

**Research for Inclusive Development Initiative (RIDI)  
Independent Strategic Review (ISR)**

**DFAT Management Response**

DFAT commissioned the Independent Strategic Review (ISR) of Research for Inclusive Development Initiative (RIDI) through the Procurement, Administrative and Logistics Management Support Services for Aid Program Delivery (PALMSS). The review was led by Dr Enrique E. Lozari, an independent evaluator.

The Research for Inclusive Development Initiative is a DFAT-funded investment which aims to contribute to inclusive economic growth in the Philippines and achievement of the Philippines' development objectives by supporting evidence-based policy and program implementation and by strengthening policy eco-systems.

RIDI is managed by the Australian Embassy as a single aid investment. RIDI started with three activities which are the focus of this review. The review captured RIDI implementation and results achieved from January 2019 to December 2022. It identified key findings and lessons regarding the implementation of RIDI during the review period, and it aimed to inform future bilateral economic and development research partnerships between Australia and the Philippines. DFAT has reflected on the findings and recommendations presented by the strategic review. This document provides DFAT's responses to the relevant recommendations.

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Below are the recommendations from the Strategic Review and the corresponding DFAT management responses.

## Recommendations

### 1. On the launch of a RIDI 2.0

- It is highly recommended that DFAT consider extending RIDI by launching RIDI 2.0. However, to enhance value for money, the proposed new phase could cover other sectors, thereby benefitting in economies of scale and scope.

***DFAT partially agrees.** Australia is committed to supporting the Philippine government in evidence-based policymaking which spurs inclusive economic growth. However, it is our view that DFAT can continue this support through existing mechanisms. This includes mainstreaming or embedding research activities or studies under existing or new sector specific investments to generate the evidence needed in the investments' areas of engagement-*

*The 2023 Health Check of the Philippines Development program called for a strategic consolidation of investments. It also highlighted the resourcing pressure at Post for design pipeline management. Another design activity for a RIDI 2.0 would add to this pressure.*

*DFAT will see through the completion of RIDI activities that were approved during the review period.*

### 2. On lessons learned from the RIDI ISR for consideration in the new phase of RIDI

- This possible new phase for RIDI may also benefit from the lessons learned from this Independent Strategic Review (ISR) (see page 27 of the report).

***DFAT partially agrees.** While we have decided not to design a new phase for RIDI, lessons learned around sustainability, adequate resources for results-based M&E, the importance of well-developed and comprehensive risk management plan in navigating the complexities, and extended timelines characteristic of research-oriented programs are well noted. DFAT will embed RIDI's research in existing or new investments and activities to deliver continued support to the Government of the Philippines for evidence-based policy making through research.*

### 3. On the key change in the proposed new phase of RIDI

- A key change in this proposed RIDI phase could be that the new investment, and all its partners and activities, may be collectively driven to achieve a unified, central Theory of Change (TOC). Contrasting with previous iterations where partners had distinct objectives that aligned with RIDI's TOC, RIDI 2.0 could envision partners contributing strategically to this comprehensive TOC. This approach departs from the conventional grant modality, where individual partner objectives might differ and dominate. The proposed new phase could ensure a more cohesive and goal-oriented execution.

***DFAT partially agrees.** DFAT plans to embed research requirements into existing investments and activities. DFAT will ensure that the research activities will contribute to the achievement of the overall Theory of Change of the relevant investments.*

#### 4. On recommended arrangements for RIDI 2.0

- In terms of implementation, RIDI 2.0 may be designed with the following arrangements:
  - It could strategically integrate research consumers and producers in one portfolio, emphasizing purposeful and cohesive implementation. Partner selection will focus on synergistic potential and mutual enhancement of efforts for a balanced research mix.
  - It may implement strong investment-level controls, granting DFAT enhanced oversight and decision-making power for strategic, adaptable management in evolving environments.
  - It could form expert teams, including academic and non-academic professionals, for producing innovative outputs and results. It may prioritise building and strengthening relationships with influential figures in Philippine government agencies to ensure support and commitment.
  - It could dedicate sufficient resources to robust M&E and risk management, ensuring effective tracking of research-to-policy transformation and adeptly managing the complexities of research-oriented programs.

*DFAT agrees. The above suggested arrangements will be noted when embedding research activities in existing or new investments as noted in item (1).*

#### 5. On RIDI delivery mode

- DFAT may also consider designing RIDI 2.0 to operate under a Research Management Contract (RMC). The managing contractor selected by DFAT in conjunction with key stakeholders, could report exclusively to DFAT. Tasked with realizing the outputs and outcomes outlined in the TOC within a specific timeframe, the managing contractor's role could include overseeing research, managing grants, and coordinating with think tanks to ensure TOC alignment.

*DFAT partially agrees. As support for research will be subsumed or mainstreamed in existing or under design investments, the mode of delivery will align with the design of the relevant investment. Where it is delivered through a managing contractor, the above recommendation will be considered.*

#### 6. On recommended/potential research partners

- To ensure the selection of high-quality, capable partners, the managing contractor may develop and implement a robust partner selection tool. The selected researchers and think tanks could be required to follow DFAT's standards, including policies on GEDSI. The report "2020 Global Go To Think Tank Index Report" by Bruegel lists the top 10 think tanks in the Philippines, providing a reference for potential partners

*DFAT agrees. DFAT will consider the list provided in the report and see where a listed Think Tank can be tapped when embedding research activities in existing or new investments, subject to proper due diligence.*