# KOMPAK
# Risk and Safeguard Management Plan 2018-2022

**August 2018**

# Contents

# 1. Introduction

KOMPAK is a partnership between the Government of Indonesia (GoI) and the Government of Australia (GoA). It was established in 2015, working with five GoI ministries, including the Ministry of National Development Planning (Bappenas); Ministry of Finance; Ministry of Home Affairs; Ministry of Villages, Development of Disadvantaged Regions and Transmigration; and the Coordinating Ministry for Human Development and Culture. It operates across 26 districts in seven provinces. KOMPAK was established in 2015 and will continue until June 2022.

It is a governance facility aligned to GoI's two key poverty reduction objectives – improved access to and quality of frontline services, and increased income for Indonesia's poorest and most vulnerable people. KOMPAK supports GoI in its efforts to achieve these objectives, by improving village governance, strengthening sub-national transfers and spending, and enabling local governments to deliver services and economic opportunities more effectively. It does this by working alongside GoI to improve policy nationally, and to implement those policies sub-nationally. KOMPAK's implementation instruments include policy advocacy and dialogue, research and analytics, pilots and demonstrations, and capacity development and institutional strengthening.

KOMPAK has three high-level End-of-Facility Outcomes (EOFOs):
- EoFO 1: Local government and service units better address the needs of basic service users.
- EoFO 2: The poor and vulnerable benefit from improved village governance.
- EoFO 3: The poor and vulnerable benefit from increased opportunities for economic development.

KOMPAK's high-level results framework, comprising its broader goal, EOFOs, and Intermediate Outcomes (IOs), is presented in Figure 1 below.

**Figure 1: Kompak's Higher-Level Results Framework**
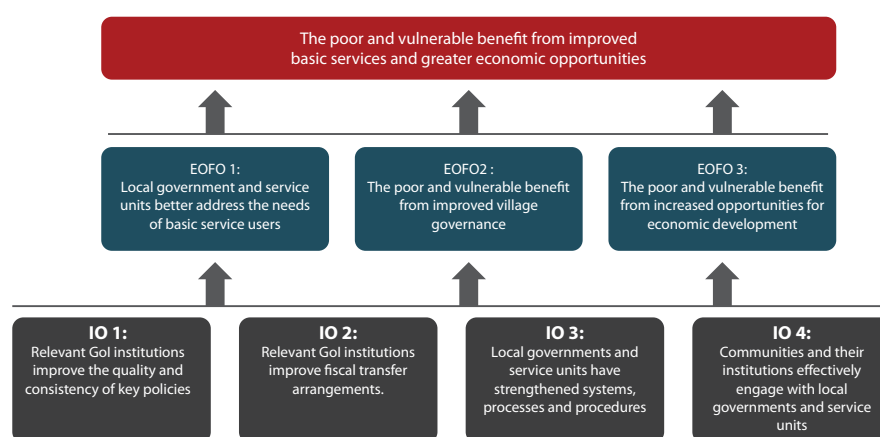


Although it works flexibly and adaptively across many different issues, KOMPAK works in a few specific ways to drive IO-level and EOFO-level change in a 'complex' and 'complicated' environment. At the heart of KOMPAK is the approach of 'experimentation, evidence, and targeted policy support' (see 2018 Living Design Document, LDD). How this strategy leads to KOMPAK's IOs and EOFOs is elaborated further below, including graphically in Figure 2. This is referred to as the 'lower-level' program logic of KOMPAK, because it elaborates the presumed cause-and-effect relationships between KOMPAK's work (presented as six generic types of activities), the main outputs of those activities, various 'lower-level outcomes', and finally 'higher-level results'.

**Figure 2: Kompak's Lower-Level Program Logic**

Goal-level achievement in pilot locations
EOFO-level achievement in pilot locations
IO-level achievement in pilot locations

Goal-level achievement at larger scale
EOFO-level achievement at larger scale
IO-level achievement at larger scale

"Higher-Level" Results

CSOs access additional resources

National, provincial & district govts:
- Allocate Resources
- Adjust Policy Frameworks
- Adapt or Improve Systems

"Lower-Level" Outcomes
What changes KOMPAK expects to see along the way toward higher-level results

Key decision-makers are interested in the piloted approach

Govt & CSO partners agree to proceed with pilot

Descriptive information about the pilot approach & results

Govt & CSO partners have increased understanding of problems & ways to address them

GoI institutions collaborate to address issues

Concept note/proposal for pilot

Learning about what works (& what does not) under what circumstances & why

Plans for scaling and/or sustainability

Policy-relevant inputs

Interaction between key decision makers

Outputs
What KOMPAK produces

Concept development/ pre-piloting

Piloting and learning

Facilitating the application of pilot results and learning

TA for policy development and implementation

Facilitation for coordination

Activities
What KOMPAK does

Understanding problems & prioritising issues

There is a complex mix of risks associated with striving to achieve these EOFOs. There are many risks that have the potential to adversely impact on KOMPAK's ability to achieve its objectives and associated stakeholder expectations.

It is therefore essential that the KOMPAK approach to risk management is robust, that it operates in a consistent manner throughout the organisation, and that staff at all levels actively practise risk management in carrying out their day-to-day duties.

As risk and safeguard management is an ongoing process over the life of a project, this Risk and Safeguard Management Plan is an iterative document. The associated Risk Register presents the details of relevant risks at any given point in time. This Risk and Safeguard Management Plan also aims to capture lessons and examples to better identify and manage risks in the future. The plan covers the full range of risks, including those related to fiduciary, operational, and programmatic aspects of KOMPAK. An overview of the mitigation of program risk (i.e. the risk of failure or success of KOMPAK in achieving its intended development results) is included in this plan and explained in KOMPAK's Performance Management Framework (PMF) as part of the performance management system. This includes an Investment Risk Analysis Tool developed in 2018, which provides a practical application to think through and mitigate program risks.

The overall risk framework is based on the fundamentals of the ISO 31000 AS/NZ standard. This Risk and Safeguard Management Plan provides a framework for the systematic and structured management of risks and screening of safeguards. It aims to ensure that levels of risk and uncertainty are properly managed throughout the life of KOMPAK.

This document includes:
- The process that has been adopted by KOMPAK to identify, analyse, and evaluate risks and safeguards during the program.
- Risk mitigation strategies and safeguard management to reduce the likelihood and/or impact of risks.

- Frequency and process for the review of risks.
- Roles and responsibilities for risk management.
- Reporting and updating on the status of the risks.
- KOMPAK's Risk Register template, based on the DFAT risk template (Annex 1).
- KOMPAK's Safeguard Screening (as at February 2018) using the DFAT template (Annex 2).

## 2. Objectives of Risk Management in KOMPAK

The objectives of risk management in KOMPAK are to:

- Ensure that risks and their corresponding potential impact on the program are promptly identified and categorised.
- Conduct risk analysis and determine suitable mitigation strategies to manage the risks.
- Raise awareness of the need for effective risk management.
- Minimise loss, disruption, damage, and injury, and reduce the cost of risk, subsequently maximising resources.
- Effectively report on risks and their potential impact across all relevant stakeholders.
- Ensure effective Activity-level risk management for large Activities (above AUD 250,000).
- To ensure no negative impacts related to social and environmental safeguards result from KOMPAK Activities (for example, in relation to child protection, displacement and resettlement of indigenous populations, and/or environmental impacts).

## 3. Definitions

KOMPAK uses the following DFAT definitions in Table 1 below.

**Table 1: Definitions**

| Term | Definition |
|---|---|
| Risk | The chance of something happening that will have an impact upon the objectives of KOMPAK. It is measured as a combination of the likelihood and consequences of occurrence. |
| Level of Risk | Assigning a risk rating with a descriptor, as determined by a combination of Consequence and Likelihood – as set out within the KOMPAK risk assessment matrix. |
| Consequence | The (potential) ultimate outcomes of the risk. Risks may lead to a variety of potential consequences. |
| Likelihood | The probability or frequency of an event occurring (e.g. measured in terms of 'events per year'). |
| Risk Existing Control | A measure taken to overcome a threat, thereby mitigating the potential risk from occurring. |
| Risk Control Action | A measure planned to further treat a threat |
| Risk Tolerance and acceptability | The acceptance, or not, of the risk by KOMPAK. This is related to the risk level and the response expected to control (or cease) that risk. |

# 4. Risk Management Process

## 4.1 Risk Identification

Risk identification is the process used to identify and describe the risks and sources of risks that might affect the achievement of KOMPAK'S objectives. A systematic approach to risk identification is built into the performance management cycle (PMC) that is outlined in Section 6 of the 2018 PMF. This will incorporate reviews of risks during key aspects within that cycle, including (but not limited to):

- Bi-monthly Executive Team risk identification/review session
- Annual planning process
- Partner Performance Assessments
- Activity design and implementation
- Independent Strategic Advisory Team visits
- Partnership Health Checks
- Internal and external audits.

These processes will be supplemented by informal processes and consultations with key stakeholders.

Once risks have been identified, KOMPAK documents its risks at the facility (KOMPAK) level and Activity level in the following:

- KOMPAK Risk Register – this DFAT template includes risks, impacts of these risks, treatment, and controls in the following categories: operating environment, disaster risk, development results, partner capacity and relations, fiduciary and fraud, compliance, security, and reputation. This risk register is updated every quarter by KOMPAK and reviewed by the Executive Team prior to submission to DFAT. KOMPAK's Risk Register Template is attached in Annex 1.

- Activity Design Notes (ADNs) – ADNs outline the risks and any safeguards at the Activity level, as well as required treatments and existing controls. ADNs are prepared when new large Activities of above AUD 250,000 are prepared. For large Activities, DFAT and GoI are consulted on the design from the outset. Activities, including their risks, are then tracked and monitored through the quarterly review process, outlined in the PMF.

- Investment Risk Analysis Tool – this tool supports KOMPAK implementation teams to analyse the risk of failure of individual Activities, to support decision-making, resourcing, and planning for new Activities. It is prepared once a year as part of the annual planning process, and reviewed as required every six months. Further detail is provided in section 5 below.

KOMPAK engages DFAT and GOI on identified risks in the following ways:
- DFAT's Senior Responsible Officer (SRO) provides strategic oversight and guidance to KOMPAK. KOMPAK's Team Leader conducts monthly discussions with the SRO, Minister Counsellor, and Unit Manager, where key risks will be raised, with proposed treatments discussed, and existing controls to be reviewed, as required. High-level risks are discussed with DFAT on a quarterly basis (or more frequently where required).

- Six monthly Steering Committee and Technical Committee meetings provide the opportunity for KOMPAK to raise key risks of relevance for both DFAT and GoI input. Discussion, as required, may focus on identified risks, proposed treatments, and existing controls for the coming period, or reflect on relevant learning during the previous period.

- In addition, KOMPAK will notify of high-level risks that require DFAT and GoI attention if and when these risks emerge, and discuss proposed treatments and existing controls for input and guidance.

## 4.2 Risk Analysis and Evaluation

Once risks have been identified, they will be analysed to determine how they might affect the success of the program. Generally the impact of a risk will realise one or any combination of the following consequences:

- Project outcomes are delayed or reduced
- Project output quality is reduced
- Timeframes are extended
- Costs increase.

The level of risk is assessed as a combination of both the consequence and likelihood. A risk matrix will be used for the evaluation of all risks. Risk evaluation is the process whereby the level of risk identified during analysis can be ranked and prioritised to assist in making decisions. Some risks are of low consequence and impact and therefore require no mitigation strategies, as the effort of monitoring and mitigation far outweighs the potential impact. Conversely, some risks could be almost catastrophic in their nature and therefore require continuous monitoring, internal controls, and mitigation strategies. KOMPAK uses DFAT's likelihood rating scale to determine the probability of risk, and uses DFAT's risk evaluation matrix to determine the level of severity of the consequences. Both of these tools are included in Annex 3.

## 4.3 Risk Treatment and Mitigation

Mitigation of risk involves the identification of when to act and which actions are required to reduce the likelihood that a risk will occur and/or reduce the impact of a risk that does occur. Once risk has been identified, analysed, and evaluated, a proposed risk treatment will be developed and included in the Risk Register. These stakeholders must therefore be consulted on actions to manage key risks identified and documented in the Risk Register.

Within the context of KOMPAK, actions will vary, depending on the risk impact rating. Using the risk rating provides an easy reference for decision-makers to know when action is required.

The required response for the different risk levels are outlined in the Table 2 below.

**Table 2: Risk Response**

| Risk Level | Response |
|---|---|
| Very High | Immediate escalation to KOMPAK Executive Team, Contractor Representative, and DFAT. Risk owned by Team Leader and control mitigations monitored by Executive Team. |
| High | Brought to the attention of Executive Team and remedial actions planned. Control mitigations monitored by Executive Team. |
| Medium | Management responsibility must be specified with relevant team. |
| Low | Managed by routine processes and procedures. |
| Very Low | Managed by routine processes and procedures. |

To support the upward reporting of risks within DFAT, KOMPAK will replicate the various risk categories utilised by DFAT, as outlined below. Examples of how KOMPAK has managed and mitigated risk in these areas are included below.

i.  Operating Environment

    *Example from KOMPAK's work to date:* Rotation of senior decision-makers in key counterpart ministries can affect KOMPAK work plans and commitments, and can lead to changes in policy priorities and engagement. With rotations at the Echelon 1 level, KOMPAK maps the timing of rotations of senior staff to identify early when changes are likely to happen. Political economy analysis helps to identify early the likely replacement(s) and KOMPAK proactively builds relations with these strong candidates. At the same time, KOMPAK maintains positive relations and builds ownership and support for KOMPAK at the Echelon 2 and 3 levels. These relations can help to mitigate changes to an extent and can assist continuity of commitments.

ii. Disaster Risk

    *Example from KOMPAK's work to date:* A major earthquake in NTB recently caused widespread damage to life and property there. Subscription to an emergency alert system and 'Emergency Phone Tree' system allowed KOMPAK to quickly conduct a safety check on all of its staff based in NTB, and to provide them with required support and guidance. KOMPAK is also revisiting its work plan with the affected government to adjust with emerging recovery needs, and leverage the core strengths of KOMPAK related to planning and budgeting, and legal identity and civil registration.

iii. Development Results

    *Example from KOMPAK's work to date:* A core area of policy advocacy by KOMPAK with GoI is on public financial management (PFM) strengthening. To support the team in navigating the complexities and scope of changes related to PFM policies, KOMPAK engaged an influential former senior government official to advise and guide on the technical and political feasibility of these activities and work with government. In addition, experts engaged on special autonomy, PFM, and fiscal transfers supported KOMPAK to negotiate policy improvements and deliver activities across the portfolio of this work.

iv. Partner capacity and relations

    *Example from KOMPAK's work to date:* KOMPAK engaged a civil society organisation (CSO) to deliver a series of pilot activities on strengthening social accountability. While the proposal and design was promising, during implementation, monitoring of the results showed less than optimal results. KOMPAK assessment also highlighted that these areas of focus did not align with the strengths and comparative advantage of this CSO partner. KOMPAK put in place plans to transition out of these activities and in future will explore possibilities to engage this partner to bring about results related to policy advocacy, which is more aligned with its strengths and reputation.

v.  Fiduciary and fraud

    *Example from KOMPAK's work to date:* Review of the cash advance acquittal process identified use of forged documents for payment of daily allowances to participants who did not attend the event. The incident was formally reported to DFAT, consistent with DFAT fraud policies, and investigated thoroughly, which ended with full recovery of funds, dismissal of accused staff, and further strengthening of administrative measures to reduce the likelihood of repetition of such cases.

vi. Compliance

    *Example from KOMPAK's work to date:* KOMPAK conducts a thorough acquittal process for the grant funds given to its partners to ensure all expenditure occurs in compliance with DFAT and KOMPAK requirements. Grants also go through a regular independent audit process. Any ineligible expenditure identified through these processes is refunded back to KOMPAK.

vii. Security

    *Example from KOMPAK's work to date:* KOMPAK has enforced measures to reduce the likelihood of funds being diverted (unintentionally) to terrorist organisations or individuals. The measures include

a  mandatory police check for all of its employees, and a compulsory check on the World Bank List of Ineligible Firms and Individuals.

viii. Reputation

*Example from KOMPAK's work to date:* KOMPAK and a counterpart ministry engaged a third party in developing an Information and Communication Technology (ICT) innovation to enable consultations and information exchange between central government and community facilitators on village development. As the work progressed, it became apparent that the third party company's interests and capacities could not meet the demands of both KOMPAK and the counterpart ministry. Meanwhile, the activity had already gained strong buy-in from the minister himself. Continuing the work with the same company carried reputational risks for KOMPAK, DFAT, and the ministry. Hence, KOMPAK identified other resources to complete the design and piloting of the app, and supported the ministry to build internal capacities to manage further development and scaling up of the app.

## 4.4 Risk Monitoring and Reporting

KOMPAK draws on the follow existing tools and governance mechanisms as appropriate to support risk mitigation under each of the DFAT categories below.

**Table 3: KOMPAK Tools and Mechanisms for Risk Mitigation**

| | |
|---|---|
| **Operating Environment** | Joint governance through the Steering Committee, National and Provincial Technical Committees, and approved work plan; Regular coordination meetings between KOMPAK and GoI, KOMPAK and DFAT, and KOMPAK, GoI, and DFAT. |
| **Disaster Risk** | Security Manual; Emergency Communication Tree; Subscription to ISOS alert; Subcontractor to provide SMS alert and updates on security incidents; Nominated staff as First Aid Officers. |
| **Development Results** | Investment Risk Analysis; Team-level annual performance management cycle; Project Management Cycle and Quality Assurance systems; Activity, Sector and Facility level reviews and reflections. |
| **Partner capacity and relations** | Dissemination of approved work plans, budgets, and performance targets to all stakeholders; Agreement made in Technical Committee to gain approval of activities at the sub-national level; Regular update on progress of implementation of signed AWP that is used as the basis for BAST; Joint GoI–GoA supervision in KOMPAK regions; Participation in quarterly review sessions; KOMPAK technical team field monitoring; Capacity building support for grantees. |
| **Fiduciary and fraud** | KOMPAK Fraud Control Manual and other internal controls; Internal and external audit; Induction and fraud training scheduled for staff, advisers, and associated partners/grantees; Refresher training. |
| **Compliance** | KOMPAK Procurement Manual, KOMPAK Grants Manual, and other internal controls; Induction of staff to relevant policies and manuals; Refresher training; Internal and external audits. |
| **Security** | Mandatory Police Clearance Certificate for all staff; Check on World Bank List of Ineligible Firms and Individuals. |
| **Reputation** | Regular engagement of senior KOMPAK team members with key GoI officials; Regular written and verbal communications to ensure expectations are clear and met; SOP understood by key counterparts to ensure understanding of KOMPAK processes; Steering Committee, Technical Committees, and Thematic Working Groups established and functioning to ensure linkages and complementarity of KOMPAK activities with the GoI agenda. |

Ongoing review of identified risks is essential to ensure that the risk management plan remains relevant. Factors that affect the likelihood and consequences of an outcome may change over time, as will the appropriate mechanism to manage the risk. In line with Abt corporate processes, risks are continuously monitored through established processes and by line management review at appropriate intervals. The Risk Register template (Annex 1) used by KOMPAK aligns with the Risk Register template used by DFAT to support streamlined reporting from KOMPAK to DFAT. This register is updated and submitted to DFAT every quarter. KOMPAK will keep DFAT up-to-date on high and very high risks, as well as immediately notify DFAT of any increase to risk levels or new risks that emerge. KOMPAK formal risk review and engagement with DFAT and GoI is outlined below in Table 4.

**Table 4. KOMPAK Risk Review**

| Risk Review Forum | Frequency of Review | Comments | Action | Responsible |
|---|---|---|---|---|
| Risk register Review and Update | Quarterly | KOMPAK reviews and revises the Risk Register quarterly. One Executive Team meeting every quarter will focus on emerging risks, high and very high risks, and those from the existing matrix, providing input to this updating process. | Review and update KOMPAK Risk Register and submitted to DFAT. | Deputy Operations Director, Executive Team |
| Team-level Performance Management Cycle | Quarterly | In months 3 and 9, focus on the status of implementation. In month 6, focus on the (interim) achievement of outcomes; and in month 12, focus both on the achievement of outcomes, as well as implications for the next cycle. | Activity-level performance information aggregated to the team level will be used as the basis for identifying teams that have the most risk and whether resources match the risk. | Implementation Director / Deputy Director GESI and Performance |
| Partnership Performance Assessment with DFAT | Six-monthly | Covers all risks. | Update KOMPAK Risk Register after PPA. | DFAT, Contractor Representative / Team Leader |
| Activity Risk Management (Activity Design Note appraisal and Activity Review) | Six-monthly | As part of six-monthly Activity Review process and appraisal of new ADNs on development risks (See Section 5 below) Activity risks will be reviewed. | KOMPAK Risk Register will be updated as part of the quarterly updating of this register. | Deputy Director GESI and Performance |
| Strategic Independent Advisory Team with DFAT and GoI | Six-monthly | Focus on risks related to operating environment, development results, partner capacity and relations. | Revise program strategies, systems and processes as required. | DFAT |
| Partnership Health check with DFAT | Annually | Focus on risks related to partner capacity and relationship, particularly with GoA/DFAT. | Update KOMPAK Risk Register after health check. | Contractor Representative / Team Leader |

| Risk Review Forum | Frequency of Review | Comments | Action | Responsible |
|---|---|---|---|---|
| Annual Work Planning with DFAT and GoI | Annually (Jan-Feb) | Focus on risks related to development results. The KOMPAK portfolio of work will be analysed by reviewing the 'risk of failure' (Investment Risk Analysis) of all proposed activities/outputs (see KOMPAK Performance Management Framework for further information). | The aggregated results of the 'risk of failure' (Investment Risk Analysis) assessment will be analysed to determine portfolio level investment and programmatic risks associated with the workplan. These will be added to the Risk Register as required. | DFAT, Team Leader, Deputy Director GESI and Performance |
| Internal and external audits | Annually | Focus on risks related to partner capacity and relations, fiduciary and fraud, and compliance. | Update KOMPAK Risk Register as required. | Operations Director |
| Steering Committee and Technical Committee with DFAT and GoI | Annually (Jun-Jul) | Focus on risks related to operating environment, development results, partner capacity and relations. | Update KOMPAK Risk Register as required. | Team Leader |
| Informal meetings with Operations Senior Managers | As required | Focus on risks related to fiduciary and fraud, and compliance. | Revise program strategies, systems and processes as required. Update KOMPAK Risk Register as required. | Operations Director/Deputy Operations Director |

## 5. Activity-level Risk Management

Design for a proposed new Activity above AUD 250,000 is prepared using an Activity Design Note (ADN) template. The ADN requires teams to assess risks and propose treatments using the DFAT Risk Register template. The ADN is discussed with DFAT and GoI, and is appraised through KOMPAK quality assurance processes by the Internal Appraisal Group (IAG), as outlined in the PMF. ADN appraisal requires DFAT review and approval as an investment above AUD 250,000. Any high-level risks identified will be discussed with DFAT and GoI from the outset, and will influence the design, as well as the final decision whether to approve an Activity or not.

## 6. Portfolio Risk Management

In all KOMPAK Activities there is a risk of failing to attain development results. While it is impossible to measure the exact risk of failure of each specific Activity, it is possible to develop a proxy for this and identify that some Activities have a higher risk of failure than others. Section 6 of KOMPAK's Performance Management Framework describes the Investment Risk Analysis tool. An overview of this tool is provided below.

Analysis considers risk of failure through six risk categories, namely: Number of Institutions, Time Required, Complexity/Scope, Behaviour Change, Visibility, and Capacity. Each Activity will consider each of the six risk categories in turn and given a score of 1 to 4 for each (1 representing low risk, up to 4 representing high risk).

The cumulative score (using the associated weighting) provides an overall 'risk of failure' score.

Each Activity will also then be assessed against the potential impact/importance for KOMPAK's outcomes. A score of 1 represents a low level of impact on achievement of KOMPAK's Outcomes, and a score of 4 represents a high level of impact on achievement of KOMPAK's Outcomes. Given the subjectivity of this exercise, the assessment will have limited use at the individual Activity level. However, once the information is aggregated to the Outcome level, it provides a useful lens for considering KOMPAK's portfolio, and whether it contains the right mix of Activities. This aggregated information will support investment decisions, resourcing, and learning, and will be used in any assessment of team performance.

The basic unit of investment within KOMPAK is the Activity, defined as a commitment of KOMPAK resources to one or more outcomes, and it may include any number of sub-activities. Each Activity within KOMPAK is managed by a team. At the national level, KOMPAK teams are defined by leads; at the sub-national level, teams are defined by provinces. Considering performance by a team is a key way to encourage ownership over monitoring, learning, and continuous improvement, and to promote an overall culture of performance within KOMPAK. Following the initial planning process described above, each implementation team within KOMPAK will therefore be responsible for a team-level Performance Management Cycle for the Activities it manages.

As outlined in the PMF, this process will be structured around reviews every six months, at the mid-term review point, and as part of annual planning. Activity-level performance information aggregated to the team level can be used as the basis for praising or rewarding high performing teams, and as the basis for further conversations with lower performing teams, including what challenges they face and what support they require going forward. In June 2018, KOMPAK trialled the Investment Risk Analysis Tool on Activities included in the Transition Work Plan. The tool was a useful input to resourcing and planning, and highlighted potential impact, as well as potential risk of failure, of the individual Activities.

## 7. Safeguard Assessment and Screening

As part of the design of large Activities (above AUD 250,000, as outlined in the 2018 PMF), KOMPAK teams conduct safeguard screening as part of risk analysis, using the DFAT Safeguard Screening template. If safeguards are likely to be triggered through implementation, this may require modification of the design or to the plans for implementation of these Activities. During implementation, ongoing monitoring and assessment of Activities will help to identify whether safeguards are triggered that were not foreseen during the design phase. In addition, the GESI Strategy outlines core principles adopted to ensure consideration of diversity, as well as a 'do no harm' approach, and non-discrimination in Activity design and implementation.

KOMPAK conducted safeguard screening in February 2018. This is included in the Living Design Document (LDD) and attached in Annex 2. This assessment concluded that the only safeguard triggered by KOMPAK activities related to child protection, where some activities may involve contact with or access to children. KOMPAK conducts mandatory child protection training and refresher training for all staff, short-term consultants, and KOMPAK Partners (CSOs). KOMPAK also requires all partner organisations have in place a Child Protection Policy in line with Abt Associates and DFAT Standards and Policies.

# 8. Roles and Responsibilities

DFAT's SRO for KOMPAK is responsible for ensuring the management of KOMPAK's risk is comprehensive and effective. Ultimate responsibility for ensuring appropriate risk management processes are applied within the KOMPAK team rests with the KOMPAK Contractor Representative. Implementation of the Risk Management Plan will be led on a day-to-day basis by the Team Leader, with delegated accountability to directors and managers. The Risk Management Plan and the Risk Register should provide the Contractor Representative, the KOMPAK team, and DFAT, with clear statements on the program risks and the proposed risk management strategies to enable ongoing management and regular review.

Specific roles and responsibilities of KOMPAK staff are summarised below:

**Team Leader**

- Overseeing, monitoring, and leading risk management for the program.
- Identifying emerging risks and strategies for addressing these.
- Chairing the bi-monthly Executive Team Risk Review session.
- At a minimum, bi-monthly update of Risk Register for risks not already incorporated by directors.
- Submission of Risk Register to DFAT on a quarterly basis.

**Operations Director**

- Leading risk management relating to operational risks. This includes the risk categories of: Disaster Risk; Partner Capacity and Relations; Fiduciary and Fraud; Compliance; and Security.
- Identifying emerging operational risks and strategies for addressing these.
- Reviewing risks identified by Senior Operations Managers, and escalating those deemed 'high' and above to the bi-monthly Executive Team Risk Review session.
- At a minimum, bi-monthly update of Risk Register for risks within portfolio of work, ready for bi-monthly Risk Review session with the Executive Team.
- Participating in a bi-monthly Risk Review session with the Executive Team.

**Implementation Director**

- The Implementation Director is jointly (with Deputy Director GESI and Performance) responsible for leading risk management related to: Operating Environment; and Development Results.
- Identifying emerging Operating Environment and Development Results risks related to implementation, as well as strategies for addressing these.
- Conduct team-level performance management to identify teams that have the most risk, and whether resources match the risk (jointly with Deputy Director GESI and Performance).
- Reviewing risks identified by Implementation Leads, and escalating those deemed 'high' and above to the bi-monthly Executive Team Risk Review session.
- At a minimum, bi-monthly update of Risk Register for risks within portfolio of work, ready for bi-monthly Risk Review session with the Executive Team.
- Participating in a bi-monthly Risk Review session with the Executive Team.

**Deputy Director GESI and Performance**

•   The Deputy Director GESI and Performance is jointly (with Implementation Director) responsible for leading risk management related to: Operating Environment; and Development Results (related to progress against the Performance Management Framework).

•   Identifying emerging Operating Environment and Development Results risks related to the Performance Management Framework, and to devise strategies for addressing these.

•   Conduct team-level performance management to identifying teams that have the most risk, and whether resources match the risk (jointly with Implementation Director).

•   Reviewing risks identified by Cross-Cutting Leads, and escalating those deemed 'high' and above to the bi-monthly Executive Team Risk Review session.

•   At a minimum, bi-monthly update of Risk Register for risks within portfolio of work, ready for bi-monthly Risk Review session with the Executive Team.

•   Participating in a bi-monthly Risk Review session with the Executive Team.

**KOMPAK Leads**

•   Support respective director with risk management as required.

•   Day-to-day management of risks.

•   At a minimum, bi-monthly updating of the Risk Register for risks within portfolio of work, to enable directors to escalate risks as required to Executive Team Risk Review session

**KOMPAK Senior Operations Managers**

•   Support Operations Director with Risk identification and management as required.

•   Day-to-day management of risks.

•   At a minimum, bi-monthly updating of the Risk Register for risks within portfolio of work, to enable Operations Director to escalate risks as required to Executive Team Risk Review session.

**Abt Associates Senior Program Manager**

•   Corporate reporting on all program risks and obtaining Abt Associates endorsement for KOMPAK risk management strategies as required.

•   Ensuring that risks given a rating of 'high' and above are closely monitored.

All staff and adviser terms of reference will include the key responsibilities of designated roles with respect to the risk management process.

# Annex 1: KOMPAK Risk Register Template

| Risk Event - what could happen | Risk Source - what could cause the event to happen | Risk Impact - what would happen if the event occurs? | Has this risk occurred in this program? | Risk rating before any controls | | | Existing Controls (what's currently in place?) | Overall Control Effectiveness | Proposed Treatments (If no further treatment required or available, please explain why) | Person Responsible for Implementing Treatment/s | Implementation Date for Proposed Treatment/s | Target rating when Proposed Treatments are in place | | | Does this risk need to be escalated? |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Likelihood (refer to matrix) | Consequence (refer to matrix) | Risk Rating (refer to matrix) | | | | | | Likelihood (refer to matrix) | Consequence (refer to matrix) | Risk Rating (refer to matrix) | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

# Annex 2: Safeguard Screening of KOMPAK

| | Yes | No | Not Sure |
|---|:---:|:---:|:---:|
| **1. Child protection[1]** | | | |
| 1.1 Did the outcome of the child protection risk context assessment indicate a full assessment is required? [2] | | X | |
| 1.2 Is the investment likely to involve contact with or access to children (0-18 years old) due to the nature of the activity or the working environment? | X | | |
| 1.3 Will the investment involve personnel working with children? | | X | |
| **2. Displacement and resettlement** | | | |
| 2.1 Does the investment involve construction on: exclusion from: or repurposing of land that is occupied, accessed to generate livelihoods or of cultural or traditional importance? | | X | |
| 2.2 Does the investment's success depend on other development activities that may involve construction on; exclusion from; or repurposing of land that is occupied, accessed to generate livelihoods; or of cultural or traditional importance? | | X | |
| 2.3 Does the investment involve planning for, advising on or designing the economic or physical displacement of people to make way for infrastructure development, disaster risk reduction or exclusion of the local population from land accessed to generate livelihoods? | | X | |
| **3. Environment** | | | |
| 3.1 3.1 Will the investment support any of the following:<br><br>• medium to large-scale infrastructure such as roads, bridges, railways, ports, infrastructure for energy generation; or<br>• development of irrigation and drainage, diversion of water; or<br>• land clearing, intensification of land use; or<br>• hazardous materials and wastes; or<br>• activity in mining, energy, forestry, fisheries, water supply, urban development, transport, tourism or manufacturing sectors? | | X | |
| 3.2 Will the investment support any of the following:<br>• small to medium scale infrastructure such as localised water supply and/or sanitation infrastructure; irrigation and drainage; rural electrification, rural roads; or<br>• construction/renovation/refurbishment/demolition of any building for example: schools, hospitals or public buildings; or<br>• localised use of natural resources, including small-scale water diversion, agriculture, or other types of land-use change? | | X | |

[1] Answers to these questions will need to be logged in AidWorks under the policy marker questions.
[2] The Child Protection risk assessment guidance can be found on the intranetKOMPAK DESIGN 2015-2022 – Updated March

| | | | |
|---|---|---|---|
| 3.3 Will the investment contribute to, directly or indirectly, or facilitate, activities such as those listed above, including through:<br>• trust funds, procurement facilities; or<br>• co-financing contributions; or<br>• support for planning, change to regulatory frameworks, technical advice, training or;<br>• applied research? | X | | |
| 3.4 Has an environmental review of the proposed investment already been, or will be completed by an implementing partner or donor? | | X | |
| 3.5 Does this investment need to meet any national environmental standards or requirements? | | X | |

# Annex 3: Risk Evaluation Tools

Likelihood Rating Table

| Likelihood | Probability |
|---|---|
| **Almost Certain** | Very likely. The event is expected to occur in most circumstances, as it is a foreseeable event and there is a history of regular occurrence at similar organisations or investments. |
| **Likely** | There is a strong possibility the event will occur, as there is a history of frequent occurrence at KOMPAK, similar organisations, or investments. |
| **Possible** | The event might occur at some time, as there is a history of casual occurrence at KOMPAK, similar organisations, or investments. |
| **Unlikely** | Not expected, but there's a slight possibility it may occur at some time. |
| **Rare** | May occur only in exceptional circumstances. Is possible, but has never occurred to date. |

Consequences Table

| | Consequences | | | | |
|---|---|---|---|---|---|
| Likelihood | Limited | Minor | Moderate | Major | Severe |
| Almost Certain | Medium | Medium | High | Very High | Very High |
| Likely | Medium | Medium | High | High | Very High |
| Possible | Low | Medium | Medium | High | High |
| Unlikely | Low | Low | Medium | Medium | High |
| Rare | Low | Low | Low | Medium | Medium |

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