMIC strategy should **clarify Australia's objectives and then align strategy, modalities, resourcing and management**:
 - **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

Introduction

The \$2.7m, 3-year, Malaysia and Thailand Reform Partnerships (MTRP) program concluded in July 2022. The Program was a small, short-duration program, based on the premise that Australia, Malaysia and Thailand could all benefit from engaging on major development challenges, despite bilateral aid programs having ended long ago. MTRP aimed to support progress on reforms judged critical to achieving growth, stability and development in Malaysia and Thailand. In doing so, it was expected to enhance Australia's profile and reputation. The program was delivered by The Asia Foundation (TAF) under a grant agreement that nested within a bigger DFAT/TAF Strategic Partnership.

MTRP had to work differently to be an acceptable form of cooperation for post-aid Malaysia and Thailand. In the absence of ongoing country aid programs, funding and staff, MTRP had to run on a shoestring, be relatively simple to manage and skilfully navigate sensitive issues. This argued for implementation by a highly-trusted, capable partner. Purpose-built working arrangements were evolved for the Program based on TAF experience in managing adaptive, politically astute, 'searching' programs. Key amongst these tools are 'Strategy Testing' (ST) and 'Working Theory of Change' (wTOC) processes.

The TAF processes replace conventional aid project design and management that are typically based on pre-defined end points, pathways and milestones. 'Such linear approaches can be very useful in managing engineering projects and very large, multi-component sector reform plans, but are less useful in tackling reform problems where blockages are often political and the ways forward are hard to see in advance. The iterative aspects of ST and wTOC are easy enough to grasp in principle, but harder to put into practice. In particular, performance management is challenging for all concerned.

The lack of a fixed performance framework with pre-identified outcomes, milestones and benchmarks means performance can only be assessed in real time and/or retrospectively. This carries higher bureaucratic risk, but also promises higher returns as baked-in errors can be avoided and course corrections made much more easily. These processes facilitate adaptive management, but also up the ante in terms of the quality and robustness of point-in-time, performance assessments. This is one of the biggest challenges of adaptive management - and was a recurring issue in this program, notwithstanding the good results achieved. It remains a 'work in progress'.

Background

The last decade has seen increasing realisation that development relationships built around aid become less and less satisfactory for all parties as countries achieve middle income status. OECD 'donors' fret about the optics of 'delivering aid' to fast growing countries and about bankrolling recurrent or capital expenditure that really needs to be locally funded. Increasingly capable developing countries, on the other hand, become more and more resistant to the priorities of others and patronising, process-heavy assistance. Both sides are usually happy to put an aid relationship behind them.

That said, 'graduation', bolstered by international aid rules and norms, typically leads to the abrupt end of development relations, though not the end of development problems. On the contrary, policy challenges multiply and become more complex as the easy wins of the first stages of development recede. Despite this there have not been the tools, platforms or budget lines to underpin even modest ongoing development cooperation. This is a major and unaddressed failure of international development architecture. In addition to being a more a valuable partner and helping countries grapple with their own 'wicked problems', Australia has an opportunity to be a pathfinder in evolving new rules and tools and developing good practice, with increasingly wide application.

Contextual changes

Much has changed since MTRP was first proposed as a test case of whether it is possible and valuable for Australia to re-engage on development challenges with post-aid, Advanced Middle-Income Countries. Recently, the development environment has become much tougher due to COVID; debt

accumulation; rising interest rates; and US-China decoupling. Perhaps most importantly there has been an overall deterioration in the enabling environment for development, founded on the absence of conflict, enduring stability and policy predictability.

Assumptions that decades of fast East Asian growth would inevitably roll on, now look overly optimistic. Life has got much more complicated for Australia and its neighbours. When this is overlaid on the longer and broader experience of the difficulties AMICs experience escaping the middle-income trap, the outlook has swung strongly negative. This has major implications for social stability, political moderation and ability to resist coercion that increase the case for Australia leading an international effort to find new and effective ways of working with Asian AMICs.

On the positive side, several regional relationships (including Thailand and Malaysia) have been upgraded to strategic partnerships, providing the need and opportunity to intensify Australian engagement. Furthermore, the new government in Canberra has committed to the establishment of an Office of Southeast Asia and strengthened regional engagement. The MTRP experiment has proved timely and its results have become more important. This evaluation, therefore focuses heavily on lessons for the future.

MTRP split into separate Thai and Malaysian variants following the 2021 expansion of Australian regional development activities in Bangkok. While there was a logic in empowering posts to achieve the best fit in their own circumstances, the decision also reflected less Canberra buy-in at the time, due to competing pressures. The evaluation sees a risk that the new programs are more vulnerable as stand-alone, post-specific programs. At very least they need to be seen simultaneously as part of an important experiment with much wider implications. The evaluation notes that Southeast Asian development capability is being rebuilt in Canberra and that there is renewed interest in AMIC policy and programs. This is encouraging as the evaluation concludes Canberra investment and leadership will be critical to overall strategic success.

Methodology

The purpose of the end of program evaluation was to assess a) the extent to which MTRP met its objectives; b) identify lessons for successor-programs; and c) reflect on where Australia might take its development engagement with Advanced Middle-Income Countries. See Attachment C.

The evaluation assessed progress against each of the Program's three outcomes. As this was an end of program evaluation and initiatives were found to be successful, attention shifted to success factors and performance limiters. This has allowed lessons to be extracted for application elsewhere.

A total of 18 days was provisioned for the evaluation, with three days dedicated to preparing for and observing seven management meetings between June 2021 and July 2022. Five days were spent in the field talking directly with Program managers, implementers, partners and counterparts. Original documentation was briefly re-examined with greater emphasis on annual and semi-annual reports produced between the mid-term and final evaluations. Eight days were available for evidence review, analysis, write up and refinement, presentation of findings and follow-up. This did not allow for additional AMIC research. A companion paper to be completed under the DFAT-TAF partnership will endeavour to define in more detail what optimal engagement in Asian AMICs might look like.

Evaluation questions:

For the end of program evaluation, the original 5 evaluation questions were condensed into four by dispensing with the now obsolete, Question 4, *What would accelerate achievement of program goals?* This left the following four questions slightly amended to reflect that the program has ended.

Question 1: To what extent did the Program achieve its objectives?

Question 2: How effective were management arrangements?

Question 3: What worked and what didn't?

Question 4: What are the broader lessons for Australia?

Assessment of program progress

1. To what extent did the Program achieve its objectives?

Outcome 1: Australia's contributions support meaningful progress on reforms in Malaysia and Thailand that are critical for maintaining inclusive growth and stability

Reform Progress

Annex 1 provides a detailed account of initiative progress with a brief summary below and in the accompanying Table.

MTRP at its conclusion was no longer a tale of two programs. As Table 1 documents, initiative progress lifted markedly in Malaysia in the second half of the program, matching that achieved in Thailand. Partly this was a result of teething problems being rectified and exogenous circumstances becoming more favourable, but more significantly it was because the KL office was able to address issues limiting progress.

A new, highly-experienced Country Representative took the helm after a prolonged period when the office did not have a CR. The new representative staffed up the office, introduced more hands-on management and forged a very productive working environment with the Australian mission. DFAT at senior levels reciprocated, providing strong input and guidance and documentation and reporting became more rigorous. This turn around helps identify some of the essential ingredients for success - leadership, good communication and subject matter expertise.

The collaborative drafting of a childcare policy for Selangor State, led by TAF's implementation partner, Merdeka, was a major achievement, albeit a first step in the bigger aim of assisting skilled professional women re-enter the workforce. The economic case for policy change is yet to be strongly made, hampered by data and modelling difficulties. These should be tackled head-on to generate stronger evidence for reform. Selangor is clearly an eager partner, appreciative of Australian/TAF assistance, with Yawas CEO, Madam Gan, saying the program had 'provided the right people at the right time'.

TVET reforms in Malaysia have also moved forward via a new National TVET Council, that TAF's Program Lead was asked to join. A relatively short, incisive TVET report was produced with much input from the Country Representative and senior staff, based on work by TAF's policy partner, INPUMA. This additional strategic shaping by TAF is a key ingredient in producing policy ready work. The extra stage is time consuming, but highly value adding and needs to be recognised and resourced.

In Thailand, reform progress continued, with the emphasis on instructional leadership in the education sector moving to a practical phase, through web-based support for pioneering principals and engagement with a dozen, model schools. The program is having a sizeable impact on these school communities. Whether that can generate wider reform impetus may depend on the formation of new coalitions. TAF's Program lead Dr Rattana Lao is well placed to encourage collaboration with the strong support of Dr Eakchai Keesukphan, former Chair of the Office of Basic Education Board. Dr Eakchai described Dr Lao as having 'put her finger on some of the biggest problems'. He noted that many western experts fail to understand the cultural context, but that this is something TAF is good at.

Assistance to the Trade Competition Commission, Thailand (TCCT) continued to deliver good results, although progress on a provincial Competition index was slower than expected due to data problems. It is not clear this will easily be resolved and it may be prudent for TAF to step back from this work. TCCT Commission Chair, Dr Sakon Varanyuwatana stressed the opportunity Australian assistance provided for the Commission to fast-track its progress to become a mature regulator. He especially valued cooperation with the Australian Competition and Consumer Commission (ACCC) that allowed TCCT to benchmark itself internationally. Interestingly, he gave TCCP 'a C or C+' overall, noting it had lots to learn. TCCT head of Foreign Affairs, Dr Akarapon pointed to institutional strengthening

Table 1: MTRP End of Program Evaluation Initiative Reform Ratings

Reform progress	Final rating	Key evidence & analysis substantiating ratings	Additional observations
1. Thai reform initiatives	Satisfactory	<ul style="list-style-type: none"> □ Early reform progress continued, though perhaps becoming more difficult to sustain as initiatives move beyond diagnostics. Medium to longer-term directions harder to see □ New initiatives - Women's Economic Participation and an improved environment for Start Ups - complement existing initiatives □ Senior DFAT officer said "great loss if didn't have" 	<ul style="list-style-type: none"> ○ Enlarged ATERP program becoming more demanding to manage. Partners should ensure adequately resourced at senior levels ○ Support for Australian engagement but encouragement to use opportunity to work differently and be more regionally sensitive
a. Education reform to improve long term competitiveness	Satisfactory	<ul style="list-style-type: none"> ◆ First half progress included developing reform coalition; producing major report and fostering public discussion. Experienced TAF program lead critical to progress ◆ Second half included working with 12 'model' schools eager to improve; tailoring international web-accessible materials on instructional leadership for Thai audiences; and conducting professional development podcasts for principals in remote areas ◆ Essay 'survey' of 3000 students providing rich new evidence source ◆ Strategy of empowering change-makers, sound, but subtle. Could be described more sharply 	<ul style="list-style-type: none"> ○ With 13m students in 36,000 schools the Thai education system is large and complex ○ There are multiple power centres in the system with their own interests and incentives making reform hard and political ○ The targeted and realistic MTRP strategy seeks to build new models and new coalitions by empowering principals who want to achieve better outcomes
b. Increasing market competition through support for the Trade Competition Commission, Thailand (TCCT)	Satisfactory	<ul style="list-style-type: none"> ◆ Mid-term Review noted strong senior support for MTRP assistance, particularly engagement with ACCC and exposure of younger staff to international good practice ◆ Above judgements reiterated by Commissioner and senior staff at end of program. Stress on role of MTRP in providing options rather than pushing one approach. Particular praise for work on digital economy, 'opening eyes and opening minds' ◆ Growing doubt about how much investment to make in competition index that has run into serious data problems. Given opportunity cost, ATERP should reconsider ◆ TAF program lead has built strong and productive partnership but now has two new ATERP initiatives to manage. Risk of being spread too thin requires clearer mitigation 	<ul style="list-style-type: none"> ○ The Thai economy is heavily concentrated, restricting competition & making it difficult for SMEs to grow & new players to start ○ TCCP is a new institution that needs to build public and political support through regulatory wins in the face of powerful foes ○ Has advantage of leadership from experienced & smart senior figures but most staff early career and Commission lacks guaranteed longevity and budget ○ ATERP could work with Commission to develop a capability enhancement plan for partners to support
2. Malaysia reform initiatives	Satisfactory	<ul style="list-style-type: none"> □ External environment less restrictive in second half □ TAF office upgraded, underpinning greater momentum □ Key deliverables produced and reforms progressed 	<ul style="list-style-type: none"> ○ Widespread and genuine interest and potential in more intense Australia-Malaysia relationship, combined with wariness about geo-strategic and human rights policy differences ○ Multiple governance, economic and environmental issues faced by both countries suggests a potentially wide and deep agenda
a. Retaining high skilled women in the workforce	Satisfactory	<ul style="list-style-type: none"> ◆ Selangor partnership strong. TAF partner, Merdeka, led drafting of new child care policy Program acclaimed by counterparts as providing 'right people at the right time'. ◆ Pioneering work may not immediately be adopted by the national gov due to political differences, but pathfinding still likely to be persuasive over longer term ◆ High profile efforts to foster national discussion may benefit from more social media ◆ Initiative has very high-level support from head of ISIS and has helped create climate in which PM recently committed to all Ministries providing childcare ◆ Need to build and prosecute the economic case with modelling and data. Should be priority to engage economic ministries and private sector 	<ul style="list-style-type: none"> ○ Stepped approach sensible, but must go beyond targeting the poorest if high skilled women are to gain greater access to child care and return to the workforce ○ Weaknesses in availability of key statistics and public policy processes suggests future areas for high yield reform assistance ○ Building a strong, professional national childcare system will be a long journey, but one of considerable importance to both countries. This suggests Australia should stay the course
b. Supporting the growth and development of Malaysia's TVET system	Satisfactory	<ul style="list-style-type: none"> ◆ Early difficulties positioning in the sector and getting diagnostics right now overcome ◆ Significant, system-level diagnostic report produced and launched July 2022 ◆ TAF Country Rep and senior staff critical to turning long report into a short policy-ready product ◆ Experienced and networked Program Lead only external party invited onto, new National TVET Council Working Group. Opportunities for ideas, input & networking beyond branding focus 	<ul style="list-style-type: none"> ○ Former TAF CR noted TEVT place in 'national psyche', featuring consistently in 5year plans & the story of Malaysia's development ○ Mixed experience in Australia and Malaysia in maintaining a comprehensive, high-quality, industry-responsive TVET system provides opportunities for mature, two-way dialogue and cooperation

and capacity building needs, with a masterplan under preparation and a Business Intelligence Unit being established. He described MTRP assistance as 'practical and responsive, delivered through a willing and able partner'.

Next steps in education and TCCP assistance for an MTRP like program are becoming less obvious and more challenging to achieve. There is no shortage of things that need to be done, but they are tending to be longer term, more resource intensive and requiring senior political leadership. There is a dilemma here. Early stages of policy engagement allow problems to be explored and reframed. This territory is relatively discrete. Progress can be made by identifying problems and how they might be resolved. There is an argument for focusing on this stage to allow easy entry and exit, but a senior Thai official queried the longer-term value if there was no subsequent follow through. There is no immediate answer to this dilemma. DFAT and TAF will need to continue to wrestle with it.

With the expansion of ATERP into two new areas (not yet mature enough to evaluate) it will be important for TAF's managerial capability to keep pace. The Country Representative and Program leads are critical to strategic management, quality control and reporting. They are becoming stretched across more territory. This is a significant risk that needs to be closely monitored.

Criticality

Achievement of Outcome 1 required two conditions to be met. Reform initiatives had to achieve good progress, which they have, but the areas selected also had to be 'critical for inclusive growth and stability'.

Criticality is a very high ambition test for a small, new program when a country (Australia) is re-entering policy space vacated decades ago. The areas selected for initiatives were: 1) women's economic participation; and 2) TVET reform, in Malaysia; and 3) basic education system reform; and 4) competition policy and regulation in Thailand. Each is important, but it is less clear they are critical.

Using somewhat different processes and less thoroughly than originally envisaged, TAF and DFAT went back and forwards, searching for the highest yielding reform areas. The probing involved various tests of likely impact, sensitivity and ability to achieve results. Despite that, there is residual uncertainty, particularly on the TAF side, about whether the best choices were made. This questioning is a welcome sign of a quest for continuous improvement and has already resulted in a stronger TAF-designed process for new activity selection in Malaysia. That said, in the case of MTRP, at least, the concern may be over-stated because the bar was set unrealistically high at the beginning. Furthermore, the criticality test has not actually been applied by DFAT. Posts have not expected to deliver breakthroughs on the most important issues facing the countries in which they are working. A more modest ambition of working successfully on important issues has been applied in practice as the benchmark of success and is endorsed and used in this evaluation.

One could declare victory at this stage, except that the bigger issue will recur in Australia's next generation AMIC work. If Australia is deeply concerned that countries that have got used to growing strongly and providing better lives for their citizens are going to find that much harder in future then it is unlikely to be enough to be working for relatively short periods on possibly second tier issues that, while important, are not necessarily critical. So, criticality may make a comeback. If so, Australia will need to think very deeply about how to deliver successfully at that high altitude. The companion paper to be produced under the DFAT-TAF partnership will grapple with this issue.

Setting a lower threshold for MTRP and similar successor programs does not mean anything goes. Australia will always want to achieve the maximum under the circumstances and as TAF has recognised, needs agreed processes to achieve this. Building on existing prioritisation processes, the MTRP evaluation proposes that, the following selection criteria be applied to future activities.

The reform issues being addressed under the program should be:

- Identified as priorities in the country's national plan (not merely broadly aligned with the country's goals)
- Corroborated by program analysis of existing high-level strategic assessments and growth diagnostics
- Areas where the politics are manageable and where careful Australian involvement is not likely to be seen as outside interference
- Address an issue or idea that is already gaining greater saliency and support, where there is evidence of viable pathways forward or at least an absence of insurmountable obstacles
- With champions in local decision-making positions, especially in national government
- Where there are expert and nimble civil society actors to work with who will lead change; and where
- Where DFAT's implementing partners have the ability to frame the issues, produce new insights and convene and empower coalitions

Finally, there needs for intensive interrogation of the above criteria, preferably looking at multiple possibilities simultaneously rather than applying a loose, 'it looks like a good idea' test

Outcome 2: Australia's bilateral relations with Malaysia and Thailand are strengthened by reinforcing Australia's track record as a pragmatic and resourceful partner

How do we know if Outcome 2 has been achieved and bilateral relations have been strengthened? As one high-level, Australian official quipped, "you'll know if you've messed it up"! - i.e., it will be obvious if the program has blundered badly in some way that reflects poorly on Australia. Fortunately, there is no evidence of that - and key elements of the program's design especially partner selection and collaborative management, mitigate that outcome.

TAF is particularly well placed to evaluate and manage political risk, as are DFAT staff. Joint processes of activity selection, strategy testing and working theory of change development are key parts of risk management. But there is widespread understanding that the program is deliberately venturing into contested space and requires people who can make very good judgements. Both risk and reward need to be actively engaged with.

So, beyond staying out of trouble what was Australia's aim? A consensus has now emerged that the desire was for the program to be a 'net positive'. No one expects it to alter the tenor or trajectory of the overall relationship, rather to contribute positively in the areas of engagement. Hence assessment should consider how the program has impacted on relationships with counterparts - especially, but not exclusively, officials.

The Kuala Lumpur post suggested a number of valid informal indicators, including

- Being invited to the policy table in question to contribute ideas
- The level of interest in the reform concepts developed
- Ongoing access and engagement from key decision makers to push forward
- New players seeking out the program and personnel due to its reputation

If these tests are applied, MTRP has definitely achieved Outcome 2. This is evidenced by how readily and at senior levels, counterparts were willing to engage with the evaluation at short notice. In Thailand, this included a TCCT Commissioner and senior staff and a former Chair of the Office of Basic Education Board. In Malaysia it included the head of the Government's official thinktank, a senior officer in the Selangor government, prominent media and communications figures and leading civil society researchers. In all cases, feedback was positive, albeit with largely minor suggestions for improvements.

More specifically, there are several examples of Australian assistance being highlighted and/ or receiving positive media attention. This has included during workshops and seminars, badging on reports and occasional interviews with prominent diplomats such as the Head of Mission in Thailand. It is critical that such visibility is deliberately determined and neither accidental or incidental. There will be times when Australia seeks to be clearly associated with a measure or an event; times when it welcomes some recognition but it is not vital; and times when no visibility is wanted. Hence proactive communication is essential so that there are no surprises.

THE MTR noted that there were early hiccups at both posts as partners got to know each other better and establish protocols. In the second half of the program there appear to have few if any such problems, with better communication and planning all round.

Objective 3: Foundational strategic analysis produced and used

The MTR noted that the parties had different understandings of what was being sought under this objective and very few of the products were finalised to everyone's satisfaction. This underlines the importance of documenting requirements, communicating them consistently and applying them carefully. This was not done at the outset and represents a collective failure.

At the end of program there is not a great deal to add to the earlier conclusions as this foundational work was to be done early to inform thinking and programming. In Thailand's case, a number of products including economic and political analysis were ultimately completed and reportedly have been drawn on by the Embassy. In Malaysia's case, entirely new pieces of work in the childcare and TVET areas have filled some of the gaps and played some of the roles envisaged for the foundational research. This has made the best of the situation.

Encouragingly, lessons have been both learned and applied in the new programs. There is agreement that partners need a common, well-informed view of major economic, social and political issues to make the best strategic choices, but also that there is plenty of material to draw on to that end. The job is to take the best, synthesise it, interrogate it and bring its insights together with a range of other considerations such as shared interests, capability, sensitivity etc to inform strategic decision making.

Evaluation Question 2: How effective were management arrangements?

MTRP was an experimental program involving post-aid, policy-based development cooperation between Australia, Malaysia and Thailand. Freed of responsibility for acquitting large resource transfers in the form of aid-financed goods and services, the program has been able to use alternative planning, management and performance tracking tools. These ways of working are critical to the program's success as they allow adaptive management and searching processes involving 'thinking and working politically' to reveal and create solutions that are not pre-determined.

DFAT has to work differently in countries like Malaysia and Thailand. AMICs have come a long way. In both countries, senior interlocutors stressed how proud they were of their achievements. They do not want to delegate policy sovereignty; they do not want to be told what to do; and they are no longer prepared to pay the substantial transaction costs of conventional aid, especially when there is no major resource transfer.

So, a different approach was needed, necessitating different requirements that no-one on the Australian side was initially familiar with. While major progress was made at the Posts and country offices in evolving management arrangements, it is incomplete and person-dependent. New systems and operating procedures are needed to institutionalise what has been learned and to ensure continuity of approach as personnel change.

MTRP was significant because it targeted development logjams without conventional tools. It tackles complex, challenging reforms that haven't already happened. This means the areas selected will be somewhat fraught and require deft manoeuvring. Consequently, this is not a set and forget program. It

is small, but moderately demanding. The risks and rewards require close DFAT/TAF engagement which creates a dilemma because as a new program its requirements are not built into Post staffing. The Kuala Lumpur mission does not have any dedicated development staff and while Bangkok now has a medium-sized regional team, it is very busy with bigger, regional programs.

Things have worked well, but sometimes for fortuitous reasons. For example, The Australian Deputy Head of Mission in Kuala Lumpur has extensive development experience. She both understood MTRP and invested heavily in it creating a productive strategic interface with TAF. But those circumstances cannot be relied on in future. For now, at least, the basic operating assumption needs to be that DFAT will not have much time or many development management skills to devote to successor programs.

The evaluation recommends three strategies to deal with this:

1. Excellent and agreed program management arrangements that allow real time visibility of outputs and outcomes and that produce very crisp performance reporting twice annually to facilitate strategic guidance of the initiatives (specifics set out below)
2. Appointment of senior locally engaged staff to handle daily contact with TAF program staff and partners, prepare succinct briefings when needed and contribute to enhanced performance reporting
3. Contracted out financial administration so that DFAT does not have to deal with substantial paperwork and compliance functions

Strategy 1 is agreed by all parties, but was not fully achieved by the end of the program. Various efforts were made to improve the ST and wTOC processes including reporting against all three objectives; enhanced communication on the visibility sought by Australia, and traffic light performance reporting. Despite this, several problems persisted.

The evaluator attended 7 meetings since the MTR and observed the following issues that need further work:

1. In most cases, TAF played a disproportionate role in choreographing and running management meetings. These meetings are the opportunity for DFAT to have its issues, concerns and queries resolved and should be framed around those needs - which have to be clearly articulated. It has been both efficient and convenient to have TAF playing the lead role, but it has also left some staff walking away frustrated, which is counter-productive.
2. There is still too much 'chalk and talk' at the meetings. Presentations (but not annual and semi-annual reports) have become briefer, but not brief enough. Too much basic information is being rehashed, crowding out hard-headed assessments, strategic calibration and course corrections. Neither side should use these meetings for updates or briefing sessions.
3. Post and TAF Offices are joint managers, which means that while they have incentives to address problems, they also have incentives in the formal meetings to underplay them. There is a potential conflict of interest whether it manifests itself or not. This is when headquarters - both DFAT and TAF - come into their own by being constructive, well-informed sceptics. DFAT needs to formally give an officer this role to be a 'challenge-agent'.
4. Performance reporting must give managers clear, specific, succinct information. If it is first rate, everything else becomes easier to achieve.
 - a. As noted in the MTR, and as remained the case at the end, performance objectives are not always being well articulated. Sometimes they are too ambitious (the initial objectives for the Thai activities); sometimes too pedestrian (the new Thai education objective); and sometimes not clearly and directly enough linked to what the program is doing (the new TCCP objective)
 - b. The request for more evidence-based reporting has resulted in some voluminous, descriptive reports that can actually make it harder to evaluate progress
 - c. Raw information needs editing to bring out the strategic messages, while ensuring they are substantiated, especially when the original reporting is in a second or third language for drafters

TAF and DFAT should not be disheartened by these conclusions. Performance reporting is notoriously difficult, especially for policy programs. If this aspect can be improved a lot of other small irritations will resolve and mutual satisfaction will increase substantially.

On the positive side - the evaluator notes that DFAT and TAF took on board most recommendations and suggestions from the midterm review and have implemented many already. A traffic lights system makes the judgements clearer and presentations are shorter and more strategic. The main problem now is in the written annual/semi-annual reports. The MTE referred to the MTRP performance record as being like a blockchain ledger. Unfortunately, that was too apt. A detailed ledger is great for an audit - and accountability - but not for strategic management. A way is needed to cut through this. The lessons learned section makes some proposals for improvements.

Cross cutting issues

Australia's new government has prioritised more consistent application of policies on gender and the environment in all ODA funded activities. Ideally Australia would have a pool of non-ODA development resources with its own set of principles and operating requirements, quite distinct from OECD ODA rules and self-imposed additional requirements. However, that is currently not the case.

Regardless of how a program like MTRP is funded, it should not be badged, managed or presented as aid. Perhaps the most important aspect of this is not imposing aid conditionality on small amounts of expenditure related to development engagement with AMICs. By the same token it is legitimate for Australia to have some clear principles that apply across all activities however they are funded - as long as these are few in number and can be adapted according to the circumstances.

The solution, proposed by the Mid Term Evaluation, was to incorporate gender and environmental considerations into TAF analytical processes and products. There is little evidence this happened subsequently, but with the change of government the need has become more acute. TAF needs to move promptly to rectify this. This should not have to involve wholesale change but rather a deepening of understanding and analysis of the differential gender and environmental impacts of policies and programs. This may require some tweaking of TAF operating procedures and staff training.

What worked and what didn't? Lessons for the future

1. There are MTRP assets, advantages and sources of value

There are critical factors which explain MTRP's success. Most were deliberately designed to enhance value, but some were fortuitous. Either way, they should be recognised as success factors to be incorporated into future programs and approaches wherever possible.

- a. MTRP was not conceived, designed or implemented as 'aid'. This would have made it unacceptable. In both Thailand and Malaysia interlocutors stressed how proud they were of their achievements even as they simultaneously discussed concerns about daunting challenges and their interest in international ideas. MTRP's post-aid, equal-partners character was essential.
- b. The scarcity of bilateral development platforms and processes for AMICs increased the development and diplomatic value of MTRP. The program did not face competition to find high yielding activities, nor get lost in a sea of projects and flag waving. Counterparts were hungry for the chance to work with local and international actors and keen to make the most of what was on offer.
- c. The focus on local priorities and local solutions marked out MTRP from other programs. Remaining assistance is predominantly multilateral and tends to be prepacked to respond to generic regional or sectoral issues and concerns. Time and again counterparts said 'we value that you listen to us'. They also pointed to opportunities for Australia gain valuable knowledge and ideas - i.e., 'keep listening'.

- d. The agile, searching nature of the program was valued. It was not about coming in with 'the answer', but empowering local actors to develop new possibilities. This includes through providing access to alternative international models. Most aid donors insist on exclusively showcasing their own solutions, whether they are the best fit or not. MTRP has been able to include relevant Australian policy ideas, but also those of other nations. This is highly valued.
- e. Having a highly-capable implementation partner such as TAF to work with was essential. TAF is able to avoid the principal-agent problem by being both. As an experienced, nimble and creative development actor in its own right, willing and able to navigate narrow and dangerous spaces, it is able to grasp and most often meet DFAT's needs while simultaneously adding strategic value.
- f. Strategic leadership in TAF and DFAT that grasped the significance of what was being done and invested considerable time to make it work. This leadership was not constantly present on either side as people came and went, but the difference it made was dramatic
- g. The MTRP noted that superior performance in Thailand was driven partly by having in-house experts who could drive the reform initiatives. This conclusion is bolstered by Kuala Lumpur's shift in this direction and the dividends it has paid. Partnering with local research organisations and actors is essential, but wholesale subcontracting to them moves TAF and DFAT too far away from the action. The in-house expert model should be the preferred approach in future.
- h. The program flies under the radar - at least until it is decided that it won't. By and large Australia is seeking results, not attention and praise. Sometimes it is happy to share in successes, but often it is willing to let local actors claim the credit they deserve and stay out of the limelight. This is also critical for rebutting any suggestions of interference. The issues are local priorities, explored by local actors with no fixed Australian agenda and little flag waving.

2. *Issues and irritants*

a. ODA financing and rules

While MTRP isn't badged as aid, financing it from ODA sets up inevitable tensions. Firstly, while the program's development intent clearly complies with the key test for ODA, and therefore legitimates the financing, this is in itself problematic. It undercuts the message to both counterparts and staff that this is not an aid program. It also creates a countervailing power that threatens constantly to pull the program back into the aid system. This would be fatal.

Even more problematic, ODA financing inherently limits the range of possibilities for working with AMICs. The tensions are real but manageable if the program is small, but not if it is substantial. Therefore, the logic becomes that the program must remain small. If Australia is to reimagine what is possible with AMICs it must not be ODA bounded, otherwise it will stay in a tightly confined space.

Several measures are recommended to get around this problem:

- i. Ideally the government would create a development budget that is largely, but not exclusively ODA. There would be an initially small amount that would grow overtime to finance a 'beyond aid' development agenda. AIMIC work would be funded from this pool. One of the biggest advantages of such a restructuring is that Australia could adopt a more differentiated approach to the spectrum of needs and opportunities that exist in developing countries. It could improve public presentation of Australia's international development efforts. Creating a non-ODA development pool is only likely to become a real option as part of a bigger strategic rethink - and a representation of the entire development effort.

Secondly, such a representation is only likely to be acceptable to aid traditionalists if it occurs in the context of a growing aid budget where funds are not reallocated from ODA to non-ODA. All of this suggests this is a long-term solution, but one that needs a series of building blocks that should begin to be put in place now.

- ii. In the beginning, when neither Bangkok, nor Kuala Lumpur had development staff, MTRP had to be managed by political-economy officers. While this created its own set of issues, including unfamiliarity with activity management and development thinking and practice, it forced the issue of integration. More importantly, it gave real substance to the argument that this wasn't aid and wasn't going to become an aid program by stealth.

Therefore, there remains a strong logic to the program being managed by pol-eco staff, regardless of whether there are development staff at post, and perhaps especially if there are! This is not to denigrate or dismiss the knowledge of those staff, but rather to bring development thinking into the mix differently and to allow for innovative approaches to be developed.

In an optimal model, the program might be organised as a strategic, multi-country program by a purpose-built Canberra team, with country-specific decision making delegated to pol-eco staff at post, complemented with input and advice from development teams in Canberra and at post where relevant. Matrix management? Yes. More complicated? Yes. But better able to make the best judgements and achieve the greatest results.

- iii. Additional measures may also help to reinforce the non-aid character of the program. This might include:

- Making sure MTRP like programs are never projectized and delivered through a formal contract that is then micro-managed. Rather, similar programs should remain a genuine partnership with a trusted agent that DFAT is willing and able to work with to pursue its objectives and execute its plans, without all of the conventional machinery that makes adaptive management very difficult.
- Secondly, DFAT might deliberately set out to create and refine new architecture, guidelines and procedures for working with AMICs that would serve both existing programs and new and possibly different ones. The idea would be not only to bolster the argument that stepping out of conventional aid architecture is a considered, structured, sensible approach, rather than a free for all, but also that Australia wants to lead the way and add value at regional and global levels.
- That Australia never approach its AMIC work from the point of view of an isolated, Australian conducted 'needs analysis' where it diagnoses problems and decides how they should be tackled. Rather, it deliberately looks for areas where countries are grappling with issues that Australia has also found difficult to resolve.

This could totally change the development dynamic. Rather than, the superior/inferior tenor of 'you've got problems, we've got solutions', the story could become, 'we share some really tricky problems and have tackled them differently. Let's combine that knowledge and experience and see where it takes us.' This is an altogether more mature development relationship that would bring development dialogue to the fore and make programmatic work complementary.

b. The requirements of Strategy Testing and Working Theory of Change processes

As discussed, TAF has evolved its own managerial technology for adaptive programs that does not start with determining both problems and solutions from the outside, but instead searches for both from within, with the journey being a key, integrated and valued part of the process. However, in the absence of upfront design, log-frames and detailed articulation of who will do what, when, where and why, the whole enterprise can feel worryingly loose, especially to aid planners.

To compensate, TAF has developed Strategy Testing and Working Theory of Change processes, that allow the program's strategy and tactics to alter to achieve the best results, but require approaches to be constantly-validated and course corrections to be made. These approaches need to be practiced in real time by program staff, but also by partners, standing a step or two back, as part of high-level periodic review sessions. Ideally this results in a 'graphene-type' structure - light and strong, yet flexible.

The trouble is that light, strong and flexible is very hard to achieve. The ST and wTOC meetings have to work brilliantly, just to work well because there's less to fall back on. They need to be short and decisive. Senior staff need just the right amount of information - knowledge of what the program is all about and a strategic mindset to make well informed decisions. Program performance has to be interrogated to confirm judgements that are more qualitative than quantitative.

Consistently meeting these conditions can be quite demanding, but if all participants understand the program and their role in the processes, it should not be overly burdensome. Solutions involve ensuring the program has a strategic priority; resourcing reflects the managerial requirements of the model and preparatory work is very good.

Specific proposals for improvements include:

- i. More rigorous activity selection at the outset to find the most impactful initiatives based on the best diagnostic work available;
- ii. Joint planning of ST and wTOC agendas and meeting choreography to squeeze maximum value out of a short amount of time;
- iii. Clarity and brevity in documents to allow assessment of progress and illuminate decision points;
- iv. Sufficient DFAT and TAF 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 while Canberra sets policy parameters, helps critique performance and gathers, synthesises and applies knowledge while also providing surge capacity when needed

c. The need for a Goldilocks performance management system

Most aid activities have a performance framework at the start - or at least they should have if there's a defined end point and a pre-determined plan to meet it. In MTRP's case these pre-requisites are missing. Performance goals and indicators evolve so they can't all be set out neatly at the beginning. That introduces the risk that performance isn't adequately tracked and the program gets lost, but it is essential to the fundamental concept of an exploratory program using adaptive management.

The question is, how best to manage the risks? This has been answered by putting performance management at the heart of ST and wTOC processes. It is absolutely logical for the starting point of those discussions to be high-quality, clearly-presented performance information and for that information to be robustly critiqued. However, the evaluation noted concerns of some DFAT staff that these conditions are not always being met and came to similar conclusions through meeting observation and documentary analysis. Reporting has become more detailed, but not always more informative. This then requires too much time to be spent trying to work out what it means, rather than what needs to be done as a result.

MTRP-like programs need a 'Goldilocks performance management system' - neither too rigid, nor too loose. There ought to be an agreed framework at the outset. Not one that is populated with a whole series of pre-determined goals, milestones and indicators. But the overall shape of the program should be visible and how it will be assessed, even if this changes over time.

Hence it is recommended that DFAT and TAF collaborate to strengthen the performance system for successor programs so that it briefly and clearly tracks and reports evidence-based progress, including by:

- i. Ensuring there is a jointly developed and agreed post-aid, strategic 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; 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, constructively pushing for substantiation of claimed progress

d. *High staff turnover, different skills and variable resourcing*

Frequent changes of personnel at Post and in Canberra are DFAT facts of life that are not going to change, but they have major impacts that need to be managed. MTRP progress was significantly affected by the experience and interest that senior management brought to the task. Greater consistency is called for through systemised processes and posted officer preparation that should include periodic joint workshops to stress key features of the model and its management.

More broadly, a more systemic approach would involve clearly establishing and documenting program goals and strategy, creating standard operating procedures and having a Canberra focal point that maintains a degree of consistency and coherence.

Post resourcing differs significantly between small and larger posts and those with and without aid programs. Initially, taking on MTRP was easier for Bangkok than Kuala Lumpur, both because it had more resources to draw on but also because it had a pre-existing relationship with TAF that allowed the program to hit the ground running. Ironically, the expansion of the development area of the Bangkok Post has squeezed ATERP and arguably left less time for the program. The model has to be adapted so that it can work equally well in different organisational contexts.

The evaluation sees the resourcing solution as having several dimensions:

- i. Putting all programs on the same footing by managing them within political-economy teams, giving those teams an added tool and exposure to program management
- ii. Supporting those teams with dedicated local staff who can undertake program administration, day to day liaison and performance tracking
- iii. Ensuring there is surge capacity and ongoing support from an AMIC unit in Canberra

3. *Key 'take away': MTRP model validated*

Before MTRP there was a range of views in DFAT about whether Australia could and should engage with AMICs on their development agendas in the absence of conventional aid programs. Even those who were supportive in-principle wanted to know what that would look like and what might be achieved. TAF argued in two separate papers that AMIC progress was far from assured and that there were ways of crafting cooperation to mutual benefit to help countries navigate the middle-income trap. MTRP has proved the basic concept.

In Kuala Lumpur, Bangkok and Canberra, DFAT has recognised the value of the program. The value that DFAT - and others - derived was most often described largely in diplomatic terms. The following quotes are illustrative:

"It would be a great loss if we didn't have the program" DFAT Senior posted officer, Thailand

"A major advantage is that the program allows us to engage with government, but also to reach beyond it" - DFAT senior posted officer, Malaysia

"It provides another string to our bow" - DFAT program officer, Malaysia

"The program can help us deepen relations and do practical things under the strategic partnership." DFAT senior posted officer, Malaysia

"No other embassy has something like this. It allows Australia to listen and respond". Senior TAF officer, Thailand

This program allows Australia to better understand Thailand and to rebalance its relations. It will serve Australian interests well if you listen carefully to what is really happening". Former senior Thai government official

These benefits are substantial; would justify the program in and of themselves; and rest on the reform activity being successful. Nevertheless, above that minimum threshold, the quantum of development benefit is almost incidental to these gains. The program was premised on more than this. It had a very ambitious development goal - to 'achieve meaningful reform in areas critical to growth and stability', paraphrased as 'moving the needle on big reforms'.

While the reform initiatives have all been judged to have fully delivered within the short confines of the program, insufficient time has passed to demonstrate that they will 'move the needle' and generate systemic change that endures. It's possible, but not yet demonstrated, let alone guaranteed. That in itself provides a very strong reason for continuing and deepening the experiment.

MTRP has proved it can make a valuable contribution to helping AMICs lessen development logjams. It already incorporates most of the key success factors for working with AMICs. Its managerial technology is fit for purpose in ways that conventional aid machinery is not. All of this means that DFAT already has a high-performance model of working programmatically with AMICs. It should use that model rather than reinventing the wheel.

Conclusions

What were already formidable development challenges for AMIC countries are intensifying. As a result, SEA's future looks a lot more uncertain. Slower growth and development could lead to fewer jobs, stagnating incomes and rising discontent, fuelling instability. It could also erode faith in the international economic and political system, turn nations inward and increase their vulnerability to coercion. This would add greatly to Australia's economic and security concerns.

The development and diplomatic case for working with AMICs is strong and getting stronger, but there are very few modalities and platforms and necessary rules and tools don't exist. The architecture and the machinery need to be created. MTRP's biggest success has been in demonstrating that Australia can engage developmentally with AMICs, advancing important reforms, with small amounts of money.

MTRP reform engagement has been almost universally welcome and productive. Such a program clearly can become a significant strand of enhanced and more equal relationships with AMICs, but it works differently from conventional aid programs. Both development and diplomatic staff have new things to learn and new approaches to manage. This requires a central area in Canberra to hold the ring on AMIC policy and practice and ongoing induction of posted officers.

Having smart, strategically-minded decision makers in charge at both ends of the partnership is crucial. They need to be on top of what is happening and communicate very effectively. In order to successfully tackle AMIC development challenges, the areas such a partnership works in must be of moderate to high sensitivity. Hence the implementing partner must be able to navigate the issues and the politics adeptly. TAF has shown itself able to do so.

The evaluation has identified a range of managerial challenges, none of which are insurmountable. The need to keep strengthening ST and wTOC processes and performance management is hardly surprising for a new instrument of engagement. The investment in doing so will be very valuable for program management and future design. It will open the door for new programs.

Despite the program's success, we still do not know just how far an MTRP program can go. Can it consistently 'shift the needle' on critical reforms, or is this likely to be an occasional bonus? Can it build up a pattern of progress that illuminates pathways out of the middle-income trap, or just help here and there at the margins? The tentative answer is that MTRP-like engagement will be critical to any high

aspiration for working with AMICs, but more might be required to increase the chances of country level success if our aims are high.

There is a remaining question, therefore, of what, in addition to MTRP-like programs, would deliver greater impact in AMICs if Australia wanted to achieve it. The Mid Term Review proposed that DFAT do some more research on existing and potential modalities and programs. Due to competing demands, including those generated by COVID, this has not yet happened. Nor was it possible to fill this gap during this very short evaluation.

The most important next step is for an AMIC roadmap to clarify Australia's objectives and then align strategy, modalities, resourcing and management. 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.

Annex 1: Detailed Analysis of MTRP initiatives

Malaysia

Overall reform progress

By the end of program, the Malaysia reform initiatives had not only picked up pace and delivered more outputs, but also achieved substantial policy wins. Critically the TAF office strengthened substantially during the second half of the program with additional staff and an energetic, creative, incoming Country Representative, whereas previously the position had been vacant for more than six months. This experience underlines MTE conclusions that the country office capability of implementing partners is a key determinant of success.

Malaysian reform initiatives

1. Retaining high-skilled women in the workforce

The initiative undoubtedly deals with a key constraint to Malaysian growth and development. Malaysia has considerable skills shortages which it addresses largely through politically contentious, temporary migrant labour programs. At the same time, it has hundreds of thousands of highly educated women who leave the workforce to have children, rarely to return. As in Australia, arguments about state-assisted childcare span cultural, budgetary and child welfare issues.

As local partner, Merdeka, observed during consultations, Malaysia is at the beginning of what is likely to be a long and contested journey to build an affordable, accessible, quality childcare system. It is important that the initiative stays focussed on this goal which at times has looked like being subsumed into wider skills training objectives; care industry expansion plans or early child development policies.

The economic opportunities presented by developing a stronger childcare system are a compelling part of the logic of the initiative, but remain unquantified. While this reflects a paucity of data (itself a recurring issue that might offer specialisation opportunities for future Australian initiatives) there must be ways, even if initially crude, of modelling costs and benefits and in so doing, catching the attention of economic ministries. **It is recommended that formal modelling be undertaken as a matter of priority under the new program.**

The initiative had to be highly flexible in responding to changes of government, shifting political priorities and COVID disruption. It has cleverly moved the emphasis between the Federal and state levels based on interest and opportunity. MTRP directly assisted in the drafting of a Selangor state policy that provides subsidies for poorer households for child care and training programs, especially for informal child care providers. A senior Selangor government official said, "The Childcare policy would not have been developed, or at least not to this standard or this quickly without the assistance provided." Separately the Australian High Commission and Austrade have taken advantage of this entry point to facilitate links with TAF Victoria which has been engaged to provide tailored training.

While the Program developed a strong and productive relationship with the Selangor Government where the issue has traction and there is strong local leadership, ability to leverage this at the Federal level is diminished by political differences between ruling parties. That said, the program has had some success at the Federal level, pushing the issue up the agenda, including through ongoing dialogue with the Minister of Women, Family and Community Development. A key test will be whether mooted plans for a cross ministerial task force eventuate.

TAF has also helped create community demand for childcare through cooperation on a series of media interviews and articles. TAF's media partner, Bernama, commended the theory of change, but suggested a greater emphasis on social media in future to reach a wider, younger audience. Raising the profile of the issue helped create a supportive climate that saw the Prime Minister committing to public sector childcare provision for all Federal government departments in a recent Labour Day speech. While the

commitment was broad and brief it provides a useful toehold in progressing towards the initiative goal of a national childcare policy.

The salience of the childcare issue at the federal level has been increased through strong support from former TAF Country Representative, Dr Herizal Hazri, who now runs the Malaysian government's most prestigious thinktank, the Institute of Strategic and International Studies (ISIS).

Initiative progress was initially delayed by a range of endogenous and exogenous factors set out in the MTR. Fortunately, it has made good progress since then and is now rated fully effective. Given this, its long-term economic significance; the enduring importance Australia puts on gender equality and inclusiveness in its foreign policy and the emergence of a growing cadre of high-level local supporters, it is recommended that Australia continue work in this area.

2. Supporting the growth and improvement of Malaysia's Vocational Education and Training (TVET)

Like the women in the workforce activity, this initiative meets the relevance test and interestingly is also about better equipping Malaysia with the skills it needs for the future. Dr Hazri talked of the importance of TVET to the 'national psyche' in empowering Malaysia to continue its growth and development story and become more self-reliant.

The synergy between the two Malaysian initiatives in both potentially expanding the skilled labour force provides opportunities yet to be fully realised. It also raise questions as to whether the initiatives deliberately target one critical area. There would be advantages and disadvantages to that strategy that would need to have been tested during the original selection process that was somewhat fraught. It is not clear if this occurred. The current Country Representative has recognised the need for a stronger process of activity selection. Elsewhere this evaluation proposes a series of tests and steps that might be applied to similar programs in future.

While TVET reform is highly relevant and seemingly ripe for reform it also needs clear pathways with a realistic chance of success. Initial theories and strategies were not strong - nor were they adequately tested, targeting second tier TVET demand-side issues. An early approach of working directly with two TVET institutions yielded additional insights, but risked trapping the program at the edges of reform. The shift to a higher-level focus was made over the course of the last year.

TAF's local partner for TVET analysis is the respected International Institute for Public Policy and Management (INPUMA). TAF and INPUMA produced three versions of a diagnostic paper in mid 2022 following a somewhat lengthy process. There are Malaysian and English versions of a long report and critically, a more accessible, 20-page TAF policy report. The latter added significant value, being sharp and clear, pithy and practical. As is often the way, including in Australia, research work needed to be made policy-ready. This took significant TAF input from the Country Director and senior staff. This value-adding step needs to be priced-in to resourcing agreements as it reflects recurring difficulties getting the product right first time. This also suggest avenues for future initiatives in sharpening the capacity of local public policy bodies to define and deliver influential products for busy policy makers.

Simultaneously with the release of the TAF TVET reports, a new national TVET Council was formed, offering new opportunities for input and influence. Five working groups were created to work on different issues. Only one - on branding - was not chaired by a government official and TAF was invited to join the group. It was a considerable achievement for an international civil society group to get a seat at the table - any seat. This is recognition of TAF's work and expertise. It puts the program in a much better position than arguing from the outside.

Despite these notable gains, it is not yet clear how the large number of ministries and interest groups with specific TVET responsibilities will build a coordinated, coherent, well-managed and fully-funded system. The TEVT Council has various levels, the highest of which is chaired by the Prime Minister. It might be that a reform masterplan will need the PM's authority and drive to succeed and will take many years to implement. In the interim, Australia and TAF will need to constantly reassess what

contribution they can make and when the right time is to exit. That said, progress achieved over the last year has more than justified the effort put into the initiative to date and it is judged fully effective.

3. A more inclusive economy in the State of Sabah

This potential program area remains appropriately tentative. It responds to a new Sabah government 'green growth' policy that has laudatory, if very ambitious aims. The enticing possibility of contributing to greater social stability, environmental protection and sustainable growth and development make this an interesting and potentially high priority area. However, TAF has recognised that the interests of various parties conflict, as well as overlap and there is potential for greater conflict over development, as much as there is for agreement and expansion of shared interests.

Wisely, TAF and DFAT are proceeding carefully. Good foundational research has been undertaken and workshopped - and TAF has identified the key need to create platforms for structured ongoing dialogue with local people, especially indigenous people.

This tentative initiative has not been formally rated on the basis that its shape is not yet defined and no decision has been made to proceed. The process of consideration however, is judged to be sound and sensible.

New Australia Malaysia Reform Partnership - brief observations

A new, Malaysia-specific program - Australia-Malaysia Reform Partnership (AMRP) - is under construction to take forward MTRP like work, including the existing initiatives. Several additional concepts are under consideration for new initiatives. It is too early to tell just how prospective any of these are, but the program concept document is notable for recognising strengths, weaknesses and lessons learned during MTRP implementation. It builds improvements into the new program in the form of clear governing principles; stronger activity selection processes and enhanced performance monitoring and management. These are encouraging signs of TAF commitment to continuous improvement. The evaluation notes that this has also been evident in the proactive implementation of suggestions from the Mid Term Evaluation

Thailand

Overall reform progress

Early reform progress continued in Thailand with further achievements in education reform and support to the Trade and Competition Commission, Thailand. TAF office and staff remain central to progress with hands on management and strategic steering.

Enlarged ATERP program becoming more demanding for TAF to manage. Partners should ensure adequately resourced at senior levels and guard against program leads being spread too thin. Demands on DFAT time have grown greatly with Mekong Australia Program. Risk of ATERP being crowded out. Extra need for streamlined processes and procedures.

Thai reform initiatives

Education

With 36,000 schools, 13m students, huge budgetary allocations and stagnating educational outcomes, Thailand clearly has a big problem in reforming its education sector. The World Bank has sought - and to date failed to achieve - school amalgamation, system rationalisation and greater teacher professionalisation. What hope a small program with few inducements to offer?

This initiative provides a reminder that getting the goal right at the outset is very important. Initially the goal was expressed as 'education reform to improve Thailand's long-term competitiveness'. While that is a lesser goal than wholesale reform of the system to optimise educational outcomes, it is still a very ambitious goal because it seeks to achieve sufficient educational reform to move the dial on Thailand's international competitiveness. Laudable, but most likely beyond reach.

In the final MTRP performance report the goal has evolved (as it should) to be framed as, "Thai schools realize that the road to become fully or partially autonomous required better-quality management and leadership from Thai principals equipped with tools to manage schools in post COVID 19". This is a much more modest goal, perhaps too much so, at least the way it is expressed.

Schools - or more specifically, Principals, local Boards, parent groups and funders and regulators - might be provided with knowledge on best practice, but choose not to act on it. For complex political economy reasons that appears to be the case in Thailand. If so, realization of what's required for reform won't be enough to change things, at least at a systems level. Through dialogue with the highly experienced and creative TAF Program Lead, Dr Rattana Lao, the goal seems to be higher than first appears i.e., beyond problem recognition, and the strategy more sophisticated.

As reported in the Mid Term Evaluation, MTRP delivered an early, in-house produced report - *Rules, Resources and Leadership* - that diagnosed a series of systemic weaknesses in the Thai educational system, but honed-in on promoting 'instructional leadership'. This will not of itself change the system, but it might result in better educational outcomes for thousands of students, if principals respond positively to advice, encouragement and support. This in turn may create more examples of success and increase reform momentum.

This does seem to be the strategy, embedded in several distinct aspects of the program - for example in working with a dozen schools that want to become more child-centred; in using a podcast series to get information and ideas to hard to reach, remotely-located principals, who want to do better; and in a student essay contest that amounts to a 3000-person qualitative survey of consumer demand for change.

The strategy is logical, is already achieving good results against these sub goals and is probably as good as it gets for a small program. The problem is that the strategy is not clearly visible in program documentation as it might be, nor are its achievements as clearly captured in performance reporting as possible.

In short, MTRP strategy articulation and performance reporting have become more voluminous, but not always more informative. Senior DFAT staff in Thailand reported having to engage a consultant to cut through and reach well-founded conclusions in regards to the education program. This is less than ideal and suggests a need to further refine performance systems. TAF may benefit from engaging ongoing expertise both to condense and sharpen reporting and to construct systems that are the right fit for the program, but also give DFAT more clarity.

The above issues are managerial - and fixable. They do not detract from what is an innovative and successful activity. The initiative is, however, very person dependent, both in terms of Dr Lao's leadership and the supporting coalition she has built, including senior figures such as Dr. Ekachai, former head of the Bangkok Office of Basic Education Board. The hope that the activity can help drag the system up is optimistic, but more than worth the effort.

Trade Competition Commission of Thailand

This initiative targets a critical area of reform need - helping the new Trade Competition Commission of Thailand (TCCT) so that it can develop and implement Thai competition policy, especially by bringing successful legal cases against anti-competitive practices. The Thai economy is dominated by large corporations with substantial market power. Creating more space and more opportunities for new companies is a requirement for faster growth. It is particularly important the Commission succeeds as an indicator of strengthened regulatory and institutional power in an evolving system of checks and balances.

Initially the outcome sought was to firmly establish the Commission as a credible regulator. The MTR judged this too ambitious in the time frame available. In the new ATERP program, the outcome has been expressed as 'Thai entrepreneurs, especially Small and Medium Enterprises (SME) have the same level playing field and equitable business opportunity to compete in the country'. This may be even more ambitious because even if the Commission succeeds in its work, there will be significant remaining non-regulatory barriers for SMEs, such as access to finance, skills, information etc. It is recommended that the outcome is revised to be more directly related to the areas the program is working in.

There are several distinct forms of assistance being provided under the program. One is helping the Commission construct a province-based competition index. Progress has been slow due to data constraints and a prototype is only available for 3 of 76 provinces. Commission staff concede the project was too ambitious and expect it to take several years to come to fruition. While they still see it as a useful 'early warning system' to identify particular regions and sectors where competition is stifled, the evaluation judges that the opportunity cost of major effort in this area is too high.

Partnering with the Australian Competition and Consumer Commission has added consider value at multiple levels. It has assisted Commissioners deal with major strategic issues; it has helped with scenario planning and it has given staff access to international skills and training. Head of International Relations at the Commission, Dr Akarapon, reinforced several times the value of the program in providing access to alternative models and ways of working.

Access to ideas has also been evident in MTRP work on policy papers covering issues such as regulating digital transactions. While Australian experience is valued and should always be in the mix, Dr Akarapon underlined the importance of being able to compare and contrast different approaches before determining what is best for Thailand. He also stressed the need to skill up a young and relatively inexperienced team. While conventional institutional strengthening and structured training are beyond the scope and mission of the program there may be value in ongoing ACCC/TCCT mid-level staff exchanges, internships etc.

As the MTE noted, the Commission receives assistance from a variety of multilateral agencies, however the Thai TAF Country Representative pointed out that much of this involves regional program assistance that is typically less flexible and adaptive. With the exception of Japan, there are almost no bilateral development partners or mechanisms in Thailand. This points to a major advantage of MTRP.

The scarcity of such assistance enhances its value. This makes counterparts hungrier for it and more likely to use it effectively. It also raises the prospect that if Australia could expand cooperation in ways that are manageable while keeping it demand-driven, flexible and responsive, it might go from niche player in a handful of areas, to a recognised and trusted strategic partner.

The evaluation assesses that the initiative has played a strong supporting role and is fully effective. That said, despite having good leadership at several levels, TCCT remains vulnerable and pulled in different directions. It is yet to build a strong profile based on case law and is not a statutory institution with long term funding guaranteed. The TAF Program Manager has built strong relations with the Commission and has a good grasp of what is working and what is not. However, the Program Manager is now oversighting three initiatives which makes it very hard to provide the optimal high-level input. Existing assistance is valued, but is largely technical. This raises the question of whether the program also needs to develop strategies and pathways to assist the Commission navigate the interface with politicians, industry and the public at large.

New areas of cooperation under ATERP

Two new initiatives are being taken forward under ATERP. The first is targeted at increasing women's participation in the workforce which has been falling for over a decade. As in Malaysia, the initiative has a strong logic. Groundwork has been done to scope childcare component and initial workshops and research have been undertaken suggesting the concept is on track. The evaluation agrees that the program outcome is pitched at the right level - 'Thai women have more options and support to take care of their dependents, allowing them to participate in the labour market'.

The second new area is billed as 'New Economy Start-up led growth (Start-ups)'. It aims to create a more supportive and less hostile environment for new business creation, especially in 'new economy' areas involving digital communications, commerce and services. The Office of Small and Medium Enterprise Promotion has already emerged as a key ally and champion. Diagnostic work for OSEMP is underway and due to be shared with APEC later this year. That work should help give more definition to exactly what the program can do to deliver the well-framed reform initiative outcome, that 'Thailand has a more supportive, facilitative and inclusive ecosystem for new economy start-ups'.

Attachment A: Malaysia and Thailand Reform Partnerships Evaluation Terms of Reference

Background

The Malaysia and Thailand Reform Partnerships is a program funded by the Department of Foreign Affairs and Trade (DFAT) and implemented by The Asia Foundation (TAF). It provides a flexible, adaptive program for Australia to support progress on critical reforms in Malaysia and Thailand to help them achieve inclusive growth, stability and development. It is the flagship program of Australia's bilateral development re-engagement in the two countries.

The program aims to strengthen Australia's capacity to support reforms critical to future growth and stability in post-aid Advanced Middle Income Countries in ways that build Australia's reputation as an effective regional partner in reform efforts.

The end-of-program outcomes of the program are:

1. Australia's contribution supports meaningful progress on reforms in Malaysia and Thailand that are critical for maintaining inclusive growth and stability.
2. Australia's bilateral relationships with Malaysia and Thailand are strengthened by reinforcing Australia's track record as a pragmatic and resourceful partner.
3. Strategic analysis provides a foundation for long-term bilateral cooperation to advance critical reforms in the mutual benefit of Australia and Malaysia/Thailand.

The program commenced in August 2019. Its value is \$2.7 million over three financial years.

The Asia Foundation implements the program in close engagement with DFAT, in the spirit of a partnership approach. The program approach is informed by policy work on development engagement with Advanced Middle Income Countries conducted under the DFAT-TAF Strategic Partnership.

The Program applies an adaptive, politically-smart approach informed by six-monthly Strategy Testing. A Joint Working Group of senior staff from each office meets six-monthly to provide strategic oversight and guidance.

There are five reform initiatives underway:

- Thailand: Education Reform to Improve Thailand's Long-Term Competitiveness.
- Thailand: Reducing Market Structure Constraints to Unleash Competition and Innovation.
- Thailand: Technical Advisory Assistance to the Office of Trade and Competition Commission to Increase Market Competition
- Malaysia: Retaining High-Skilled Women in the Malaysian Workforce
- Malaysia: Capacity Building Towards TVET as a Career of Choice

Sector studies focused on gender equality, education and the civil service has been conducted for Malaysia and used to inform choice of the second Malaysian reform initiative. A more extensive diagnostics analysis examining Thailand's economy and political economy will be completed in late 2020.

Contract Period

January 2021 to September 30 2022.

Location

The evaluation will be primarily desk based at the contractor's location. Due to COVID-19, the mid-term review will be conducted virtually. The end of program review in 2022 will include a field visit to Bangkok and Kuala Lumpur (provided safe travel conditions have resumed).

Input Days

Input days will be finalised based on agreement between DFAT and the successful consultant on the required scope of work. An estimate of days required are as follows:

Evaluation component	Maximum Inputs
Briefing and evaluation plan	3 days
Mid-term evaluation and report	7 days
End of program evaluation and report	18 days plus up to 2 x 0.5 days travel
DFAT senior staff briefing and webinar	0.5 days

Evaluation Purpose and Objectives

The program is an innovative style of work, and potentially a model for engagement with other Advanced Middle Income Countries (AMIC) or near-AMIC countries. Therefore, DFAT and TAF are seeking a learning-focused evaluation in a progressive, 'critical friend' style similar to that in use by the Coalitions for Change program in the Philippines.

The objectives of the evaluation are:

1. At the mid-term of the program:
 - (a) Provide independent feedback to DFAT and TAF to enhance implementation of the Malaysia and Thailand Reform Partnerships.
 - (b) Provide a preliminary assessment of the usefulness of the program approach for DFAT in Southeast Asia.
2. At the end of the program:
 - (a) Determine to what extent the goal and objectives of the program have been achieved, and what lessons can be learned for further work in Malaysia and Thailand.
 - (b) Identify opportunities for innovation to be applied in other Southeast Asia programs.
 - (c) Assess the usefulness of the program approach for broader use by DFAT in middle income Southeast-Asian countries.

Key evaluation questions will be developed by the consultant in consultation with DFAT and TAF as part of the initial briefing period.

Scope of Work

The evaluation will involve three components:

Briefing and Evaluation Plan

The initial period will familiarise the consultant with the program, and will include:

- Preliminary discussions with key personnel (DFAT Canberra, Kuala Lumpur Post, Bangkok Post, TAF San Francisco, TAF Thailand, TAF Bangkok).
- Review of key documents.

- Drafting of an evaluation plan.
- Finalisation of evaluation plan following DFAT and TAF feedback.

Output: Evaluation Plan consistent with DFAT Monitoring & Evaluation Standards. Specific requirements for the Evaluation Plan will be determined by the consultant and DFAT in the initial briefing period.

Due: By end February 2021.

Mid-term review

The mid-term review will review progress against the end-of-program objectives, provide recommendations for improvements, and an initial assessment of the value of the program model in the middle-income context.

DFAT and TAF will facilitate contact with key stakeholders in Malaysia and Thailand.

Due to travel restrictions this will be a virtual review.

Output:

Mid-Term Review Report, consistent with DFAT Monitoring & Evaluation Standards. Specific requirements for the Mid-Term Review Report will be determined by the consultant and DFAT in the initial briefing period.

Briefing to the Joint Working Group (via videoconference).

Due: By end March 2021.

End-of-program review

The end-of-program review will assess to what extent the end-of-program outcomes have been achieved, lessons learned, and an assessment of the value of the program model for broader use in Southeast Asia.

Output: End-of-program review report, consistent with DFAT Monitoring & Evaluation Standards.

Briefing to the Joint Working Group (via videoconference).

DFAT Webinar on learnings from the program and value of the program model.

Due: By end August 2022.

Personnel Requirements

The consultant will:

- be experienced in strategic evaluation
- be experienced in politically-smart, adaptive development programming
- have expertise in Southeast Asian middle income development trajectories
- have demonstrated understanding of Australia's strategic and development priorities in Southeast Asia.

DFAT and TAF Support

The evaluation will be managed by DFAT in consultation with TAF. The DFAT grant manager will be the main coordination point for the consultant throughout the evaluation. TAF country offices and DFAT Posts will provide lists of contacts for the consultant to speak to, and provide support for the consultant when in-country.

Key Documents

- William Cole, 'Advanced Middle Income Countries in Asia: Challenges and Opportunities Ahead', The Asia Foundation, May 2017.
- Saku Akmeemana and William Cole, 'Transitioning from Aid to Partnership in AMICs', DFAT and The Asia Foundation, August 2019.
- The Asia Foundation, 'Reflections on Implementing Politically Informed, Searching Programs: Lessons for Aid Practitioners and Policy Makers', April 2016.
- The Asia Foundation, 'Strategy Testing: An Innovative Approach to Monitoring Highly Flexible Aid Programs', September 2015.
- MTRP Investment Design Summary – August 2019
- Proposal: Support for Australian Engagement in Malaysia and Thailand June 2019
- Australia-Thailand Middle Income Initiative: Quarterly Reports (multiple)
- MTPR Monitoring & Evaluation Plan
- DFAT-TAF Ways of Working for the Malaysia and Thailand Reform Partnership September 2019
- Working Theories of Change for MTPR reform initiatives (at start of program)
- MTPR Semi-Annual Progress Update March 2020 (including strategy testing results)
- MTRP Annual Report August 2020 (includes strategy testing results)
- Joint Working Group meeting records
- Malaysia Sectoral Study for Reform Initiatives – February 2020
- Thailand diagnostics reports

Attachment B: MTRP End of Program Evaluation

Proposed Approach and Revisions to Evaluation Plan

The final MTRP evaluation will proceed substantially in accordance with the initial Evaluation Plan. That said, since the Plan's preparation the Mid Term Evaluation has concluded and there is now three years of performance information to consider. This experience suggests particular areas of focus and follow up. In addition, relationships and programs continue to evolve and warrant re-asking what represents best fit for purpose.

Evaluation Questions

The original five key evaluation questions focusing on activity performance; initiative management; what has worked well and what has not; what might drive higher performance and broader lessons learned remain relevant, but obviously not in terms of managing this particular program which is at an end. Hence the evaluation emphasis will be more focused on big lessons to apply to similar types of programs in the future.

It is suggested that the existing key evaluation questions be augmented to consider how well the program suits the elevation of bilateral relations to strategic partnerships. It is also suggested that there be some consideration of the various roles of Posts and Desks and the changed arrangements that see new programs taking different tracks and being managed differently in Thailand and Malaysia.

An additional question might also be posed in the Kuala Lumpur case as to the results of the 20% of program resources that were reserved for direct deployment by DFAT. This is obviously an alternative delivery strategy and it would be useful to gauge the extent to which it did or did not yield comparable results.

Process

As in the Mid Term Evaluation it is proposed that progress of each of the individual initiatives is assessed, revealing the pattern of performance across reform areas and the two locations. This is important in and of itself but also as the foundation for strengthened bilateral relations.

In assessing individual initiatives particular attention will be given to those where performance at the mid-point was either unknown or judged to be not fully effective. The Mid Term Review specifically flagged the possibility that final judgements might differ from initial assessments in regard to all activities in Malaysia and also the diagnostic work undertaken in Thailand. Therefore, there will be a particular emphasis on updating and interpreting these results. Amongst other things, the evaluator will consider the quality and impact of the Malaysian women in the workforce policy; the Malaysian TVET report; and the final diagnostic products produced in Thailand.

The evaluation will however try also to go beyond the individual activities to assess whether the whole is greater than the sum of the parts. It will re-examine whether the program has honed in on critical issues where clever work could make a significant difference to the country's development performance.

Consultations

The evaluation field visit being planned for the first half of August allows for face-to-face discussions which is expected to be highly productive in gathering information and insights.

This is particularly true in the case of counterparts whose judgements are critical to assessment against Outcome 2, Building Bilateral Relationships.

At the mid-term evaluation it was judged too early to speak to counterparts in Malaysia and so it will be particularly important to gather their views for the final evaluation. The evaluator will need the assistance of DFAT and TAF to recommend and engage with counterparts.

It would be very useful to hear directly from senior government officials in the Ministries of foreign affairs their assessment of the state of play of bilateral relations and how these have changed over the last few years. Notwithstanding the fact that this program is only one modest element of those relations it aimed to strengthen them and so this should be tested. It is acknowledged that it may be difficult or impossible to access the people who might be best placed to reflect on this. The evaluator is open to other ideas about how best to gauge the diplomatic state of play and proposes talking to small groups of foreign relations experts as an alternative.

Assessment of management changes made after the Mid Term Evaluation

A series of measures was suggested in the Mid Term Evaluation to improve the efficiency and effectiveness of program management. The final evaluation will consider what changes have been made as a result, to what effect. In doing so it will of course indicate where proposals were not agreed to or where alternative solutions were found.

Limitations

The final evaluation was an 18-day exercise, some of which have already been consumed in preparation and participation in a series of 7 Strategy Testing and Joint Working Group Meetings. After the 5 days in the field there will only be 8 for report preparation, finalisation and presentation. This will naturally limit its scope, including to consider in any depth optimal models for future work in middle income countries.

Attachment C: List of people and organisations consulted during the evaluation

Counterparts

Kuala Lumpur

Yawas Foundation, Selangor Government

Mdm Gan Pei Nei General Manager/CEO

Mr Nesaraja A/L Ananthan Executive Officer

National TVET Council

Mr Danial Rahman Head, Branding Focus Group

Bangkok

Office of Basic Education Board (OBEC)

Dr Eakchai Keesukphan Former Board Chair

Office of Trade Competition Commission Thailand (OTCC)

Dr Sakon Varanyuwatan Chairman, Commissioner

Dr Akarapon Houbcharaun Director, Foreign Affairs Division OTCC

DFAT Canberra

Ms Jenny Da Rin Assistant Secretary, Southeast Asia Development Policy and Programs

Mr Geoff King Director, Southeast Asia Development Policy and Programs Branch

Ms Naomi Cook Director, Southeast Asia Development Coordination and Program Support Section

Ms Tegan Park Program Officer, Southeast Asia Development Coordination and Program Support Section

Dr Emily Rudland Assistant Director

DFAT Kuala Lumpur

Ms Hannah Birdsey Deputy Head of Mission

Mr Luke McGreevy 1st Secretary

DFAT Bangkok

Ms Julia Fenney Deputy Head of Mission

Ms Gemma Edgar Counsellor, Development

Ms Emily D'Ath 1st Secretary, Development

The Asia Foundation

San Francisco (HQ)

Dr William Cole Senior Advisor, Program Strategy

TAF Kuala Lumpur

Dr Robin Bush Country Representative

Mr Ahmad Ikram bin Abdullah Senior Policy Advisor

Ms Sharifah Idd Senior Program Officer

Ms Sunita Anandarajah Senior Program Officer

Ms Nadya Subramaniam Program Manager

Mr Shanmuganathan K Kathivelu Program Manager

TAF Bangkok

Mr Tom Parks Country Representative

Professor Anucha Chintakanond Special Adviser TAF & Advisory Committee on National Security

Dr Rattana Lao Senior Program Officer

Dr Nalitra Thaiprasert Senior Program Officer

Implementing partners and experts

Kuala Lumpur

Merdeka Centre

Mr Ibrahim (Ben) Suffian Director and Co-founder

Mr Muhammad Fadhil
Abd Rahman Senior Research Officer

Bernamea Malaysian News Agency

Ms Nina Muslim Editor, Special Features

Universiti Malaysia Sabah (UMS)

Prof Justin Sentian Faculty of Science and Natural Resources

Thinktanks

Kuala Lumpur

Institute of Strategic and International Studies (ISIS)

Dr Herizal Hazri Chief Executive

Mr Alizan Mahadi Senior Director (Research)

Institute for Democracy and Economic Affairs (IDEAS)

Ms Sri Murniati Yusuf Deputy Research Director

Ms Alissa Rode Manager, Public Finance Unit

Mr Jazreen Harith Jefri Senior Executive, Research