

# Management Response

2021 AAI End of Program Review Report

## Summary of Management Response

a. **General:**

DFAT welcomes the comprehensive report on AAI End of Program Review in which the findings and recommendations canvass a number of critical issues, as well as provide useful recommendations to inform and guide DFAT's future scholarship program (Australia Awards in Indonesia).

DFAT is pleased with the overall finding that *"In line with previous evaluations and reviews, evidence confirmed that AAI continues to demonstrate significant strengths, including 'gold standard' program management."*

Other key positive findings include the program's proven effectiveness in human capital development and people-to-people links, as well as efficiency through a high level of expertise staffing, high quality MEL Products, VfM, and promising co-financing and collaborative partnership initiatives.

b. **Relevance:**

DFAT acknowledges the importance of clarifying AAI program objectives through the design process, with a focus on articulating the mutually reinforcing and interconnected nature of our development and public diplomacy objectives. The proposed process for developing a clearer **theory of change** for the program will be fundamental in helping us do this and will substantially help to address other major findings of this review, such as governance and leadership; the role of Embassy Partners; fields of study for LTA and STA; geographic targeting; prestige; promotion; and scholarship alumni reintegration. This process should be informed by the modelling work proposed under recommendation 12 which should be considered to be not only the "perceived value to Indonesia and Australia" of Masters vs PhDs vs STA, but more importantly, the relative contribution of these different awards to our overarching theory of change.

c. DFAT agrees with the recommendation to improve AAI governance arrangements to ensure key GoI stakeholders remain genuinely engaged and supportive of the program direction/focus, while also ensuring sufficient flexibility and space for GoA to shape the strategic agenda. The process will be considered under recommendation 3 (new governance model), 4 (consultation with GoI on LTA course priorities) and 5 (consultation with GoI on STA course priorities). In devising an appropriate approach for the next phase of the AAI program, we will draw on lessons and ideas from other development partnerships in balancing both these objectives. The key issues to address will include who we choose to involve from the GoI side, and whether we want to include any non-GoI stakeholders (e.g. trusted, independent policy analysts or academics) to take account of perspectives from a more diverse set of Indonesian stakeholders.

d. **Effectiveness:**

Some findings on effectiveness are identified from On Award Enrichment (OAE) activities and Fellowship programs as these add to the prestige of the scholarship and improve well-being and people-to-people links. Unfortunately, both programs were discontinued because of budgetary measures. Given the very positive feedback from the review and possible supporting data from S&A Branch, DFAT will take the opportunity in the design process to explore the feasibility of re-activating the program, especially the idea of fellowships within STA program.

## Individual Management Response to the Recommendations

Recommendation	Response	Explanation	Action Plan	Time Frame
<p><b>Recommendation 1</b>  <i>In preparation for the design of the new AAI program, focus attention on the desired balance between development cooperation and public diplomacy, to reach an agreed DFAT view.</i></p>	<p><b>Agree</b></p>	<p>Agree with the need for greater clarity among stakeholders around objectives of the AAI program. However, there is a strongly held shared view that AAI is fundamentally about achieving development outcomes, and that flowing from this, the program can also contribute to a range of public diplomacy objectives.</p>	<p>Conduct an internal DFAT workshop to gain consensus on AAI's purpose and priorities and answer several fundamental questions for the program that will provide clear direction or identify outstanding questions to be addressed during the design.</p>	<p>May 2021</p>
<p><b>Recommendation 2</b>  <i>That the practice of Embassy or Consulate officers nominating LTA applicants be clearly communicated to all parties and be monitored by the AAI Team to ensure that any new processes contribute to managing expectations and providing transparency.</i></p>	<p><b>Agree</b></p>	<p>Continuing the tightened process applied in the 2021 intake, including the sign-off of nominees at the Minister Counsellor level, should be effective in managing expectations and in strengthening linkages and networking.</p>	<p>To consider how best to implement the Embassy Partners nominations process, as part of the new design process.</p>	<p>May – Oct 21</p>
<p><b>Recommendation 3</b>  <i>The design team to explore options for a new governance model which gives decision-making power to a Program Coordinating Committee or equivalent.</i></p>	<p><b>Agree</b></p>	<p>We agree that we need to strengthen engagement with key GoI stakeholders as part of our governance approach. If we don't get this right, we risk the broader viability of the program as part of genuine development partnership. However, we should maintain our flexibility, year-on-year, in shaping the strategic directions/focus of the program in line with the new Australia Awards Global Strategy.</p>	<p>To structure new governance arrangements which ensure key GoI stakeholders remain genuinely engaged and supportive of the program direction/focus, while also ensuring sufficient flexibility and space for GoA to shape the strategic agenda.</p>	<p>May – Oct 21</p>

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<p><b>Recommendation 4</b>  <i>Undertake systematic consultation with key Indonesian agencies about course priorities for LTA including Split-Site Master's Program (SSMP) fields of study, to ensure the interests of both Governments are reflected.</i></p>	<p><b>Agree in part</b></p>	<p>We can consider how to best engage with Gol on the issue of LTA course priorities as part of devising new governance arrangements while ensuring that we maintain sufficient flexibility and our ability to shape the forward agenda.</p>	<p>To explore options for engagement models with Gol for LTA course prioritization as part of devising new governance arrangements.</p>	<p>May – Oct 2021</p>
<p><b>Recommendation 5</b>  <i>The current practice for nomination of a longlist of short course topics by the Australian Embassy or the Indonesian Government continues, but shortlisting should be done by a new well-briefed <b>STA joint selection panel</b> following clear selection criteria, prior to being sent to the PCC for endorsement.</i></p>	<p><b>Agree in part</b></p>	<p>We Agree that the STA selection process could be strengthened as part of the forthcoming design process. Balance will be required to engage the Gol and ensure STAs remain a flexible tool allowing us to build partnerships on key and emerging (and sensitive) issues.</p>	<p>Strengthen the selection of STA topics as part of devising new governance arrangements.</p>	<p>May – Oct 21</p>

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<p><b>Recommendation 6</b>  <i>Limit ODA-funded outreach and promotion activities to AAI-related promotion targeted at GFA provinces and vulnerable groups. Encourage the Department of Education, Skills and Employment and Austrade to resume responsibility for generic education promotion.</i></p>	<p><b>Agree</b></p>	<p>Involvement of AAI personnel in activities promoting education in Australia suggests a need to clarify boundaries and limit engagement in events outside of AAI promotion.</p>	<p>Limit AAI personnel to doing outreach and promotion activities for AAI-related promotion only, targeting the Global Focus Areas and vulnerable groups. Inform the Department of Education, Skills and Employment and Austrade to resume responsibility for generic education promotion but will continue to include Austrade and DESE representatives to participate in AAI events to allow for their networks and advocacy to benefit from the entrees made by AAI.</p>	<p>March 2021</p>
<p><b>Recommendation 7</b>  <i>Quality in LTA should be enhanced by restoring budget for Scholar Engagement so that the program can resume.</i></p>	<p><b>Agree in part</b></p>	<p>With reduced-funding for development programs including AAI, Scholar Engagement (SE) activities were unable to continue. In addition, SE activities are conducted while the students are in Australia and this should therefore be provided by Canberra as part of their in-country support, not by country programs like Indonesia.</p>	<p>If this is seen as a priority in the new design then part of the budget allocation for the new AAI program should be put aside for support and quality in LTA for deployment in Australia. This would apply in turn to programs like fellowships. Noting that current budget is unlikely to increase and other activities may have to be cut.</p>	<p>May-Oct 2021</p>

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<p><b>Recommendation 8</b>  <i>Increase the capacity for innovation by allocating funds to the Program Enhancement Fund line in the budget for the balance of the current program. Suggested areas of focus are Recommendations 9, 10, 11 and 12 as well as how AAI can best respond to emerging issues relating to Indonesia's recovery from COVID-19.</i></p>	<p><b>Disagree</b></p>	<p>We are reluctant to add or pilot new features to AAI in its final 12 months, as the focus will be on developing the design and contracting for the new program.</p>	<p>To consider this recommendation as part of the design process for the new program but not pilot anything beforehand.</p>	<p>May - October 2021</p>
<p><b>Recommendation 9</b>  <i>Undertake research through the alumni network and Indonesian partners on reintegration issues and needs, with a view to re-establishing reintegration support as a priority in the next phase.</i></p>	<p><b>Agree</b></p>	<p>The Australia Awards Scholarships Policy Handbook makes clear that reintegration is part of the scholarships cycle and a shared responsibility between universities and DFAT which should be realized through assistance in a reintegration plan and implementation.</p> <p>While some alumni activities cover themes which could assist with reintegration, returning LTA awardees are no longer routinely supported in their reintegration to Indonesian society and workplaces. The previous decision to cease reintegration support activities will be reconsidered.</p>	<p>AAI will put together an options paper on reintegration issues that will examine the approaches taken by other AA programs and other scholarship programs in Indonesia. Where feasible they will also either draw on data from surveys to date or field a short survey of recent alumni to assess reintegration needs/options.</p> <p>Incorporate new reintegration process/ mechanism in the new design.</p>	<p>May – July 2021  May – Oct 21</p>

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<p><b>Recommendation 10</b>  <i>That further research into the relative socio-economic standards of Indonesia's provinces and the demand for postgraduate qualifications be undertaken before commencement of the design to provide an evidence base for discussion of future geographic prioritisation.</i></p>	<p><b>Agree in Part</b></p>	<p>The issue of equity vs merit-based selection for LTA awards has long been discussed with Indonesian government partners, and there is some pressure to re-examine which provinces are prioritised. Some form of selection process that balances merit with equity is required to ensure the most meritorious candidates are selected consistent with targeted priorities.</p> <p>It is possible that the economic impact of the pandemic will provide further impetus for a review of both the targeted provinces and the fields of study as part of the design of the new program.</p>	<p>AAI will undertake a review of program reports to date and put together a short background paper that summarises GFA history and related recommendations on targeting policy. This will be drafted to support the work of the design team around GFA policy.</p>	<p>May – Oct 21</p>
<p><b>Recommendation 11</b>  <i>Within STA Program, consider designing a pilot for a revitalised Australia Awards Fellowships program for Indonesia modelled on the program formerly funded by DFAT Canberra, to promote organisation-to-organisation linkages and partnerships within the STA program.</i></p>	<p><b>Agree in Part</b></p>	<p>The decision to cease the program was due to budgetary measures and thus the reintroduction of this program should be considered against budget availability and its expected contribution towards the whole program goal/focus.</p> <p>The fellowships program can be an effective way for participants to build people to people and institutional links in Australia. If considered, this should not be housed through the AAI program but through desks (which can draw on SCB input and networks to develop their fellowships programs). It should probably be seen more in the context of international media visits, or important visitor programs.</p>	<p>To consider this recommendation during the design process, noting that at this stage we are more inclined to enhance or extend the Short Term Awards program, rather than create a new program alongside it.</p>	<p>May-Oct 2021</p>

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<p><b>Recommendation 12</b>  <i>Model the expenditure implications of allocating different proportions of Masters (including SSMP), PhD and STA awards to ensure evidence informed decision-making and achievement of value for money. This modelling would weigh up the cost, risk, and the perceived value to Indonesia and Australia.</i></p>	<p><b>Agree</b></p>	<p>The analysis implies that STA alumni are closer timewise to leadership roles than LTA alumni which could be helpful in advancing public diplomacy. On the 'value' side of the VFM equation there are trade-offs between a PhD and an STA award. The modelling will provide options for the right balance of scholarship type and number.</p>	<p>Depending on the outcome of internal DFAT discussions, as per Recommendation 1, undertake expenditure modelling within the design process.</p>	<p>May – Oct 21</p>
<p><b>Recommendation 13</b>  <i>Integrate co-financed awards as part of annual AAI LTA intakes. Over time, increase the proportion of co-financed scholarships within LTA to achieve both integration with Indonesian systems and value for money.</i></p>	<p><b>Agree</b></p>	<p>Greater integration between AAI and Indonesian Government scholarship programs could be mutually beneficial. Expansion of SSMP could achieve greater economies of scale and increase AAI's contribution to Gol's human resource development, increase student numbers, and strengthen relationships with Indonesian universities who could position themselves for potential commercial opportunities arising from IA-CEPA. It could also potentially double the number of alumni relative to mainstream LTA master's awards at roughly half the cost.</p>	<p>To consider the expansion of SSMP numbers in the new program design, subject to the outcomes of decisions made under recommendations 1 and 12.</p>	<p>May – Oct 2021</p>

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<p><b>Recommendation 14</b>  <i>Strengthen cooperation between the Australian Embassy, AAI and LPDP with a view to exploring opportunities for service provision to their Australian scholarships' program thereby encouraging LPDP to send more scholars to Australia.</i></p>	<p><b>Agree</b></p>	<p>Australia is the second most popular destination for LPDP awardees (UK is number one). AAI technical expertise in specific aspects of the scholarship cycle such as pre-departure training, English language training, scholar engagement and reintegration support could potentially be offered as a service to LPDP for students sent to Australia under some type of partnership arrangement.</p>	<p>Explore this recommendation further as part of the new design process.</p>	<p>May – Oct 2021</p>