



Australian Government



KOMPAK LIVING DESIGN DOCUMENT 2019-2022

Updated February 2019

KOMPAK Living Design Document 2015–2022
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KOMPAK

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LIVING DESIGN DOCUMENT
2015–2022

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ACRONYMS, ABBREVIATIONS, AND TERMS

| | |
|--------------|--|
| 3T | <i>Tertinggal, Terluar, Terdepan</i> (Disadvantaged Regions) |
| Admindak | <i>Administrasi Kependudukan</i> (Population Administration) |
| AGB | Aid Governance Board |
| AIPD | Australia Indonesia Partnership for Decentralisation |
| APBD | <i>Anggaran Pendapatan dan Belanja Daerah</i> (Regional Budget) |
| APBN | <i>Anggaran Pendapatan dan Belanja Negara</i> (State Budget) |
| AQS | Accessible Quality Services |
| AWPs | Annual Work Plans |
| BaKTI | <i>Bursa Pengetahuan Kawasan Timur Indonesia</i> |
| BANGGA PAPUA | <i>Bangun Generasi dan Keluarga Sejahtera Papua</i> (Program to alleviate poverty and improve children's nutrition in Papua) |
| Bappenas | <i>Badan Perencanaan Pembangunan Nasional</i> (Ministry of National Development Planning) |
| BAST | <i>Berita Acara Serah Terima</i> (Certified Acceptance of Grant Support) |
| BPJS | <i>Badan Penyelenggara Jaminan Sosial</i> (Social Insurance Administration Agency) |
| Bupati | Head of District |
| Camat | Head of Subdistrict |
| CEDAW | UN Convention on the Elimination of all Forms of Discrimination Against Women |
| CRVS | Civil Registration and Vital Statistics |
| CSO | Civil Society Organisation |
| DAK | <i>Dana Alokasi Khusus</i> (Special Allocation Fund) |
| DD | <i>Dana Desa</i> (Village Fund) |
| DEVI | Development Innovation Indonesia |
| DFAT | Department of Foreign Affairs and Trade |
| DID | <i>Dana Insentif Daerah</i> (Regional Incentive Fund) |

| | |
|-----------|---|
| DTT | District Technical Team |
| Dukcapil | <i>Kependudukan dan Pencatatan Sipil</i> (Population and Civil Registration) |
| ECED | Early Childhood Education and Development |
| EOFO | End-of-Facility Outcome |
| GESI | Gender Equality and Social Inclusion |
| GoA | Government of Australia |
| Gol | Government of Indonesia |
| IO | Intermediate Outcome |
| INOVASI | Innovation for Indonesia's School Children |
| IPR | Independent Project Review |
| ISAT | Independent Strategic Advisory Team |
| IT | Information Technology |
| KDP | Kecamatan Development Program |
| Kecamatan | Sub-district |
| KOMPAK | <i>Kolaborasi Masyarakat dan Pelayanan untuk Kesejahteraan</i> |
| KSI | Knowledge Sector Initiative |
| LDD | Living Design Document |
| LED | Local Economic Development |
| LOGICA | Local Governance and Infrastructure for Communities in Aceh |
| LPA-NTB | <i>Lembaga Perlindungan Anak-Nusa Tenggara Barat</i> (The institute for Child Protection West Nusa Tenggara) |
| MEL | Monitoring, Evaluation, and Learning |
| MAHKOTA | <i>Menuju Masyarakat Kokoh dan Sejahtera</i> |
| MAMPU | <i>Maju Perempuan Indonesia untuk Penanggulangan Kemiskinan</i> (Empowering Indonesian Women for Poverty Reduction) |
| MoF | Ministry of Finance |
| MoHA | Ministry of Home Affairs (<i>Kementerian Dalam Negeri</i>) |

| | |
|---------------------|---|
| MoV | Ministry of Villages, Development of Disadvantaged Regions and Transmigration (Kementerian Desa Pembangunan Desa Tertinggal dan Transmigrasi) |
| MSEs | Micro and Small Enterprises |
| MSMEs | Micro, Small and Medium Enterprises |
| MSS | Minimum Service Standards |
| Musrena | <i>Musyawarah Rencana Aksi Kaum Perempuan</i> (Women's Planning Meeting) |
| Musrenbang | <i>Musyawarah Perencanaan Pembangunan</i> (Community Development Planning Meeting) |
| Musrenbang Inklusif | <i>Musyawarah Perencanaan Pembangunan Inklusif</i> (Inclusive Community Development Planning Meeting) |
| MYP | Multi Year Plan |
| NGO | Non-Government Organization |
| Otsus | <i>Otonomi Khusus</i> (Special Autonomy) |
| PbMAD | <i>Pembelajaran Mandiri Aparatur Desa</i> (Capacity Development for Village Apparatus) |
| PEDULI | Government of Indonesia initiative designed to improve social inclusion for six Indonesia's most marginalized groups. |
| PEKKA | <i>Perempuan Kepala Keluarga</i> (Female-Headed Households Empowerment) |
| PFM | Public Financial Management |
| PLWW | Program Logic and Ways of Working |
| PMF | Performance Management Framework |
| PMIP | Performance Management Implementation Plan |
| PNPM | <i>Program Nasional Pemberdayaan Masyarakat</i> (National Community Empowerment Program) |
| PODES | <i>Pendataan Potensi Desa</i> (Village Potential Data Collection) |
| Polindes | <i>Poliklinik Desa</i> (Village Clinic) |
| Poskedes | <i>Pos Kesehatan Desa</i> (Village Health Centre) |
| Posyandu | <i>Pos Pelayanan Terpadu</i> (Integrated Community Health Centre) |
| PRISMA | Promoting Rural Income through Support for Markets in Agriculture |

| | |
|------------------|--|
| PROSPERA | <i>Program Kemitraan Indonesia Australia untuk Perekonomian</i> (The Australia Indonesia Partnership for Economic Development) |
| PTT | Provincial Technical Team |
| PUSKAPA UI | <i>Pusat Kajian Perlindungan Anak Universitas Indonesia</i> (Center on Child Protection and Wellbeing, University of Indonesia) |
| Puskesmas | <i>Pusat Kesehatan Masyarakat</i> (Community Health Centre) |
| RPJMN | <i>Rencana Pembangunan Jangka Menengah Nasional</i> (National Medium-Term Development Plan) |
| Stratnas | Strategi Nasional (National Strategy) |
| SC | Steering Committee |
| SekNas Fitra | <i>Sekretariat Nasional Forum Indonesia untuk Transparansi Anggaran</i> (National Secretariat for the Indonesian Forum on Budget Transparency) |
| Sekolah Anggaran | Budget Literacy |
| SOP | Standard Operating Procedure |
| TA | Technical Adviser |
| TASS | Technical Assistance for Education System Strengthening |
| TC | Technical Committee |
| UMD | <i>Universitas Membangun Desa</i> (Universities Building Villages) |
| UNICEF | United Nations International Children's Emergency Fund |
| UNCRPD | UN Convention on the Rights of Persons with Disabilities |
| UPP | Urban Poverty Program |

1 | INTRODUCTION

KOMPAK is a facility funded by the Government of Australia (GoA) to support the Government of Indonesia (GoI) in achieving its poverty reduction targets and addressing inequality. KOMPAK has a current end date of June 2022 with a total commitment of up to AUD 177 million subject to annual budget allocations. During KOMPAK's first four years (2015 – 2018,) the facility was aligned with two priority poverty reduction strategies outlined in GoI's Medium-Term National Development Plan (2015-2019), namely, improving the quality and coverage of basic services and increasing economic opportunities for the poor. As a flexible facility working at the national and subnational levels, KOMPAK will continue to build on GoI's and Australia's investments in public sector governance, decentralised service delivery, and community empowerment. For the continued phase up to June 2022, the results of Indonesia's and Australia's national elections to be held in the first half of 2019 may influence KOMPAK's future focus.

Currently KOMPAK focuses on addressing key constraints related to service delivery and employment opportunities, with a clear line of sight to development outcomes in the following areas: health and nutrition, education, local economic development, and civil registration and vital statistics (CRVS). KOMPAK aims to achieve these through three end of facility outcome (EOFO) areas:

- 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 initial phase (January 2015 to June 2018) was contracted as a 'design-and-implement' program during a period of transition and change for Indonesia and Australia. As such, no detailed description of activities was provided. The current strategic framework was developed over time, and aligned with emerging priorities from both governments. Subject to review and performance, it was envisaged from the outset that KOMPAK would then continue for a second period (January 2019 to June 2022).

Between 2015 and 2017, KOMPAK was guided by two key documents: The Guiding Strategy (September 2015) and The Strategic Planning, Performance and Monitoring Framework (April 2017)¹. Following an iterative and adaptive process based on internal learning and observations, a number of recommendations for adjustments were made by the 2017 Refresh Team report². This report, together with the 2017 Independent Progress Review (IPR) Team report³ that followed, led to the development of KOMPAK's Living Design Document (LDD 2018 – 2022) in early 2018, updating the two initial guiding documents.

¹ The 2017 version of this document is an updated version of the original document from June 2016.

² 2017 KOMPAK Refresh Team Report.

³ The Independent Program Review took place in November 2017; however, the report was released in February 2018.

At this time, the Department of Foreign Affairs and Trade (DFAT) established the Aid Governance Board (AGB) as a new mechanism to govern their aid programs globally. The AGB was responsible for: ensuring alignment between aid policy and implementation; improving effectiveness and efficiency of aid programs; and to ensure aid investment risks were managed effectively. DFAT therefore required AGB review and approval of KOMPAK's 2018 LDD before committing to an extension beyond KOMPAK's initial phase. DFAT facilitated an internal peer review and independent appraisal in March 2018. Suggested revisions were incorporated into the 2018 LDD which was then reviewed and approved by the AGB in April 2018.

AGB approval was based on a number of improvements to be made prior to 2019, and in preparation for the continuation phase (January 2019 to June 2022), KOMPAK then invested in a strategic planning process from May to December 2018. This included both national and provincial internal and external consultations, and a multi-year planning process. In October 2018, DFAT approved the continuation phase for KOMPAK for the period 2019 to 2022.

This document represents the results of the planning process, the strategic and implementation documents that were prepared as part of the process, and responds to AGB's inputs for improvement as follows:

- *Program logic and performance framework:* The revised Program Logic and Ways of Working (PLWW) revises the former cascaded Program Logic and the Theory of Change, as recommended by the IPR⁴. KOMPAK's revised program logic comprises: the 'high-level' results framework consists of the original KOMPAK goal, the three original EOFOs, and refines the Intermediate Outcomes (IO) from seven to four; and the 'lower-level' program logic elaborates on the cause-and-effect relationships between KOMPAK's work, the outputs of those activities, various lower-level outcomes and KOMPAK's higher-level results. The two levels enable more flexibility and adaptability across the many issues of KOMPAK's technical focus.
- *Performance Management Framework:* The 2018 Performance Management Framework (PMF) replaces the 2016 Monitoring, Evaluation and Learning (MEL) framework. The revised framework emphasises the role of performance in the management in KOMPAK. The PMF outlines performance management at the Activity and KOMPAK levels. It has an increased focus on measuring outcomes and introduces two forms of performance measures - annual progress markers (linked to changes and outcomes) and snapshot indicators (high-priority results information). The PMF allows for tracing of individual Activity performance and enables KOMPAK to aggregate information to the facility level. The PMF also aligns performance management processes with DFAT reporting processes and requirements. With the above mentioned lower-level program logic, KOMPAK will be able to measure performance closer to implementation, thus better facilitate learning for improvements and assisting implementation teams assess performance. The PMF is partnered with the Performance Management Implementation Plan (PMIP) which describes the main strategies, processes and tools for implementing the PMF.
- *Gender Equality and Social Inclusion (GESI):* The revised Gender Equality and Social Inclusion Strategy (2019-2022) is positioned within the KOMPAK's PMF and represents a revision to the first GESI Strategy 2017-2018). The revisions respond to key GESI results and learning from the first three years (2015-2018), the IPR (2017) and AGB (2018) recommendations, and represents a more structured approach to contributing to development outcomes in health and nutrition, education, civil registry and vital statistics, and local economic development.

⁴ IPR recommendation 13

- *Risks and Safeguards*: During the initial period, KOMPAK maintained a Risk Register that was based on a high-level risk matrix and which outlined major risks that could affect overall delivery of activities. The new Risk and Safeguards Management Plan (2018-2022) bring together KOMPAK’s risk assessment and safeguard assessment frameworks into one document. It is acknowledged that risk and safeguard management is an ongoing process over the life of the project, thus this document will remain an iterative document with an associated Risk Register that details out the relevant risks at any point in time.

The LDD is further detailed and operationalised in the following key KOMPAK documents that have been approved by DFAT as part of the extension approval:

- The **Performance Management Framework (PMF), Program Logic and Ways of Working (PLWW)**, and its **Performance Management Implementation Plan (PMIP)** detail the overall strategic framework and how KOMPAK will manage and measure performance of Activities, including the resourcing, monitoring tools, and processes for performance management (Attachment 1, 2, 3).
- The **Gender Equality and Social Inclusion (GESI) Strategy (2018–2022)** outlines KOMPAK’s focus for GESI-specific initiatives and strategies for mainstreaming GESI into program implementation (Attachment 4).
- The **Risk and Safeguard Management Plan (2018–2022)** outlines KOMPAK’s processes and tools for identifying and managing risk, and social and environmental safeguards (Attachment 5).

In addition, KOMPAK has also developed the below key documents to guide KOMPAK’s implementation from 2019 – 2022:

- **KOMPAK’s Multi-Year Work Plan 2019–2022** outlines the seven main areas of KOMPAK’s work and the key outputs in working towards achieving KOMPAK Success in 2022 (Attachment 6).
- The **Sector Strategies** for health and nutrition, education, legal identity, and local economic development, provide detail on the high-level scope of focus for KOMPAK’s governance work in the sectors.
- The **Provincial and National Roadmaps** consolidate the high-level targets and objectives of KOMPAK’s approaches for each provincial government, by province and national team.
- **KOMPAK’s operational manuals** guide the operational side of KOMPAK’s activities.

The above documents are living documents, intended to be updated periodically based on learning from implementation, with strategic guidance from KOMPAK’s Steering Committee and Technical Committee. This will ensure the KOMPAK Facility remains relevant in the ever-changing environment in which KOMPAK exists.

2 | BACKGROUND AND RATIONALE

Background

Over the last decade, Indonesia has made important gains in economic growth and poverty reduction. However, progress is slowing down on both fronts. Economic growth has stagnated at around 5% for the last five years (since 2013), with a very slight increase in the past three years. Poverty has reduced to single digit levels (9.8% in 2018).⁵ However, further gains in reducing poverty will become increasingly challenging, as it requires more effort to address the situation for people who are chronically poor. Income gaps persist, though the Gini coefficient has reduced slightly from 0.408 in 2015 to 0.389 in 2018.

Geographic disparities are still prevalent with respect to poverty, economic development, and access to basic services. Economic growth is concentrated in Western Indonesia, particularly in Java. Poverty is lower in Western Indonesia at 10.33%, compared with 18.01% in Eastern Indonesia. There are also urban–rural disparities, which may be further exacerbated by the population distribution shifting more from rural to urban areas. Based on the most recent data, poverty in rural areas is nearly double that in urban areas; 13.47% compared with 7.20%, respectively. Meanwhile, income inequalities are higher in urban areas at 0.404 (Gini coefficient), compared with rural areas at 0.320. Disparities in access to basic services are apparent, as illustrated by the gaps in coverage for basic health and education services between Java and Papua.

In response to Gol poverty reduction efforts, DFAT has provided support to the decentralisation process and community development for the past 20 years. KOMPAK builds on the experience of the Gol’s National Community Empowerment Program (PNPM), and its predecessors, the Kecamatan Development Program (KDP) and the Urban Poverty Program (UPP). These programs have achieved a number of successes in fostering growth and development, and reducing poverty at the village level. Lessons learned from other programs, such as LOGICA, ACCESS, and PNPM Generasi, demonstrate that well-structured community partnerships with technical sector stakeholders (for example, as in health and education) will lead to improved access, better quality, and more accountable service delivery, than can be achieved with traditional top-down delivery systems. KOMPAK directly builds on two longstanding Australian-funded programs: Local Solutions for Poverty (formerly known as the PNPM Support Facility), and the Australia Indonesia Partnership for Decentralisation (AIPD, the government frontline service delivery component). The key rationale for merging these two programs was to improve coordination and complementarity, as well as to make effectiveness and efficiency gains.

⁵ BPS Data (2018)

Relevance and Rationale

In relation to Gol priorities, KOMPAK has been and remains highly relevant, considering its continuous support to the effective and efficient implementation of the Gol's vision for public service delivery at the sub-national level. Since 2015, the Facility has supported specific programs in the National Medium-Term Development Plan (*Rencana Pembangunan Jangka Menengah* or RPJMN) 2015–2019, linked to the two major reforms of the Government of Indonesia: decentralised basic services and implementation of the Village Law.

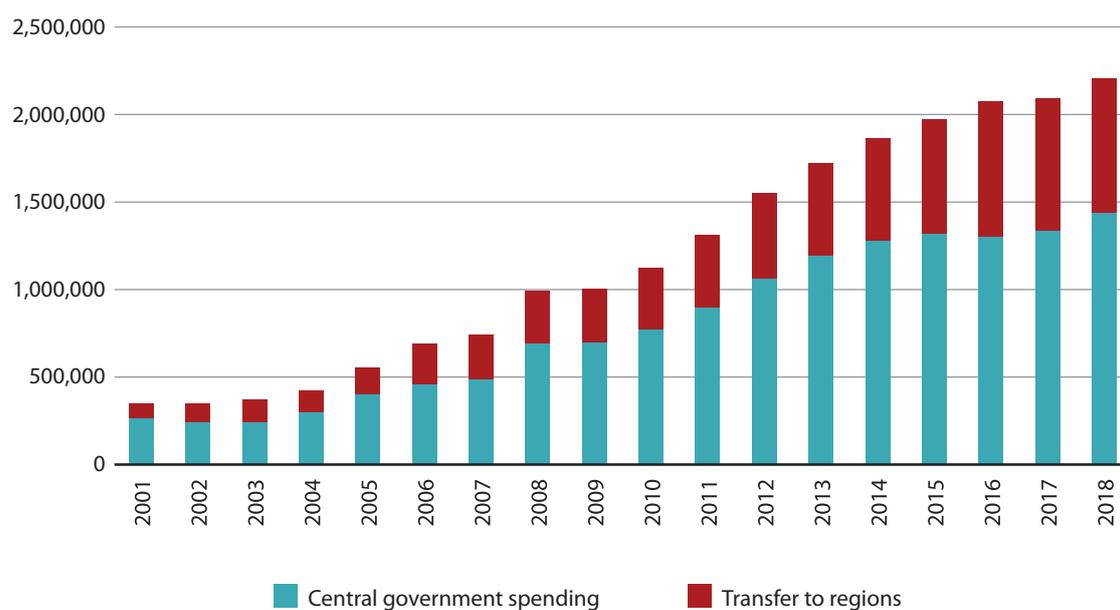
The start of KOMPAK's continuation phase coincides with an important year for Indonesia. Presidential elections will be held in April 2019, and the country will choose between incumbent, Joko Widodo, and his opponent, Prabowo Subianto. As the elections take place, the government will finalise the next National Medium-Term Development Plan (RPJMN 2020–2024). At the same time, the local leadership in 171 districts and provinces that underwent elections in 2018 are starting their new five-year term.

These changes in leadership will naturally have some implications for a facility like KOMPAK, which operates at both national and sub-national levels. There might be ensuing changes in leadership at the ministerial level in KOMPAK's main partner ministries, namely the Ministry of National Development Planning (Bappenas); Ministry of Home Affairs (MoHA); Ministry of Finance (MoF); and Ministry of Villages, Development of Disadvantaged Regions and Transmigration (MoV). Changes might also occur at the technical working level. Changes in leadership can present challenges, as well as opportunities. Another implication is that the government's attention and resources might be diverted towards the election, possibly putting a pause on policy processes and changes that KOMPAK is trying to influence. Nonetheless, with three and a half years of work already on the ground, and well-established relations with government and civil society organisation (CSO) partners, KOMPAK is well placed to maintain its relevance and contribution into the next phase.

Going into the next presidency and five-year development plan, the government is likely to continue its focus on reducing poverty and inequality, promoting more equitable economic growth, and more equal access to public services and quality jobs. The government is also likely to also continue its pathway towards more decentralised expenditure, including through the village funds and special allocation funds, while striving for overall improvements in quality spending in health and education. The special autonomy funds (*otsus*) for Papua and Papua Barat will cease in 2021, and the provincial and district governments there will have to come up with alternative mechanisms to design and deliver their local development programs. Therefore, KOMPAK's support in optimising the use of *otsus* funding in these two provinces, and its impact on poverty reduction, becomes increasingly important and relevant.

Making decentralisation work across a diverse archipelago of 13,500 islands, spread over 34 provinces and more than 500 districts, has always been challenging. An increasing proportion of the national budget is now transferred to the regions, but this alone will not solve many problems faced by the local governments. Capacity of local governments to spend the budget properly is hugely varied, along with their respective abilities to pursue policies set by the central government.

As shown in Figure 1, the share of sub-national spending has significantly increased over the past two decades. In 2017, sub-national governments were expected to spend IDR 756 trillion, or 36% of the total national budget. The central government has therefore been pushing for greater efficiencies and effectiveness in the fiscal transfers provided to the regional governments, given that over a third of the national budget has been devolved to the regions, and the annual proportion for delivery of basic services continues to increase. Moreover, the central government is revisiting how the fiscal transfers could result in more equitable growth across the regions. The government has addressed some of these aspects in the draft revision of Law No. 33 on fiscal balance between central and regional governments, but the new law, which is almost three years overdue, is yet to be passed.

FIGURE 1. GOVERNMENT SPENDING, BILLION IDR

Note: Ministry of Finance data (2017)

On a more positive note, policy changes have taken place in relation to specific transfers, such as the design of the Regional Incentive Fund (DID), and the management system of the Special Allocation Fund (DAK). In addition, the most recent success is the approval of the government regulation on Minimum Service Standards (MSS), which may also provide a basis for incentivising the fiscal transfers. Further, under the Village Law, the Indonesian government provides approximately AUD 6 billion per year directly to its nearly 75,000 villages in the form of block grant funding. The Village Fund currently represents 8.5% of total sub-national fiscal transfers from national government, a threefold increase since it was introduced in 2015. In 2017, the government also made an important change in the allocation formula for the Village Funds, which enables more favourable allocations to underdeveloped regions⁶.

KOMPAK is also highly relevant to the Australian Government's partnership with Indonesia. Indonesia is critical to Australia's efforts to support a stable and prosperous Indo-Pacific region. Through its development program, the Government of Australia seeks to continue its positive bilateral relationship with the Government of Indonesia through poverty reduction, increased prosperity and stability.

The KOMPAK program is uniquely placed to support Indonesia with a number of the difficult-to-implement reforms necessary to consolidate democracy, support better spending of available resources on health and education, and ensure ongoing economic growth and security. KOMPAK enables the Australian government to facilitate important reforms related to inclusive governance in Indonesia, specifically targeting poor women and marginalized communities. It provides Australia with access to senior national policymakers and strengthens Australian engagement with a number of key provinces (including Aceh and Papua). Its extensive networks ensure visibility of emerging developments at a both national and sub-national level, and its highly-regarded expertise provides an ability to influence policy directions. KOMPAK also provides a model for Australia to deliver high quality and fit-for-purpose development assistance in a rising middle-income country.

KOMPAK addresses major shortcomings in governance and inequality that, if left unaddressed, would have the potential to result in instability and impact on economic growth prospects. Through KOMPAK, Australia can be a catalytic partner, and a source of innovation, ideas, and expertise, helping to maintain KOMPAK's position as partner of choice for Indonesian development.

⁶ Previously 90% of the Village Funds were distributed equally across all regions, while only 10% were distributed based on population, poverty, cost of construction index, and geographic difficulty index. The new allocation formula has been changed to 77% equal distribution, 20% based on regional variations, and 3% specifically targeted to regions that are most lagging behind.

Lessons Learned

During the first four years, KOMPAK facilitated learning through a range of informal and formal mechanisms that have informed the current design for 2019 to June 2022. Formally, six monthly Steering Committee meetings and Technical Committee meetings promoted shared learning and strategic feedback from government counterparts that shaped continuous refinement of KOMPAK's technical work and the annual planning priorities for the coming year. DFAT's IPR and AGB in 2017 provided important external review on what was working well and recommendations for improvement in both design and implementation going forward. Internally, KOMPAK facilitated a Refresh and Refocus in 2017 as a structured and facilitated process to review and refine both the technical approach and the systems, processes and organisational structure that supports delivery. KOMPAK team based quarterly reviews, and in 2018, the initial testing of the new PMF performance review process, allowed for reflection and identification of areas for improvement and refinement by teams. Finally, numerous learning sessions (such as brown bag lunches), presentation and feedback sessions, policy discussions and regular catch-ups with other programs and partners have helped to build a culture of learning and reflection. Emerging from internal and external learning and reflection the following main lessons have guided the updated KOMPAK design:

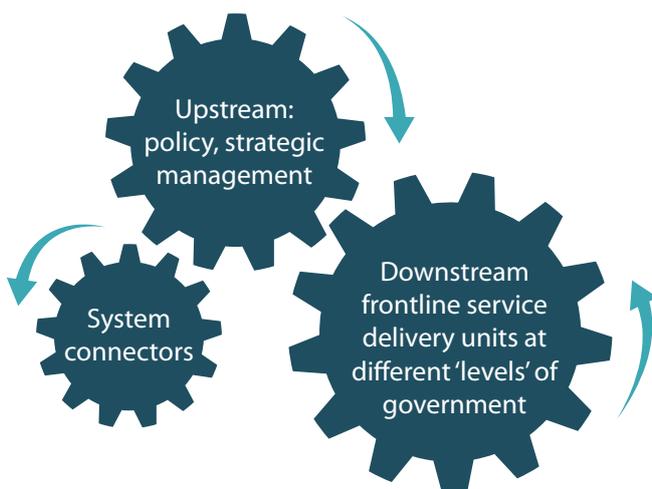
- For the continuation phase, KOMPAK needs to shift from 'doing' to facilitating, where government will be leading on Activities, and KOMPAK is supporting to provide technical assistance to institutionalise and sustain results beyond 2022.
- KOMPAK selection of Activities needs to prioritise change at scale, by identifying and featuring flagships that define what KOMPAK Success in 2022 looks like, and expanding local results for larger-scale impact.
- Consolidating results and learning across key Activities for the purpose of affecting larger scale change must take in to account the specific local contexts and enabling factors in pilot and non-pilot locations to understand where and how scale and/or replication may and may not be appropriate.
- KOMPAK's approach needs to integrate technical areas to effectively address sectoral issues. Whereas the first three years saw a number of cases where Activities were implemented in silos under the three End-of-Facility Outcomes (EOFOs), KOMPAK teams must identify the interconnection between governance issues (e.g. public financial management, regulations, local government capacity and community engagement) to design an integrated approach that also leverages innovation and gender equality and social inclusion.
- KOMPAK will place greater focus on performance systems and building an internal performance culture where individuals and teams have greater responsibility for contributing to Activity and KOMPAK level monitoring and performance assessment. This will include a greater focus on learning for improvement as well as for change at scale.
- KOMPAK needs to build on good practice to date to identify more opportunities to collaborate with other DFAT and donor programs. This provides evidence to maximise potential impact where there are common objectives, and promote efficiencies in ways of working and engagement with government counterparts and stakeholders. A key example is the collaboration between KOMPAK and MAHKOTA to support the Provincial Government of Papua to design and implement locally suited social protection program called BANGGA Papua.
- KOMPAK's EOFOs sit at a higher level than is achievable single-handedly by a facility such as KOMPAK. While KOMPAK will therefore not be held accountable for fully achieving the EOFOs, to demonstrate success, KOMPAK needs to evidence change that is plausibly assumed to contribute to EOFo-level change by 2022.
- Given the broad focus and geographic coverage of KOMPAK, there is a need to be strategic in GESI activities likely to bring about change at scale and impact. KOMPAK needs to strike an important balance between investing in cross-program GESI mainstreaming, and investing in smart GESI-specific activities likely to lead to transformative change for women and those who are marginalised.
- Communication products need to assist sharing of smart practice and learning with government and key stakeholders for uptake and replication. Going forward, the Performance team will work more closely with the Communications team to identify ways in which learning and results can be better packaged for influence and scale

3 | STRATEGIC FRAMEWORK

In September 2018, KOMPAK revised its Performance Management Framework 2018–2022 (PMF) and the Program Logic and Ways of Working 2018–2022 (PLWW) were approved by DFAT. The PMF and PLWW set out the overall vision, strategy, and high-level conceptual framework for performance management in KOMPAK. While this framework presents a revision of the higher-and lower-level program logic, KOMPAK continue to focus on addressing key constraints related to service delivery and employment opportunities with a clear line of sight to development outcomes.

Also, KOMPAK continues to work from the ‘bottom up’ (at the point of service or the frontline where communities access the service), as well as from the ‘top down’ (improving policy coherence, strengthening the regulatory environment, and investing in planning and delivery systems).

FIGURE 2. KOMPAK STRATEGIC FRAMING CONNECTING UPSTREAM AND DOWNSTREAM WORK



The strategic ‘framing’ of KOMPAK developed in 2017 remains relevant, demonstrating the interconnected nature of the problems KOMPAK is working to address. KOMPAK’s larger goal will only be achieved if there are fundamental improvements in the functionality and coherence of these three ‘cogs’:

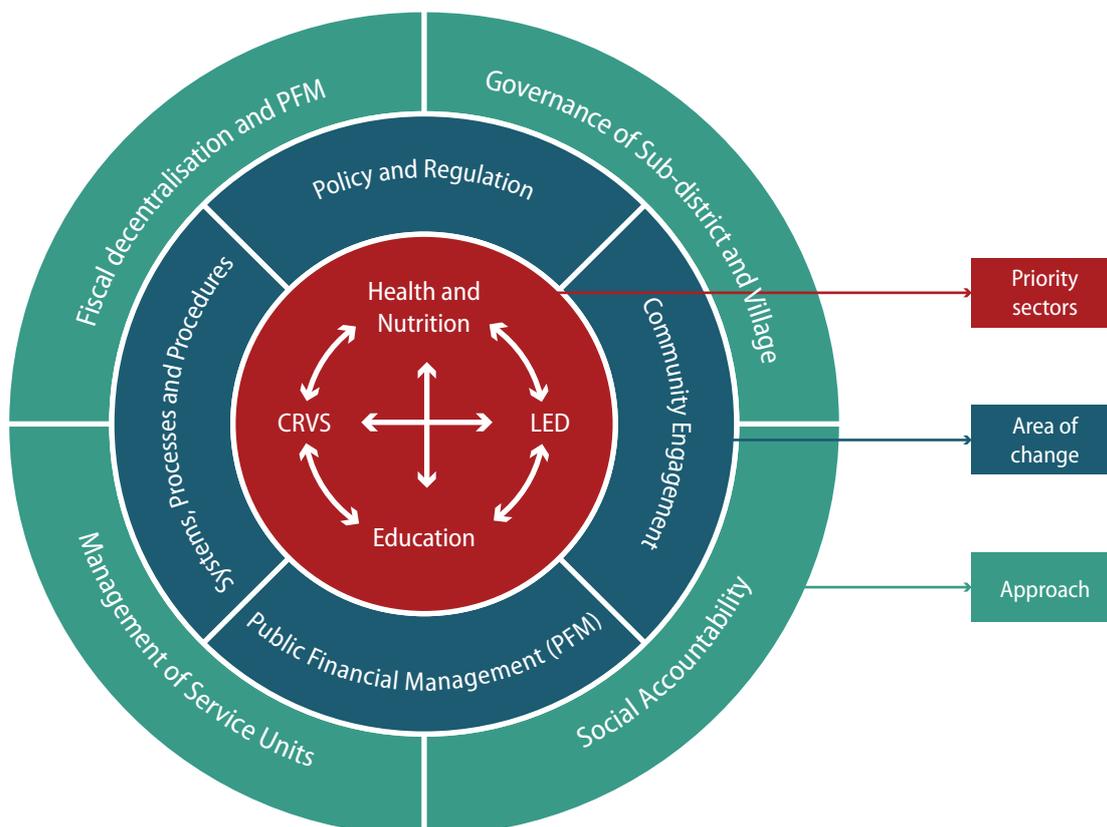
- At *national ‘upstream’ level*, where KOMPAK seeks to help improve policy and regulatory consistency, coherence, and relevance.
- In the design and operation of the systems (for money, people, information, policy guidance, monitoring, and reporting) that *connect* government at national, provincial, district, sub-district, and village levels.
- At *‘downstream’ service delivery level* – the point at which frontline staff engage with citizens.

Directly resulting from this framing, there are four priority issues that KOMPAK support will continue to address:

- At the **national level**, the weakness and lack of internal consistency of key policies, laws, and regulations related to decentralised service delivery and village governance. In addressing these issues, KOMPAK will continue to work with Bappenas and other key GoI ministries.
- At the **system level**, the functionality, reliability and integrity of financial management is critical. With the Village Law and fiscal decentralisation policies in place, billions of rupiah are channelled in various ways from national government to district governments to village governments. These flows must be timely, accurate, and spent effectively and efficiently. Strengthening the whole public financial management cycle for sub-national transfers (planning, budgeting, releasing, acquitting, recording, reporting, and auditing) will therefore remain a KOMPAK priority.
- At the **district, sub-district, and village level**, the requisite skills, confidence, and authority to act effectively, efficiently, and equitably are often weakly developed. To address this, KOMPAK will continue to strengthen both the authorising environment and incentives for independent and appropriate action by district, sub-district, and village governments, as well as improve individual competencies and institutional capacities.
- At the **frontline and community level**, the depth and 'bite' of citizen engagement and social accountability is often limited. This results in funds being poorly deployed and local priorities not being met. KOMPAK will continue to work to empower local communities to hold their governments (at all levels) to account for the proper use of funds.

In relation to the four priority sectors (health and nutrition, education, CRVS, and local economic development), KOMPAK's Activities aim to generate change in four main areas, as defined in the Intermediate Outcomes (IOs). In designing these Activities, KOMPAK is building on the results and tools developed thus far in the first phase, namely public financial management (PFM) and fiscal decentralisation, sector strengthening, sub-district and village strengthening, and social accountability. The overall framing for KOMPAK's Multi-Year Work Plan is provided in Figure 3 below:

FIGURE 3. KOMPAK PRIORITY SECTORS, AREAS OF CHANGE, AND APPROACH



It remains relevant that KOMPAK is designed and operates as a facility. This provides the necessary flexibility to develop and implement new packages of Activities over time, together with the GoI, including in response to emerging opportunities, changing circumstances, and what is gaining traction. For the 2019 to 2022 period, KOMPAK will continue to work adaptively through a facility modality; both to continue to test new ideas, but also to provide more consolidated support and knowledge related to promising contextual lessons learned to date.

KOMPAK’s High-Level Results Framework: EOFOs and IOs

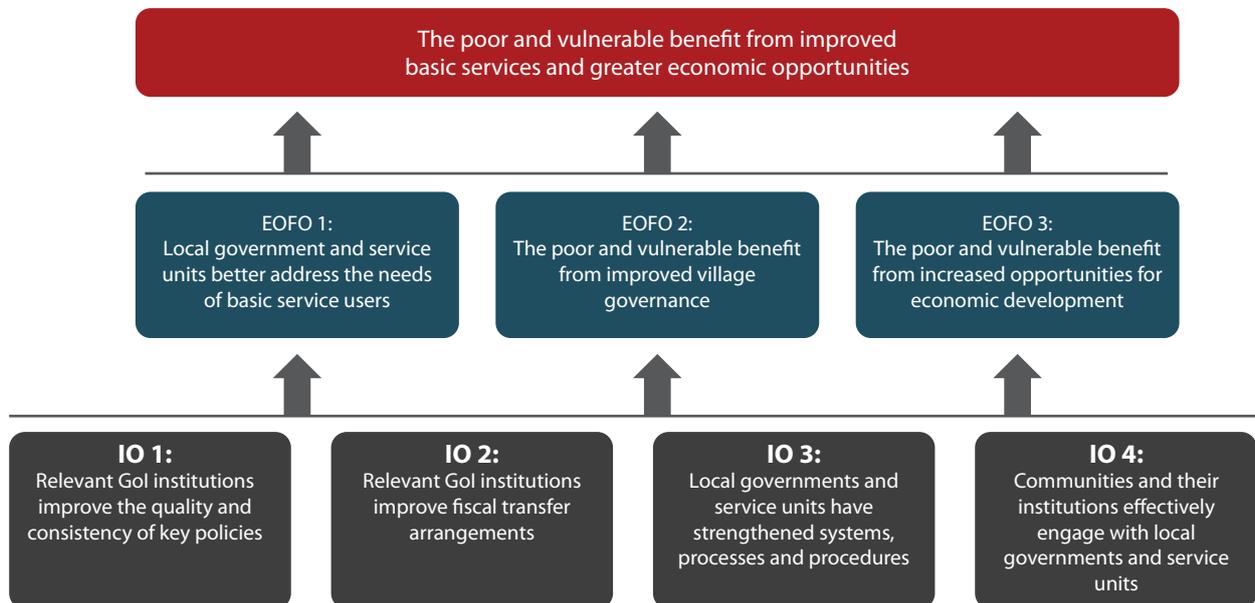
KOMPAK’s formal goal is that ‘Poor and vulnerable Indonesians benefit from improved delivery of basic services and greater economic opportunities’. The facility commenced in January 2015 and is expected to conclude its work at the end of June 2022.

KOMPAK works towards three EOFOs that contribute to its overall goal, namely:

- 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.

These EOFOs, while extremely broad in nature, serve two fundamental purposes for KOMPAK: to outline the types of results against which its overall performance will be assessed; and also to help to specify the three main domains in which KOMPAK will work to contribute to its broader goal. KOMPAK’s high-level results framework, comprising its broader goal, EOFOs, and IOs, is presented in Figure 4.

FIGURE 4. KOMPAK’S HIGHER-LEVEL RESULTS FRAMEWORK



EOFO 1: Local Government and Service Units Better Address the Needs of Basic Service Users

The overall objective of work towards this outcome is to support the Gol's poverty reduction agenda by closing key accountability loops for better service delivery. KOMPAK does this through a frontline approach that enhances accountabilities at the point of service (i.e. the frontline), through increased responsiveness of government and service units and the engagement of communities.

Key desired results within this area are likely to include: regulatory frameworks that are more aligned; the formulation of new regulations to better finance, deliver and manage performance of basic service delivery; improvements to how public funds are being allocated (fund formulation, fund flows, and financing arrangements) for delivery of basic services; improvements to the ways funds and other resources are managed and used (optimising resources) by local governments, service units and village authorities; and improvements to local accountability and transparency in public spending.

Future work will build on lessons from key achievements to date under the cross-cutting IOs that contribute to EOFO 1, including:

- Contributions to the reformulation of criteria for access to the District Special Allocation Fund (DAK) and Regional Incentive Fund (DID), resulting in increased funds flows to poorer and more remote regions (contributes to IO 1 and IO 2).
- Contributions to revisions of the formula for Village Funds, which has resulted in the more equitable distribution of funds affecting all 74,574 villages in Indonesia (contributes to IO 1 and IO 2).
- Piloting of innovative approaches to service delivery increased legal identity coverage, which resulted in 93,555 legal identity applications lodged, and 67,437 documents issued by innovative service delivery models, in 16 KOMPAK targeted districts (contributes to IO 3 and IO 4).
- Year-on-year increases (from 2016 to 2017) in village budget allocations across KOMPAK-supported villages in five provinces, including 47% for health, 42% for education, and 6% for legal identity (contributes to IO 2 and IO 4).

EOFO 2: The Poor and Vulnerable Benefit from Improved Village Governance

The overall objective of work towards this outcome is to support Gol to strengthen village and community structures and relations, to promote community-driven development for improved basic services.

Key results within this area reflect the combination of top-down policy support and bottom-up locally-driven initiatives. These are likely to include: local governments making formula-based and timely fiscal transfers to villages; village governments becoming more responsive and accountable to the identified needs of their communities, particularly women and the poor and vulnerable; village institutions (e.g. village councils) effectively engaging with village government and service units to address needs of women and the poor and vulnerable; and communities increasingly advocating for their priorities in village development, including access to frontline services.

Future work will build on lessons from key achievements to date under the cross-cutting IOs that contribute to EOFO 2, including:

- Contributions to four national regulations and other technical guidance on Village Law implementation (contributes to IO 1).
- A total of 262 female village cadres (of 2,524 trained) having taken on higher roles of leadership and responsibility at the village level, including engaging with communities to influence allocations of village resources (contributes to IO 3 and IO 4).

- In 18 target villages, social accountability tools supported an increase in allocations between 2017 and 2018 for education, health, and community empowerment activities (for a total increase of IDR 137 million) (contributes to IO 3 and IO 4).
- The establishment of village information systems that include data on populations with disabilities in 291 villages (contributes to IO 2 and IO 3).

EOFO 3: The Poor and Vulnerable Benefit from Increased Opportunities for Economic Development

The overall objective of work towards this outcome is to support Gol in increasing economic opportunities for the poor, by increasing options for employment. KOMPAK aims to support the productivity of micro and small enterprises (MSEs) in rural villages. At the sub-national level, KOMPAK will support piloting of active support services for MSEs that can help improve their access to markets and increase their productivity, and also help to assess what works and doesn't work. KOMPAK will also provide policy advice on the scale up of successful initiatives related to local economic development for poverty reduction.

Key results within this area are likely to include: local governments developing an enabling regulatory environment for MSEs; local governments and the private sector working together to create supportive services for MSEs to grow; MSEs gaining the skills, knowledge, and networks to grow their businesses, with particular focus on women-owned enterprises; and adoption of the market-linkages approach through Gol policies and resourcing.

KOMPAK is therefore in the process of designing a new approach to support services, which identifies business opportunities that can benefit the poor in rural villages, and connects micro and small enterprises to markets (especially through private sector partnerships), using a creative approach to problem-solving that places the beneficiaries at the centre of activity design, and which learns from experience (including failure).

Intermediate Outcomes

At its heart, KOMPAK is a governance program focused on improving policy and regulatory frameworks, systems for public financial management in support of service delivery, sub-national capacities for service delivery, and citizen engagement and social accountability for better services. These are therefore KOMPAK's main IOs: the medium-term changes in behaviour, practice, and decisions resulting from KOMPAK's work, contributing to improvements in functionality and coherence between upstream policy, how systems connect, and downstream service delivery.

KOMPAK's IOs can potentially contribute to any of the three EOFOs. This is intentional, as a way to encourage KOMPAK's internal teams to not only focus on one particular EOFO, but to see linkages across service delivery, village governance, and local economic development. To guide teams in working across EOFOs, four IOs are presented below; these replace the five outlined in the 2018 LDD.

KOMPAK's IOs are as follows:

- **IO 1: Relevant Gol institutions improve the quality and consistency of key policies related to service delivery, village governance, and local economic development.** These changes will predominantly be at the national level, but may also be at the sub-national level.
- **IO 2: Relevant Gol institutions improve fiscal transfer arrangements for service delivery, village governance, and local economic development.** These changes highlight the importance of KOMPAK's work on public financial management systems as an enabler of improved service delivery, village governance, and local economic development. These changes may occur at all levels of government, from the national level to the village level, and often cut across more than one level.

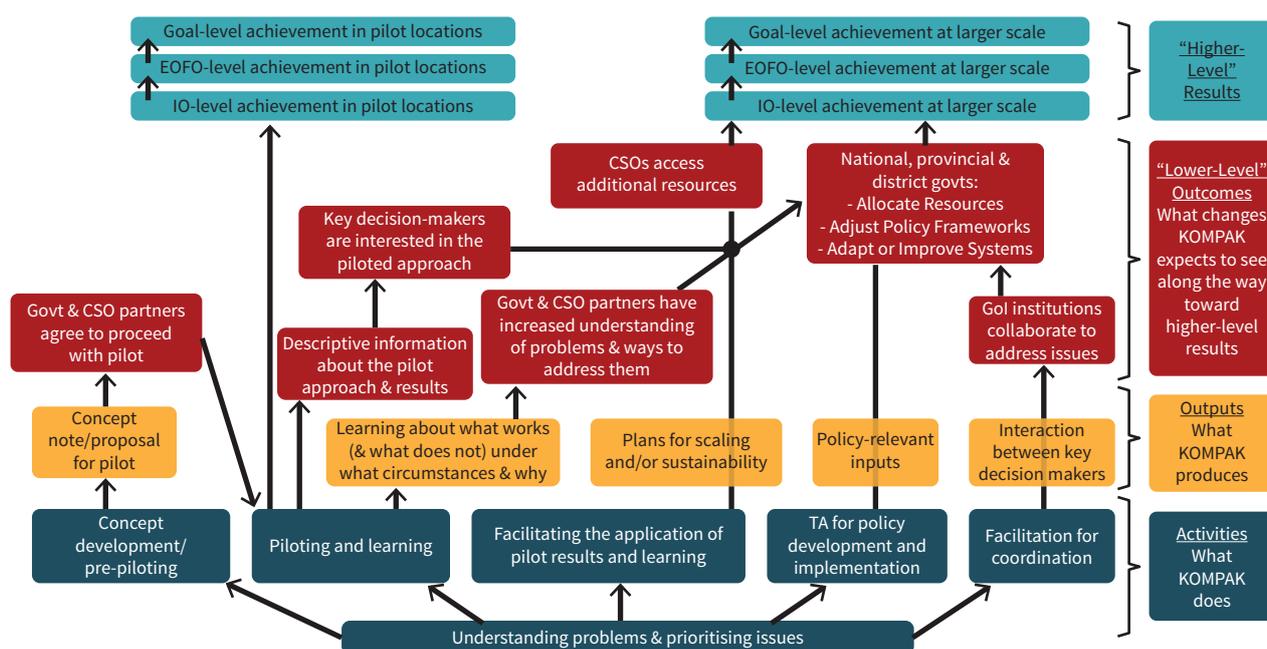
- **IO 3: Local governments and service units have strengthened systems, processes, and procedures.** These changes are related to increases in regulatory, institutional, human, and financial capacities within district, sub-district, and village government institutions, as well as service delivery units.
- **IO 4: Communities and their institutions effectively engage with local governments and service units for better services, inclusive and transparent village development, and support for local economic development.** These changes cover the quality, depth and intensity of citizen engagement and social accountability (the so-called ‘demand side’), including the openness, accessibility, and functioning of the ‘deliberative’ spaces where interactions between: (i) local governments and service providers; and (ii) citizens and communities take place. These changes occur at the sub-national level.

For additional details about how this higher level strategic framework, please refer to the 2018 KOMPAK Performance Management Framework (PMF) in Annex 2.

KOMPAK’s Lower-Level Results Framework: How KOMPAK works

At the heart of KOMPAK is the approach of experimentation, evidence, and targeted policy support. Different types of Activities are designed and implemented to generate ‘lower-level outcomes’, which are expected to contribute to KOMPAK’s higher-level results. KOMPAK’s lower-level program logic (see Figure 5 below) describes the pathways by which KOMPAK’s Activities link up to the higher-level results.

FIGURE 5. KOMPAK’S LOWER-LEVEL RESULTS FRAMEWORK



Broadly KOMPAK supports six different types of Activities:

- Activity Type 1: Understanding Problems and Prioritising Issues
- Activity Type 2: Concept Development
- Activity Type 3: Piloting and Learning
- Activity Type 4: Facilitating the Application of Pilot Results and Learning
- Activity Type 5: TA for Policy Development and Implementation
- Activity Type 6: Facilitation for Coordination.

For additional details about how this framework will be operationalised, please refer to the 2018 KOMPAK Program Logic and Ways of Working (PLWW) in Annex 3 and Performance Management Implementation Plan (PMIP) in Annex 4.

Sector Strategies

While KOMPAK has always aimed to contribute to improvements in basic service delivery, the 2019–2022 framework presented is more focused when it comes to specific contributions to the target sectors of Health, Education, Civil Registration and Vital Statistics, and Local Economic Development. The more detailed outline of these sector strategies are found in the individual Sector Governance Strategy documents, while below are summaries of each strategy:

- The KOMPAK governance strategy for Health sector interventions is concentrated around equity in access to quality basic health and nutrition services.** The strategy focuses on strengthening health service delivery performance, in terms of: (i) access to and use by those in need; (ii) adequate quality of care; and (iii) efficient use of available resources. Thus, this strategy supports identifying and solving implementation bottlenecks within these three areas, as they are often the source of many of the challenges currently seen in delivering basic health services in Indonesia. The main target groups are poor and vulnerable (pregnant) women⁷ and children⁸, while the overall system strengthening initiatives will benefit all users. Supporting improvements in equal access to quality basic health services to poor and near-poor pregnant women and their children in particular fits well- within KOMPAK's overall goal, and supports implementation of KOMPAK's 2018 GESI Strategy. The main target units for this strategy are frontline service delivery units, such as *Puskesmas* and community-based health services (e.g. *Posyandu*, *Polindes*, and *Poskesdes*) in remote and island-based areas. These institutions are usually the first point of contact that people, especially pregnant women and young children, have with the health care system. In line with the overall KOMPAK focus on frontline services, this approach emphasises provision of basic services that are responsive to problems that occur in various basic service facilities, including feedback to and from the community as users of basic services.

In addition, KOMPAK will also seek to support the National Strategy for Stunting Prevention (StratNas Stunting), through the district convergence agenda. Building on KOMPAK's comparative advantage, the facility will focus on cross-sectoral and integrated government approaches and mechanisms, such as institutional strengthening, evidence-based planning and budgeting, data systems and analysis, and supply-side and demand-side accountability.

- The KOMPAK governance interventions in the Education sector are concentrated around equity in access to quality basic education services, with particular focus on system strengthening aimed at improving minimum standards of services, the number of out of school children, and ECED.**⁹ This strategy focuses on supporting the identification and solution of implementation bottlenecks within the identified areas. The main target groups are poor and vulnerable children, including girls, boys, and children with disabilities. The strategy considers the importance of increasing access to and quality of ECED, and the level of education to tackle inter-generational poverty, cognitive development, health and nutrition indicators, and economic opportunities. The main target frontline units for this strategy are primary schools and ECED centres to enable problem-solving and identification at the point of interaction between the users (the students and their parents) and the service providers.

⁷ Pregnant and postpartum women.

⁸ Children under 5 years old.

⁹ KOMPAK will pay special attention to indicators related to early childhood education development (PAUD and PAUD-HI) and out-of-school children (OOSC), in addition to indicators related to more direct program delivery to improve school facility readiness by fulfilment of minimum service standards. The rationale for this focus is that ECED-related indicators are correlated with early cognitive development; thus, later performance abilities in education. Further, OOSC indicators may support the measurement of equity in access to education services, especially for the poor and near-poor. Therefore, supporting improvements in equal access to quality basic education services for children from poor, near-poor, or otherwise socially-excluded households is particularly well-fitted within the KOMPAK mandate and overall goal.

- **KOMPAK's support to Civil Registration and Vital Statistics is focused on strengthening the accessibility and quality of CRVS services in Indonesia.** While the program is specifically targeting an increase in birth certificates for children under five years old, the support seeks to improve CRVS services related to all legal identity documents for parents and members of the wider communities. The strategy focuses on tackling the underlying problems of disparities, exclusion, and inadequate systems to respond to the problems identified at the local level. In particular, expanding services, harmonisation of the legal and regulatory framework (operating environment), and the capacity of Dukcapil is at the centre of this strategy. This support is aimed at enabling Dukcapil to provide universal and accessible services at village and district levels. In addition, support to community members, especially the most vulnerable, is critical to increase their understanding and legal identity seeking behaviours.
- **KOMPAK's support to Local Economic Development aims to improve the access of micro enterprises to market information and to business supports for market uptake.** The basis for the LED strategy is to support national and local governments to develop and pilot better-targeted support services for micro and small enterprises, with the overall objective of local governments improving their support to MSEs that are managed by the poor and vulnerable. To achieve this, the strategy provides comprehensive and intensive support for existing MSEs at the district level through: (i) piloting new approaches to delivering MSE support services; (ii) improving the regulatory environment for MSEs; and (iii) improving awareness amongst the communities about government and non-government support services and resources. While the sectoral focus varies from sector to sector, there are elements of similarities in the types of support KOMPAK will provide across these target sectors.

While the four sector strategies provide overall guidance for KOMPAK's governance approach to strengthen service delivery in the four sectors, the implementation of the strategies is guided by the following principles:

- **The implementation approach is to identify local solutions to local problems through an adaptive process,** and the strategies are therefore only providing guidance, with optional interventions depending on the challenge at hand. The support will be delivered through four pillars or types of interventions, including GESI-related issues facing the poor women and those who are marginalised: (i) policy and regulations; (ii) financial management capacities; (iii) systems, processes, and procedures; and (iv) social accountability/community engagement, in line with the overall KOMPAK technical support framework, as described in the 2018 PMF.
- **Focus on system strengthening with the aim of decreasing variability in basic health, education, CRVS, and LED service coverage, comprehensiveness, and quality.** In Indonesia these variations are largely explained by: variations in and the quality of prioritisation, budgeting, and spending; low levels of accountability; sufficient staffing in rural/highland areas; and capacity to plan and manage the local health system; rather than lack of fiscal capacity. Tackling these types of governance bottlenecks aims to increase level of efficiency and effectiveness of government investments in the sector.
- **Support improved integrated governance across the health, education, CRVS, and LED service delivery system.** To improve frontline service units' performance, the role of the province, district, sub-district, and village will be central in providing enabling regulatory frameworks; financing and spending; oversight, data management and use; and technical and coordination support. Thus, KOMPAK will identify key pressure points at different levels of government to target its interventions to enable collaboration across levels and between sectors.

4 | KOMPAK SUCCESS IN 2022

In preparation for the KOMPAK continuation phase (2019–2022), KOMPAK prepared two sets of high-level guiding documents: (i) Sector Strategies for Health and Nutrition, Education, CRVS, and LED; and (ii) Technical Guidelines for Fiscal Transfers and Public Finance Management (including special autonomy funds); Sub-District (*kecamatan*) and Village Strengthening (including community engagement and social accountability); Sector Strengthening; and Local Economic Development.

The Sector Strategies provide the scope of focus of KOMPAK’s work in each sector (***the what***), and the types of problems KOMPAK’s governance work will aim to address. KOMPAK teams refer to the Sector Strategies for guidance on the types of problems relevant to KOMPAK, and to better understand the results that governance interventions can contribute towards within each sector. The Sector Strategies outline KOMPAK’s best understanding of each sector’s problems at this point in time. It is likely that, during implementation over the coming three and a half years, new information and understanding of the issues may surface that might require modifications and revisions to the Sector Strategies.

The Technical Guidelines outline the specific types of governance interventions (***the how***) that KOMPAK adopts to test solutions to the sectoral problems. KOMPAK implementation teams use the Technical Guidelines as their toolkit to help them identify the types of relevant governance activities to focus on to address identified problems outlined in the Sector Strategies, and operationalised through the local identification of problems and solutions. These guidelines are intended only as a guide. Teams, in collaboration with local government, may identify other types of governance interventions outside the current toolkits, as implementation progresses and teams learn. The process of local learning may inform iterations to the Technical Guidelines and be the basis for new guidelines over the coming three and a half years.

To better focus the KOMPAK objective and aims, KOMPAK has also defined aspirational targets for KOMPAK Success in 2022, to reflect the desired long-term changes to which KOMPAK strives to contribute through its Activities. KOMPAK Success in 2022 provides the framework for assessing KOMPAK’s overall performance as a facility in contributing to large-scale change during its full seven-year period. There are three main categories of change:

- (i) National or provincial **policy changes** that KOMPAK will aim to influence.
- (ii) **Durable change(s) at the district level** that KOMPAK will contribute towards – these are IO-level changes (i.e. policy; fiscal transfer arrangements, service delivery systems, processes and practices; and engagement between communities and local governments and service providers).
- (iii) **Successful model(s)** that KOMPAK will have tested and demonstrated as potentially scalable (by the government or other institutions).

KOMPAK teams use the KOMPAK Success in 2022 targets as the basis for setting priorities and resource allocations, and ensuring their alignment with these aspirational targets. As a facility, KOMPAK allows room for emerging opportunities and priorities that do not directly contribute to these targets, although such Activities should not comprise more than 20% of KOMPAK's resourcing. Assessment of the current situation in relation to KOMPAK Success in 2022 will be undertaken in the first half of 2019. The development of KOMPAK Success in 2022 follows recommendations from the Independent Strategic Advisory Team (November 2018), and the guidance set out in KOMPAK's Performance Management Framework.

In 2022, KOMPAK aims to see and contribute to the following major changes related to decentralised service delivery, village governance, and local economic development in Indonesia.

- **Local governments have increased allocation and quality of spending to improve access and quality of basic services.**

A significant proportion of the government budget is decentralised to the districts and villages. Fiscal transfers (DAK, DID) amount to IDR 706.1 trillion, or 31.8%, of the total government budget. The government continues to increase the budget allocation for Village Funds, with a total of IDR 60 trillion, or 2.7%, of the total government budget distributed to 74,957 villages across the country in 2018. Specifically for Aceh, Papua, and West Papua Provinces, special autonomy funds (*otsus*) are also provided to accelerate development in these provinces. However, the increasing volume of transfers to provinces, districts, and villages has not been matched with commensurate gains in improving people's access to quality health, nutrition, education, and legal identity services.

In relation to this, KOMPAK focuses on improving regulatory frameworks to better finance, deliver, and manage performance of basic service delivery. This entails policies that determine how fiscal transfers are allocated, namely DAK, DID, and DD, and also piloting performance-based incentives through these existing transfers. At the local level, KOMPAK seeks to improve local government capacities for public financial management, and planning and budgeting, including piloting and scaling of supporting tools such as SEPAKAT. With regard to *otsus*, KOMPAK will focus on strengthening national and provincial regulations to increase effective use of *otsus* funding in Aceh, Papua, and Papua Barat more broadly, while continuing specific technical support to BANGGA Papua as an *otsus*-funded initiative to reduce poverty.

- **Local governments and service units have developed and tested local innovations to improve the accessibility and quality of health and nutrition services.**

Most of KOMPAK's support for health has so far been spread across locally-specific initiatives to improve health services, including island-based services, nutrition, and management of the *Puskesmas* health centres. Moving forward, KOMPAK is taking on a more consolidated approach to health services governance, with a specific focus on improving access and quality of maternal, neonatal, and child health services, and stunting reduction. The piloting work at sub-national level will serve as the entry point to inform national policies related to health services in island regions and remote areas (the *Tertinggal, Terluar, Terdepan* regions, known as 3T), including the use of technology-based innovations. Also at the national level, KOMPAK will explore policy options for performance-based incentives that are linked to the national social security agency (Badan Penyelenggara Jaminan Sosial Kesehatan, or BPJS). In the KOMPAK districts where health and nutrition are being prioritised, KOMPAK seeks to influence district governments' use of MSS data to guide local policies, allocation and spending, and institutionalise mechanisms at all levels (district, sub-district, and village) to support multi-sector convergence actions to reduce stunting.

- **Local governments and service units have developed and tested local innovations to improve the accessibility and quality of education services.**

Similar to health, KOMPAK's activities related to education have covered different locally-specific initiatives to improve basic education services. Based on the results and learning, KOMPAK will take on a more targeted approach to address the issue of out-of-school children. In areas where KOMPAK is already working on this

issue, KOMPAK will work towards institutionalising local government mechanisms to identify out-of-school children and support their return to school. KOMPAK will aim to document and scale the existing models, while also supporting ways for local government to accurately plan and budget activities to achieve the newly revised MSS for education. At the same time, KOMPAK will initiate some pilots on CSO financing for education services and village-based services. KOMPAK will leverage the institutional capacities and multi-sector mechanisms that KOMPAK has already helped to build at district, sub-district, and village levels to enable multi-sector coordination for holistic and integrated ECED services delivery.

- **Local government and service units have improved the accessibility and quality of CRVS services.**

KOMPAK's work on strengthening CRVS services is aimed to increase the coverage of legal identity document ownership, and the comprehensiveness of population administration (*adminduk*) data, which when augmented will contribute to an increased use of basic services, including health, education, and social assistance. Improved CRVS systems are also expected to generate timely and accurate *adminduk* data for planning, budgeting, and monitoring. In the last two years, KOMPAK's support has enabled more than 67,437 legal identity documents to be issued in 26 districts in the seven provinces where KOMPAK works. Moving forward, KOMPAK will continue its comprehensive programming on CRVS. The Activities are aimed towards improvements in national policies, namely the national CRVS strategy, and local policies, systems, and resources to bring collective and integrated civil registration closer to communities. At the district level, KOMPAK aims for systemic changes related to village-based CRVS systems, simplified CRVS processes, integrated procedures across health, education, social protection and civil registration sectors, and clear budget structures and allocations. The three models for CRVS (acceleration, outreach, and prevention) and CRVS village facilitators will be documented and scaled to inform national policies. Particularly in Papua, KOMPAK will focus on strengthening the CRVS services of BANGGA Papua as a twin component to the cash transfer, so that registration with the program facilitates the beneficiaries to also obtain their legal identity documents.

- **Village governments have skills and mechanisms (including data) to improve services at village and inter-village levels.**

One of the main desired outcomes of KOMPAK's work on village governance is that village governments have the means to improve services within and between villages. The targeted results include a combination of top-down policy improvements and local-level changes. The policies relate to setting priorities for Village Funds allocation, and clarifying the authorities of village governments for basic services provision and local economic development. At the local level, KOMPAK supports the district government to put in place supporting regulations on these same issues, and also on village planning and budgeting and village financial management. It is expected that all districts in KOMPAK locations can generate and use data from villages as a basis for their planning and budgeting. KOMPAK is currently trialling different models of village information systems and capacity development for village apparatus, and will continue these through to 2022.

- **Local governments provide effective support to villages and service units (health clinics and schools) to improve basic services.**

Sub-district governments are strategically positioned to oversee and support villages on their development agenda and to coordinate the services units, namely *Puskesmas* and elementary schools (SD), to improve their services. To fully realise this potential of the sub-districts, KOMPAK tries to influence policies at national and sub-national levels, as well as to support local-level systems strengthening. The main policy changes relate to defining the role of sub-districts in coordinating basic services, promoting sub-district strengthening as a national priority program, and making available guidelines for guidance and oversight by the sub-district to the villages. In all KOMPAK districts, it is expected that local regulations on delegation of authority are in place, and that resources and mechanisms are available for sub-districts to exercise these authorities. Ongoing pilots include sub-district strengthening, LANDASAN, integrated support from sub-districts to villages, the *Kecamatan* dashboard, and capacity development for village apparatus (PbMAD).

- **An increased number of women have assumed higher roles of formal responsibility in their village in KOMPAK targeted provinces.**

It is well evidenced that increased participation of women in development processes can lead to increased resource allocations that respond to the community's needs, especially health and education. Guided by the GESI strategy, KOMPAK has implemented a number of initiatives to strengthen women's voices and action in village development. These include locally-specific approaches that promote women-led decision-making for improved village development, and the *Akademi Paradigta* that engages women at the village level and equips them with the skills, knowledge, and networks to take on leadership roles in their villages and communities. KOMPAK aims to expand these initiatives through government and CSO networks, while also ensuring that KOMPAK-targeted districts put in place policies and resources to support local leadership programs for women.

- **Communities, especially women, and the poor and vulnerable, are taking action to push government and services units to improve the accessibility and/or quality of services.**

Citizen engagement and action to hold governments accountable for basic services and village development is a core area of work in KOMPAK. The overall aim of this social accountability work is that communities can take action to push government and service units to improve their access to quality services, with specific focus on women, and the poor and vulnerable people in the communities. Building on the previous work, KOMPAK will continue piloting of social accountability initiatives, namely citizen journalism, collaborative monitoring, complaints-handling mechanisms, and budget literacy (*Sekolah Anggaran*). This will be done in a more coherent way, so that the use of these tools and mechanisms can be integrated into planning and budgeting processes for villages and service units. It is expected that districts in the KOMPAK-targeted locations are then able to institutionalise these tools and mechanisms, particularly for health, education, and CRVS services.

- **An increased number of micro and small-to-medium enterprises (MSMEs), especially those involving the poor and vulnerable, have increased their productivity and market access.**

For local economic development, KOMPAK will focus on increasing the number of micro and small enterprises, especially those owned by or employing the poor and vulnerable, which have increased their productivity and market access. The market-linkages approach facilitates MSMEs, local governments, and the private sector to undertake a participatory design process that generates viable business models/options for the MSMEs to respond to market demands. KOMPAK aims for this market-linkages approach to be adopted as part of the government's poverty reduction strategy and policy. In the selected districts where the market-linkages approach is being piloted, KOMPAK expects that districts will have the regulatory framework, institutional set-up, SOPs, and operational platforms to implement the market-linkages approach in a systematic and sustainable way.

KOMPAK will operationalise its results framework and planned activities using Multi-Year and Annual Work Plans (AWPs) that incorporate the provincial activities.

5 | GESI STRATEGY

Indonesia has a strong policy framework for gender equality and inclusion of people with disabilities. At the highest level this includes stating the equality of all persons in the Indonesian Constitution, ratifying the UN Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) in 1984, ratifying the UN Convention on the Rights of the Child in 1990, and ratifying the UN Convention on the Rights of Persons with Disabilities (UNCRPD) in 2011 with Law No. 19 of 2011 on the Ratification of the UNCRPD. The Gol has passed Law No. 8 of 2016 on Disabilities, which presents a fundamental shift for disability inclusion principles in Indonesia from charity to human rights.

At the core of KOMPAK's work is an explicit focus on poor women and the most marginalised, as outlined in the program goal: **poor and vulnerable Indonesians benefit from improved access to basic services and economic opportunities**. As an Australian-funded program, KOMPAK responds to Australia's *Gender Equality and Women's Empowerment Strategy* (2016), which acknowledges gender equality and empowering women as an important right and a driver of growth, development, and stability. KOMPAK also supports DFAT's *Development for All 2015–2020: Strategy for Strengthening Disability-Inclusive Development in Australia's Aid Program*, which articulates the approaches that will be implemented through working with people with disabilities, and their representative organisations and partners.

KOMPAK's Approach to GESI

KOMPAK's GESI Strategy (2018–2022) outlines how KOMPAK will ensure a focus on gender equality and social inclusion and take tailored approaches within different contexts and conditions to push for transformative change for poor women, people with disabilities, and indigenous women (in Papua and West Papua). The GESI strategy is positioned within KOMPAK's Performance Management Framework.

The current strategy (2018–2022) is a revision to KOMPAK's first GESI Strategy (2017–2018), and it responds to:

- Key GESI results and learning from the first three years (2015–2018).
- DFAT's Independent Progress Review (2017) and Aid Governance Board (AGB) (2018) recommendations for strengthening GESI.
- A more structured approach to contributing to development outcomes in health and nutrition, education, legal identity, and local economic development.

Investments target poor women, people with disabilities, and indigenous women (in Papua and West Papua). The strategy adopts a twin-track approach, which means:

- GESI is mainstreamed: GESI is an integral part of planning, preparation, implementation, monitoring, evaluation, and reporting in all outcome areas.
- Investments are made in GESI-focused activities: GESI-focused activities aim to address particular inequalities and exclusionary factors, identify and test promising strategies for replication, or otherwise inform future program development.

A Focus on Building Women in Local Leadership

A key area of proposed focus – reinforced by the Independent Strategic Advisory Team (2018) as promising – is building women in local leadership. Around 5% of village and sub-district heads across Indonesia’s 34 provinces are female (PODES 2016). The proportion of village and sub-district secretaries that are women is higher, although still very low (7,156 out of 70,780 or 10.1%). A 2012 survey conducted by PEKKA found that just over a third of respondents felt that women cannot become leaders, with the main reason cited being a belief that women don’t have the ability (77%). Under National Regulation No. 110 of 2016 on Village Councils, the village council must have at least one female representative. However, in KOMPAK locations alone, only 9% of the 814 BPDs had a female representative. Further, only 11 of the 514 sub-village heads are female, and only three of the 814 village heads are female.

Since 2016, KOMPAK has supported PEKKA’s *Akademi Paradigta*, mentoring and training female cadres to engage in village planning and development for community-driven and inclusive development. In the first two years, 262 alumni (of the 2,524 trained) took on higher roles of responsibility in their community. This evidenced the potential impact of empowering these women with skills, knowledge, and networks. Building on these results, this work will aim to address in KOMPAK-targeted locations: (i) the low number of women holding leadership positions in the village; (ii) the low budget allocations to develop women to have skills/knowledge/networks to take on leadership roles; and (iii) the lack of effective local mechanisms to enable women to drive local development.

The activities building women in local leadership are not standalone activities within KOMPAK. They will be components of work within Activities outlined in the thematic areas of this design document related to CRVS, education, health, and local economic development. In this way, the work serves the dual purpose of a specific focus and resourcing for GESI activities, at the same time as mainstreaming GESI within Activities.

A Focus on Affirmative Action

A second main component of GESI work is through KOMPAK support to local governments to pilot models of affirmative action for women and marginalised groups in village planning and development processes. This work is embedded within the provincial teams’ broader agenda of improving access to basic services, and so generates results and learning on improving access to basic services, as well as GESI-specific results on women and socially-excluded or marginalised groups in local decision-making. In Aceh, KOMPAK will support the provincial government to further pilot and replicate *Musyawahar Rencana Aksi Perempuan (Musrena)*, a women’s consultative planning forum connected to the main district-level planning process (*Musrenbang*). In 2017, KOMPAK supported cross-exchange and learning on the Aceh model of affirmative action with Pacitan District and Trenggalek District in East Java. This led to initial design and piloting work on a model of inclusive planning within *Musrenbang*. Going forward, in East Java, KOMPAK will support the Pacitan District Government and Trenggalek District Government to pilot *Musyawahar Rencana Inklusi (Musrenbang Inklusi)*, promoting affirmative action for women, as well as marginalised and excluded groups, to secure budget for local planning priorities.

To support mainstreaming of GESI across the program, and to strengthen GESI programming, KOMPAK will focus on:

Leveraging DFAT program partners: In the first phase, KOMPAK engaged with MAMPU partners and PEDULI on an ad hoc basis, pursuing discrete activities of common interest. KOMPAK will map these and other opportunities to identify a more deliberate and resourced partnership where mutual benefit exists.

Resourcing GESI: The IPR 2017 recommended greater resourcing for GESI, acknowledging resourcing in the first phase was not sufficient for KOMPAK's size and scope. To ensure greater leverage and integration, GESI work (with proposed additional budget) is managed within a cross-cutting team of work, with two additional staff.

Mainstreaming GESI: GESI Activities and sub-activities are integrated into the Activity Concept Notes of provincial and national teams, with additional national budget for cross-cutting technical support, knowledge management, analytics, and learning for scale.

Quality assurance: The GESI Quality Tool (outlined in the PMF) is used as part of regular performance reviews to review the quality of their investments related to GESI and the GESI team and consultants will provide technical support and guidance to teams for improvement.

Knowledge management and sharing: The GESI team, supported by the Performance team, will manage priority pieces of analytics to gather evidence and information on good practice and learning that will inform program improvements and be used to influence replication where approaches are evidenced to be working well. Internally, there are a number of ways that KOMPAK socialises good practice and learning, including through weekly emails on good GESI practice.

For more detailed information about the GESI strategy, please refer to KOMPAK GESI Strategy 2018-2022 in Annex 5.

6 | INNOVATION

Innovation cuts across KOMPAK's work at the national and sub-national levels, with the main objective of providing smart solutions and use of technology to support improvements in basic service delivery. In 2019, there are two main strategies to encourage innovation across KOMPAK's portfolio.

Some of the challenges identified from the first four years related to KOMPAK's innovations work have included: a lack of 'buy in' from the other program areas; a lack of common understanding of innovation amongst teams; its unique association with IT-based solutions; and the perception of innovations as standalone activities, given innovations were primarily facilitated through a separate project.

This revised innovation strategy takes into account the 2017 IPR recommendation 19 and DFAT's management response to innovation. The strategy also builds on a broader definition of innovation, encompassing innovation in terms of non-traditional development partners, modality, approach, new technology, and focus. Criteria for innovation in KOMPAK will therefore focus on two key issues. First, to what extent do these activities contribute towards KOMPAK outcomes? Second, do these activities have the potential to overcome the challenges identified in this aspect of KOMPAK's work to date? This may result in KOMPAK turning away some excellent interventions; however, this strategy will help to ensure the relevance of selected innovations to contribute to solving priority government problems that KOMPAK has chosen to focus on, and to ensure 'buy in' to increase the likelihood of sustainability beyond KOMPAK.

The **first strategy** is to facilitate collaboration and partnership between non-traditional actors for village development. One example is *Universitas Membangun Desa* (UMD). Over the past two years, this pilot has moved to scale, and this has led to a subsequent shift in KOMPAK's role. In the early pilot days, KOMPAK was the technical designer and implementer. In 2018, as the pilot scaled and replicated, KOMPAK shifted its engagement to become facilitator and adviser supporting government in its efforts to replicate the initiative, and to universities now independently managing and scaling their own programs. In 2019, KOMPAK will continue to connect government at the national level to build this initiative across other ministries, and encourage a legal framework for UMD. Initiatives to connect new universities with pilot universities to act as mentors to those interested to replicate the model (through peer-to-peer learning) will be taken over by sub-national teams in relevant locations.

A second example of KOMPAK's facilitation role is the DEVI (devi.id) innovation platform that connects innovators with the private sector or investors. Initially, KOMPAK supported Saraswati to establish the platform and attract members to join. In 2019, KOMPAK will continue to facilitate Bappenas engagement with Saraswati to explore the potential to leverage this online platform to support Bappenas market linkages.

The **second strategy** is to identify where technology can provide solutions to those priority problems KOMPAK seeks to address. In some cases, the Innovation team takes a bottom-up approach. They consult sub-national teams on key district problems from the provincial roadmap process, and aim to identify opportunities to use technology. For example, an internal KOMPAK team challenge and call for proposals was conducted in 2018. The 'winner' of this challenge was KOMPAK's East Java team, who will work with the Innovation team in 2019 on one

of their identified district problems. Specifically, in 2019 KOMPAK will develop and test use of mobile applications and a dashboard for pregnant mothers and newborn children, as part of the Bondowoso District Government's commitment to prevention of stunting and maternal and infant mortality. This same problem was identified in two other KOMPAK districts (North Lombok and Pangkep District); however, as a starting point, KOMPAK will begin the pilot in Bondowoso.

In other cases, KOMPAK is reaching out to global networks to identify and source new ideas and opportunities for KOMPAK to use technology. The first example is blockchain. In 2017, KOMPAK connected to global networks (EverID, QADRE, and Blockchain Zoo), which are keen to trial blockchain in Indonesia. This sparked interest from Bappenas, and KOMPAK is now engaging with Bappenas to assess opportunities for blockchain in BANGGA Papua. While the transition period identified the challenge and possible 'lack of readiness' of this pilot for blockchain, KOMPAK will explore this further in 2019, and also look to identify other opportunities across KOMPAK's portfolio for blockchain.

A second example is the potential to use drones. The KOMPAK team has connected with a private company who already successfully use drones for the distribution of vaccines, drugs, and blood into remote areas in Rwanda. KOMPAK has connected them to South Sulawesi, where in 2019 the team will explore opportunities for drones to distribute blood to remote health clinics to improve service unit management.

7 | DELIVERY MODEL

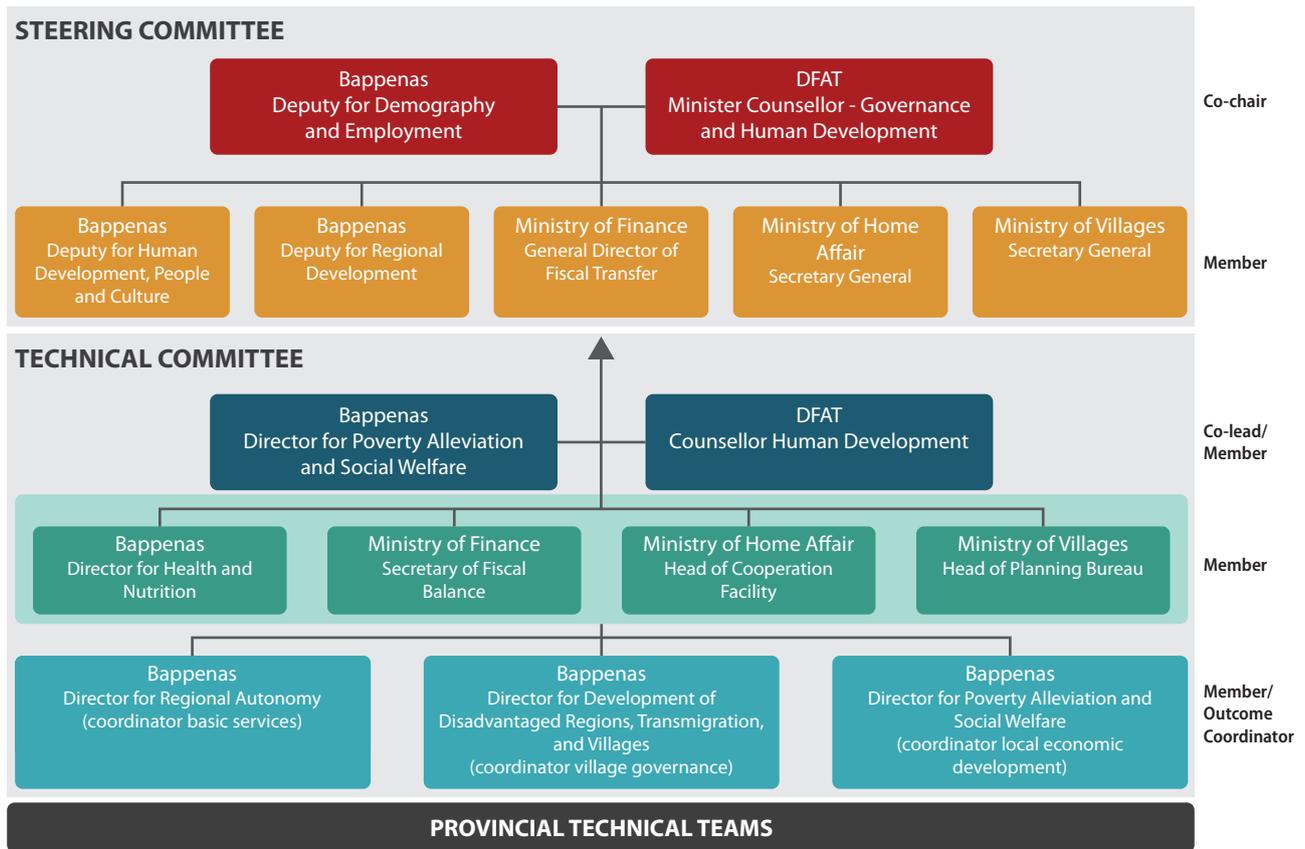
KOMPAK is considered to be a facility with flexible delivery mechanisms that will enable it to adapt and iterate as the program matures and political context changes. The program will be delivered mainly through core staff placed at national and sub-national levels through a self-implementation modality. However, value for money principles will be applied to define the best use of resources and, in cases where the justification is strong, partners (for example, CSOs) will be engaged. Further, acknowledging the many technical areas and aspects of the program, specialist external technical consultants will be hired on an as-needs basis to complement core KOMPAK staff in certain areas.

Considering the nature of KOMPAK's interventions, GoI's ownership, involvement, and efforts towards institutionalisation will be the keys to KOMPAK's success. Hence, the governance structures, day-to-day operations, and financing strategy are geared towards government integration. KOMPAK works with government at national and local levels. The national stakeholders are comprised of the Ministry of National Development Planning; Ministry of Finance; Ministry of Home Affairs; and the Ministry of Villages, Development of Disadvantaged Regions and Transmigration. At the local level, KOMPAK operates in 26 districts spread across seven provinces, namely Aceh, Central Java, East Java, West Nusa Tenggara, South Sulawesi, Papua, and West Papua, and works with provincial and district governments in these areas.

Governance Structure

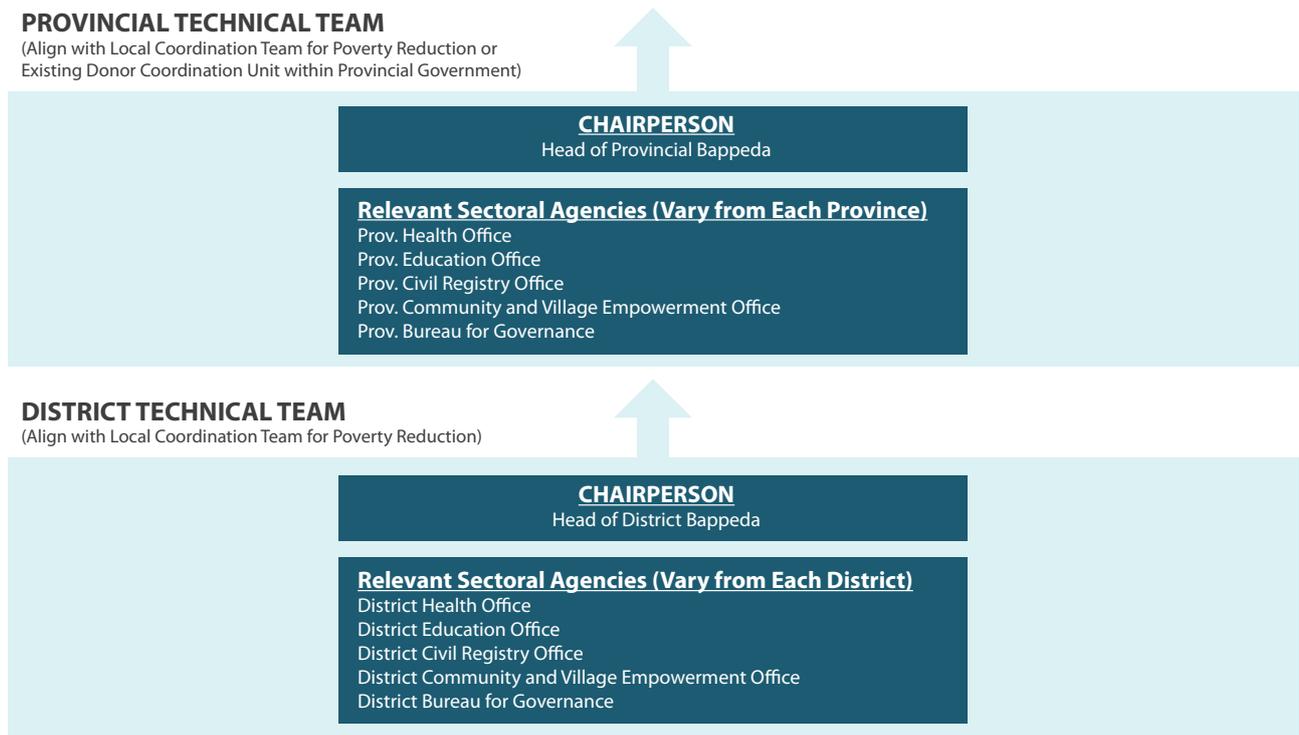
The KOMPAK governance arrangements have continued to evolve as GoI institutional arrangements became clearer during the initial phase of KOMPAK. Also, in response to the 2017 IPR recommendations regarding the need to strengthen the sectoral focus, KOMPAK introduced Sectoral Working Groups outside the main governance structure. Thus, four sectoral working groups (CRVS, Education, Health and Nutrition, and Local Economic Development) were formed to facilitate communication amongst stakeholders (from GoI, CSOs, and the private sector) to identify concerns and opportunities related to KOMPAK's final outcomes. The current governance structure is as follows:

FIGURE 6. NATIONAL GOVERNANCE STRUCTURES



Further to the national structures, the following structures have been established at the provincial and district levels to ensure local ownership and harmonisation of local programming.

FIGURE 7. SUB-NATIONAL GOVERNANCE STRUCTURES



Joint government and KOMPAK technical teams at provincial (PTT) and district (DTT) levels were established to act as key decision-making bodies, and to coordinate the delivery of technical assistance provided by KOMPAK. The technical teams present in each province are accountable to the Governor and the *Bupati* (Regent), and chaired by Bappeda and KOMPAK. The teams are comprised of multiple stakeholders, including the Health Office, Education Office, Population and Civil Registry Agency, Community Empowerment and Village Development Agency, Social Service Office, Bureau for Governance, and other relevant agencies that are responsible for the implementation of activities.

KOMPAK Steering Committee

The Steering Committee (SC) is the highest decision-making forum for KOMPAK and it provides strategic guidance with the following duties and functions. The Steering Committee meeting shall be held at least once a year, unless additional meetings are deemed necessary based on proposals from the Steering Committee or the Technical Committee:

- Provide guidance to strengthen and to ensure harmonisation and coordination across the ministries related to KOMPAK activities.
- Provide strategic direction to the design and implementation of KOMPAK's activities at national and sub-national levels.
- Approve the Annual Strategy, SOP, Work Plan, and Budget, as well as other strategic decisions and/or documents.
- Review, discuss, and decide on Activity proposals, based on recommendations from the Technical Committee.
- Monitor progress on achievement of program/activity implementation, and endorse reporting on KOMPAK's progress and results, including BAST reporting.

KOMPAK Technical Committee

The SC is supported by a Technical Committee (TC) that focuses on specific policy issues and activities related to KOMPAK's three strategies. The TC meets every six months and is responsible for the overall coordination of activities in the relevant ministries. The TC:

- Coordinates and communicates with the SC in terms of progress achieved and follow-up required.
- Endorses Standard Operating Procedures (SOPs) for KOMPAK Activities.
- Reviews and approves annual Technical Assistance plans.
- Jointly endorses the annual KOMPAK provincial work plan with the provincial technical team.
- Provides technical supervision and encourages the implementation of approved work plans.

Outcome Working Groups

The Outcome Working Groups were formed to discuss issues and updates on KOMPAK's achievements. These groups meet at least every three months, and have the following roles:

- Organise communication forums and technical discussions across ministries/agencies, as well as with strategic partners to ensure coordination in accordance with the three outcome themes (basic services/village governance/development of economic opportunity).
- Coordinate KOMPAK activities undertaken by relevant ministries/agencies and partners to ensure integration and harmonisation of implementation, and prevent overlap of activities.
- Provide technical policy input, technical review of regulations, and other technical recommendations to the TC, as requested by the Chairperson of the TC.

Sector Working Groups

The Sector Working Groups were formed as a technical consultation and discussion forum across Ministries and partner institutions that focus on and working in the same sectors as KOMPAK. The tasks of the Sector Working Groups are to:

- Coordinate the substance of KOMPAK activities carried out by the KOMPAK, Ministries / Institutions and CSO civil society organizations to ensure integration, harmonization of implementation, and to prevent overlapping tasks.
- Propose activities supported by KOMPAK.
- Provide technical input to policies and review technical regulations.
- Provide any other technical recommendations to the Technical Committee at the request of the Chair of the Technical Committee.

Provincial Offices and Sub-national Arrangements

Considering the nature of the program and the sub-national delivery mechanisms, Provincial and District Technical Teams have also been established to complete the KOMPAK governance structures from national to local levels. These two teams have the following roles and responsibilities:

TABLE 1. SUB-NATIONAL GOVERNANCE STRUCTURE, AND ROLES AND RESPONSIBILITIES

| Level | Structure | Roles and Responsibilities |
|------------------|---|--|
| Local Government | Provincial Technical Teams (PTT) | <ul style="list-style-type: none"> • Review and support the provincial agenda and disseminate work plans with participating district governments, including identification of target districts for replication. • Act as an information centre in support of dissemination/communication of good practice and learning with other districts and various stakeholders, including the wider community and legislature (e.g. the District Parliaments). • Annual planning and budgeting for joint implementation. • Provide monitoring and oversight of districts in program implementation. • Coordinate and prepare for six monthly provincial reporting. |
| | District Technical Teams (DTT) | <ul style="list-style-type: none"> • Formulate regional strategies in the fulfilment of basic services and integration into medium-term development plans, including the integration of minimum service standards in regional planning and budgeting documents. • Prepare local regulations (e.g. delegation and extension of authority from the <i>Bupati</i> (Regent) to the <i>Camat</i> (Head of Sub-district), optimising village funds for basic services). • Annual planning and budgeting. • Build capacity of other government units (district to sub-district, and district/sub-district to village). • Supervise and monitor program implementation. • Coordinate and prepare biannual reporting. |

Facility Management and Implementation Support

Self-Implementation by KOMPAK Staff

A majority of KOMPAK's activities are delivered by KOMPAK staff through a self-implementation modality. As such, highly technical staff are hired by KOMPAK based on the nature of its program activities and objectives. These staff therefore perform in a dual capacity; a role that entails direct technical engagement and advocacy with national and local governments; and as activity managers of specific technical activities that are outsourced or implemented in partnership with other organisations. This delivery model is one of KOMPAK's strengths as it allows for a coherent strategic approach between direct technical input from KOMPAK staff and guidance to our implementing partners and external advisors.

Short-Term and Long-Term Technical Advisers to Government

KOMPAK provides technical advisers (TAs) to support the government, based on demand and benefit for implementation-specific program activities. These types of TAs are providing advice in line with overall KOMPAK strategies and goals in areas defined in collaboration with Gol.

The process for requesting TAs is now rationalised and streamlined through the KOMPAK governance mechanisms. The new process means that TA requests are integrated into the annual work plan process, in which: (i) the Steering Committee endorses the criteria for KOMPAK TAs as part of the work plan approval; (ii) needs for TA in each ministry (number and specifications of TAs) are discussed and agreed upon by the Technical Committee; and (iii) Technical Committee reviews and approves requests for TAs on a six-monthly basis.

External Partners

KOMPAK also works with other external partners at both national and local levels, such as NGOs, CSOs, and universities, leveraging their networks and expertise to deliver common objectives.

At the time of writing, KOMPAK intends to partner on activities guided by the following common objectives:

- *Lembaga Perlindungan Anak Nusa Tenggara Barat* (LPA-NTB or Child Protection Agency of West Nusa Tenggara Province) – improving civil registration and vital statistics in NTB province.
- *Pemberdayaan Perempuan Kepala Keluarga* (PEKKA or Empowering Female-Headed Households) – strengthening women's leadership in villages.
- *Pusat Kajian dan Advokasi Perlindungan dan Kualitas Hidup Anak* (PUSKAPA or Center on Child Protection and Wellbeing) – improving civil registration and vital statistics.
- *Sekretariat Nasional Forum Indonesia untuk Transparansi Anggaran* (SekNas Fitra or National Secretariat for the Indonesian Forum on Budget Transparency) – social accountability for village budgets and basic services.
- *Yayasan BaKTI* (Knowledge Exchange for Eastern Indonesia) – improving basic services in Papua and Papua Barat.

KOMPAK will also collaborate with other DFAT programs to leverage efficiencies and effectiveness in program delivery.

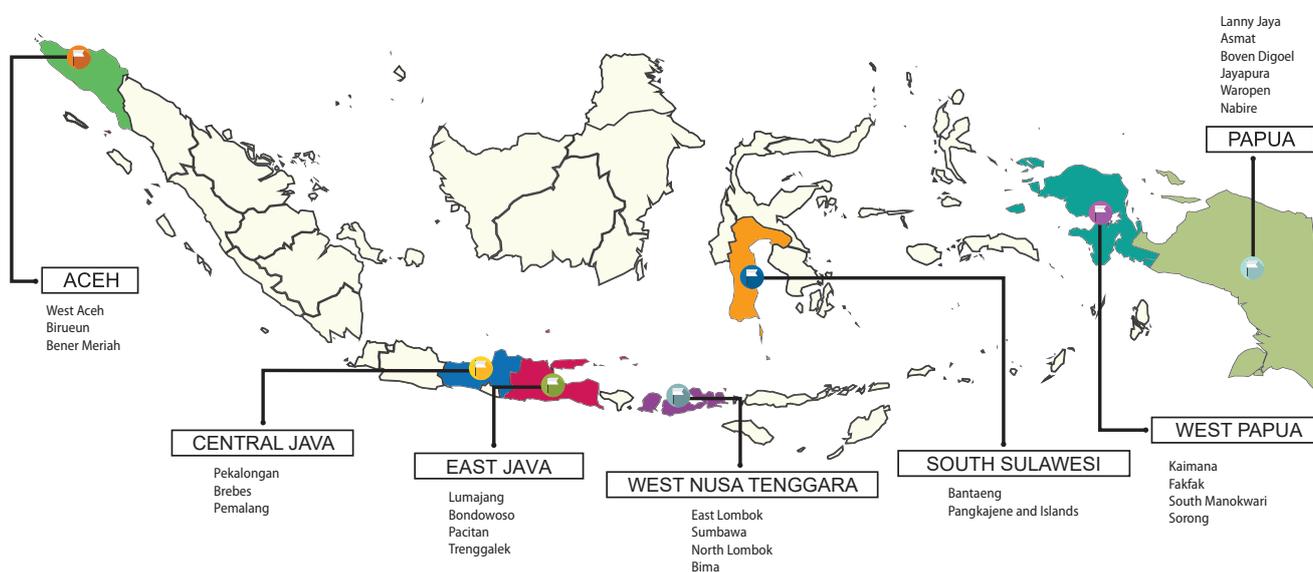
- INOVASI, UNICEF, TASS – integrating demand-side and supply-side interventions for improving education services and achievement of Minimum Service Standards at sub-national level.
- KSI – strengthening knowledge-to-policy processes at sub-national level and piloting CSO financing mechanisms.
- MAHKOTA – piloting locally-specific social protection program in Papua.

- MAMPU and PEDULI – piloting social accountability and inclusive village planning and budgeting; improving access of marginalised groups to basic services.
- PRISMA – piloting market-driven approaches to improve local economic development.
- World Bank and Local Solutions for Poverty – strengthening institutional capacities to support village development; convergence programming at sub-national level to reduce stunting.
- World Bank and PROSPERA – strengthening fiscal transfer policies and sub-national PFM capacities to improve decentralised service delivery.

Geographic Strategy

KOMPAK has gradually expanded its coverage from two initial provinces to the current seven provinces, 26 districts, and 48 sub-districts across Indonesia, as shown in Figure 8 below. A list is provided in Annex 1. This expansion has been accompanied by an expansion of KOMPAK’s provincial offices and presence.

FIGURE 8. KOMPIK PROVINCIAL AND DISTRICT FOCUS AREAS



Moving forward, KOMPAK will remain in the current target areas and, if deemed necessary, go deeper and broader within current engagement areas. Considering that the remaining period will focus on consolidating and complementing work already started in the current locations to leverage investments already made, the rationale for limiting expansion to new provinces is strong. However, rather than close the door unequivocally on this option, there is the possibility of expanding if opportunities emerge and justification for such expansion will further contribute towards the delivery of KOMPAK’s overall goal. KOMPAK will in the coming months develop a Sustainability Strategy that will outline the various options and requirements for defining its engagement strategy.

Financing Strategy

KOMPAK has a very clear investment mandate, and has to-date fully financed a majority of its activities. Moving forward, and in line with its new approach to replication and scale up, it will be expected that financial contributions by Gol for activities will increase over time. Considering the limited resources available in KOMPAK to fully finance replication and scale-up activities in all target areas, it is expected that national and local governments will provide both in-kind and financial resources for such scale-up activities directly. This strategy is not only related to monetary contributions; it is very much linked to achieving sustainability of activities, and to ensure full institutionalisation and integration of successful activities into Gol’s own systems and institutions.

The nature of these financial contributions will be negotiated between KOMPAK and Gol counterparts during the inception of all new activities, and timelines for gradual financial handover will be agreed. For existing activities such financing strategies, timelines will need to be discussed. The failure to reach an agreement of cost-sharing and eventual handover of activities will result in fewer project activities and locations than originally anticipated.

Measuring leverage is important, and represents an indication of how well KOMPAK is designing and delivering useful contributions to improved service delivery solutions to Gol. KOMPAK has successfully leveraged Gol funds on a number of specific investments during its initial period of implementation, as recorded in the KOMPAK 2017 Value for Money Assessment. As program activities mature and gain more traction, it is expected that the respective contributions to activities by KOMPAK and Gol will either remain the same or decrease from KOMPAK and increase from GOI.

There is, however, one lesson to be mentioned regarding Gol financing of KOMPAK-initiated activities. The timing is crucial, and considerations for Gol's planning and budgeting processes and timelines will need to be followed. To enable financing of activities through APBN/APBD, decisions by the various governments to implement a certain activity package will need to take place early in the year prior to being financed (FY-1). If this doesn't occur, it becomes harder for the local governments to finance implementation, and it may take as long as another year before this is possible.

8 | PERFORMANCE MANAGEMENT FRAMEWORK

In taking a design-and-implement approach, KOMPAK's strategic framework has evolved over time. KOMPAK's initial Monitoring, Evaluation, and Learning (MEL) framework in 2016 presented a cascaded performance framework that had two levels: a Strategic Performance Framework level and Operational Performance Framework level¹⁰. This framework was updated in February 2018 (KOMPAK Performance Management Framework), including with the refinement of seven IOs down to five, as KOMPAK learned from implementation and promoted cohesion in implementation across the EOFOs. At this time, the program had shifted in balance from an initial focus on national-level policy advice and support, to a greater focus and increased resources at the sub-national level.

The updated framework, approved by DFAT in September 2018, is intentionally named a Performance Management Framework (PMF) rather than a MEL Plan to emphasise its role in the management of KOMPAK. The new framework consists of three main performance documents: Performance Management Framework (PMF 2019–2022)¹¹, Program Logic and Ways of Working (PLWW)¹², and Performance Management Implementation Plan (PMIP 2019–2022)¹³. These documents provide the framework and operational procedures, systems, and tools to manage performance of the Activities outlined in this plan.

The purpose of KOMPAK's performance management is to:

- **Improve quality** of KOMPAK program delivery in two main ways: (i) by promoting contestability of the decision-making about investments and assessment of performance; and (ii) by explicitly linking planning, implementation, and performance for KOMPAK teams and partners.
- **Make performance visible** at the Activity/team level, as the basis for decision-making.
- **Encourage honesty and reflection** from KOMPAK implementation teams on performance, to drive quality and improvement.

In the PMIP, KOMPAK outlines an annual performance management cycle that will ensure performance review, reflection, and learning is aligned with:

- **Work planning and implementation** to ensure information on performance and progress informs forward planning, refinement, and adaptation.
- **Risk management** processes to ensure periodic review of implementation and operational risks is used to inform refinement to implementation plans.

¹⁰ The Strategic Performance Framework outlined the goal, an overall theory of change with mini-theories of change for each EOFo, Intermediate Outcomes, and Projects to work towards achievement of the EOFOs. The three Operational Performance Frameworks went further in providing detail on the Activities within Projects. The Intermediate Outcomes at the Strategic Performance Framework level were positioned as Outcomes at the Operational Performance Framework level.

¹¹ Attachment 1: KOMPAK Performance Management Framework (PMF)

¹² Attachment 2: KOMPAK Program Logic and Ways of Working (PLWW)

¹³ Attachment 3: KOMPAK Performance Management Implementation Plan (PMIP)

- **Progress reporting** to GoI and GoA to ensure information is gathered, reviewed by teams, and analysed and packaged to feed into reporting milestones.
- **Governance mechanisms** to ensure feedback and provision of strategic guidance from GoI and GoA are obtained at a time when KOMPAK teams can use this information to shape forward planning and implementation.

Guided by the PMF and its PMIP, KOMPAK assesses performance at the Activity level and KOMPAK level. Performance monitoring is a shared responsibility between the performance, implementation, and operations teams. A complete list of roles and responsibilities are found in the 2018 PMF.

Performance at the Activity Level

As outlined in the PMF, there are four general questions that will drive performance monitoring and management at the Activity level:

- **AQ1 Delivery:** Did we deliver the Activity (and sub-activities) in line with plans, including in a timely manner?
- **AQ2 Quality:** Did implementation, as well as the outputs/direct results of the Activity, meet expectations of quality?
- **AQ3 Effectiveness:** What are the indications that the Activity is contributing to progress towards more distant outcomes?
- **AQ4 Adaptation:** How have we adapted to improve the delivery, quality, and/or effectiveness of the Activity?

KOMPAK will use the annual Performance Management Cycle to measure and monitor progress towards KOMPAK Success in 2022. Activity information, data, and results captured through the various monitoring tools available in the PMIP will be used as the basis for team-based performance reviews two times per year – once in May (an interim review), and then again in October–November (a final review). KOMPAK’s PMIP contains details on this performance review process.

Information and data from Activity performance reviews serves two main purposes. First, to provide a status update with evidence on the progress of individual Activities, with reference to the four AQs listed above. Second – by aggregating the information across Activities – to provide information on expected changes at a higher level, linked to KOMPAK’s seven thematic areas described in the Multi-Year Work Plan. These are: (i) fiscal transfer and public financial management; (ii) health and nutrition; (iii) education; (iv) CRVS; (v) sub-district and village strengthening; (vi) social accountability; and (vii) local economic development.

Performance at the KOMPAK Level

In demonstrating success (KOMPAK level), KOMPAK will point to various instances where KOMPAK has provided meaningful contributions (through Activities and lower-level outcomes) to:

- **National or provincial policy change** that KOMPAK aims to influence.
- **Durable district-level change** that connects to IO-level change (i.e. policy; fiscal transfer arrangements; service delivery systems, processes and practices; and engagement between communities and local governments and service providers), which can be either: (i) demonstrated; or (ii) plausibly assumed to contribute to EOFO-level change.
- **Successful model(s)** that KOMPAK will have tested and demonstrated as potentially scalable (by the government or other institutions).

KOMPAK expects that by 2022 a number of changes will have occurred at scale, at least at the district level. In some cases, change might have occurred across multiple districts, or at the province level, and at the national level. These expected changes have been described in Section 4 of this document.

There are three main ways that KOMPAK will document change at scale, as outlined below. These link directly to DFAT’s Performance Assessment Framework (PAF), and include:

1. **Significant Policy Changes.** Information will be tracked and documented through KOMPAK’s National/Provincial Policy Change Tool and National/Provincial Policy Engagement Log.
2. **Pilot tracking and reflection.** Pilots will be tracked using KOMPAK’s drafted pilot-to-scale strategy. This was prepared in 2018, with an accompanying structured reflection tool for teams to review pilot progress. This tool aligns with DFAT’s Pilot Tracking Tool.
3. **Durable District Changes.** Change will be tracked and documented using KOMPAK’s Improved Sub-National Policies Practice Tool, as well as the Additional Funding Tool, which can help to capture financial contributions from local government for initiatives.

Each of the Expected Changes in 2022 for the above thematic areas (see list provided in Annex 1) have been mapped against KOMPAK Success in 2022. To work towards these Expected Changes in 2022 for the thematic areas, KOMPAK has identified Key Outputs for 2019 that are expected to be achieved as a result of national and provincial Activities. More detail on the Activity-level results is provided in the section below.

FIGURE 9. CONTRIBUTIONS OF ANNUAL KEY OUTPUTS TOWARDS SUCCESS IN 2022



To gather evidence and analysis on progress and change over time, KOMPAK will gather baseline data for each of the nine KOMPAK Success in 2022 areas outlined in Section 4 above. As KOMPAK is a continuing program, it is building on results and progress since its inception in 2015. The baseline process will therefore gather information from a range of data sources, studies, and surveys including:

- KOMPAK frontline baseline data 2017.
- District and village scans.
- A range of research and studies conducted by KOMPAK.
- CRVS baseline study.
- Village information system survey in KOMPAK locations.
- KOMPAK partner reports that include data and analysis of progress, context, and conditions in KOMPAK locations.
- Best practice models.
- Significant Policy Change documentation.

Details of the various data sources that will be analysed by teams to develop baseline findings for each of the nine KOMPAK Success in 2022 targets are included in the PMIP 2019–2022.

As part of KOMPAK’s quality assurance processes within the PMF, an Independent Strategic Advisory Team (ISAT) will provide high-level strategic advice to DFAT and KOMPAK on KOMPAK’s design, strategic direction, and performance. ISAT inputs will be aligned with the performance cycle to ensure the input and advice is received at a time when recommendations can be used to inform planning and refine implementation mid-year. Specifically, this may include providing input and feedback on the annual Activity progress markers, and validating KOMPAK assessment of contributions to instances of change documented as part of the performance review process every six months. The ISAT will advise the KOMPAK Executive Team and DFAT on the extent to which overall KOMPAK strategy remains on track to achieve its end of program outcomes.

9 | OPERATIONAL CONSIDERATIONS

KOMPAK operational manuals

There are several manuals that guide the operational aspects of delivering KOMPAK. The 2017 IPR recommended several revisions, which now have been addressed in the revised operational manuals. It is envisaged that these manuals will be updated as and when required.

TABLE 2. KOMPAK MANUALS TO GUIDE IMPLEMENTATION

| No. | Manual | Short Description | Last Date |
|-----|---------------------------|--|---------------|
| 1 | KOMPAK Finance Manual | The manual outlines applicable operational procedures for KOMPAK Financial and Travel protocols. Operational procedures from finance include delegation, Codes and Chart of Accounts, online financial system, payment procedures, advance management, and other financial activities. The manual also provides guidance on travel arrangement procedures and policies for all KOMPAK personnel. | December 2017 |
| 2 | KOMPAK Grants Manual | This Grants Manual is intended to be the basis for processes for KOMPAK grants management. The manual includes the protocols of the Grants Management cycle, from planning the grants, the selection process, due diligence requirements, and managing the implementation of grants until the grants are closed. | October 2017 |
| 3 | KOMPAK Procurement Manual | The manual provides guidance on the KOMPAK procurement process, the importance of applying the value for money principle, and company panel availability. The procurement procedures outline the selection process, procurement threshold and its protocols, due diligence requirements, and contract management. KOMPAK has a company panel available for specific areas, to provide flexibility and to simplify administration requirements, such as a Preferred Hotel List, Event organiser, Communication and Creative Agencies, and Printing and Merchandise. | November 2017 |
| 4 | KOMPAK HR Manual | The manual is intended to provide guidance on human resource management procedures including recruitment protocols, contract management, performance management, and Expert Panel availability. The manual outlines HR processes, including the staffing plan, selection process, due diligence, managing KOMPAK's personnel contract and benefits, and performance management. KOMPAK has a Technical Assistance Panel available for specific areas where the program could draw from the available lists based on program requirements. | June 2017 |

| No. | Manual | Short Description | Last Date |
|-----|-------------------------|---|---------------|
| 5 | KOMPAK Security Manual | The manual provides guidance on emergency procedures, information on important contact details of KOMPAK personnel and regional emergency contact phone numbers, mitigating security, natural disasters and health risks, and reporting procedures. | November 2017 |
| 6 | KOMPAK SOP | The Standard Operating Procedure (SOP) provides the background of KOMPAK, its governance arrangements from the governance bodies of its Steering Committee up to the Regional Technical Team. The SOP also outlines the implementation mechanism of KOMPAK activities, including monitoring and evaluation, and reporting requirements. | June 2016 |
| 7 | Child Protection Policy | The policy provides a framework for preventing and managing the risk of child exploitation and abuse, defines roles and responsibilities, and communicates protocols for reporting and investigating concerns or allegations of child exploitation and abuse. | March 2017 |

Financial information

KOMPAK has a total commitment of up to AUD 177 million subject to annual budget allocations. As of Dec 2018 (at the end of Transition phase), KOMPAK had spent AUD 88,854,758 which gives a remaining balance of AUD 88,895,431 for the Extension Phase (Jan 2019 to Jun 2022).¹⁴ The forecasted expenditure for the next phase is based on analysis of annual costs patterns to date and planned activities for the coming period. In general, the overall costs patterns are as follows:

- On average, KOMPAK allocates AUD 25 million per year for the period of FY2018-19 until FY21-22, which may be refined annually based on DFAT budget allocations.
- Actual Program Costs and staffing costs for FY18 - 19 onwards remain unchanged. However, budget for staff that was previously allocated to Program Costs have been reallocated to Personnel Costs for FY18-19 onwards following discussion and agreement with DFAT.¹⁵
- Increase in Personnel Cost in FY21-22 is to cover the cost for severance pay.
- Increase in Operations Cost in FY18-19 onwards reflects the shift in costs to maintain Jakarta and provincial offices from Program Costs to Operations Costs following discussions and agreement with DFAT.

More detailed information on annual distribution of actual and forecasted expenditures for the duration of KOMPAK (2015-2022) is provided in Annex 3.

¹⁴ These figures and the annual actual and forecasted expenditures are based on the budget data used for DOV4.

¹⁵ Until Jun 2018, costs for Executive Team and Operations Team were allocated to Personnel Costs while the cost for Implementation Team and other technical advisers/consultants were allocated to Program Costs. Based on previous discussion with DFAT, starting from Jul 2018 all regular positions (as mentioned within the organisation chart) are being allocated to Personnel Costs. Costs for engaging additional technical advisers/consultants (for positions outside the organisation chart) to provide specific technical inputs shall be allocated to Program Costs.

10 | RISK AND SAFEGUARD MANAGEMENT

KOMPAK's Risk and Safeguard Management Plan is based on the fundamentals of the ISO 31000 AS/NZ Standard, and 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.

The overarching purpose of risk management in KOMPAK is 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 for the need of 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 no negative impacts result from KOMPAK activities related to social and environmental safeguards (for example related to child protection, displacement and resettlement of indigenous populations, and/or environmental impacts).

As risk and safeguard management is an ongoing process over the life of a project, KOMPAK's Risk and Safeguard Management Plan (2019–2022) is an iterative document, and the associated Risk Register is considered to present the details of relevant risks at any one 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. For more details about the Risk and Safeguard Management Plan, please refer to Attachment 5 of this document.

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 the plan and explained in KOMPAK's Performance Management Framework (see Section 7) as part of the performance management system. This includes an Investment Risk Analysis Tool developed in 2018, which provides practical applications to think through and mitigate program risks. This tool will be used as part of annual work planning to assist in decision-making and appropriate resourcing and strategy for Activities.

In its plan, KOMPAK identifies the following risks. These align with the DFAT categorisations of risk:

- Operating environment
- Disaster risk
- Development results
- Partner capacity and relations
- Fiduciary and fraud
- Compliance and safeguards
- Security
- Reputation.

The table below describes the existing key controls that KOMPAK has for each categories of risk.

TABLE 3. RISK MITIGATION TOOLS AND GOVERNANCE MECHANISMS

| Type of Risk | Existing Tools and Governance Mechanisms to Support Risk Mitigation |
|--------------------------------|---|
| Operating environment | Joint governance through the Steering Committee, and the National and Provincial Technical Committees; approved work plan; and 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; presence of trained staff as nominated First Aid Officers in every KOMPAK office. |
| Development results | Investment Risk Analysis; Team-Level Performance Management Cycle; Project Management Cycle and Quality Assurance systems; and Activity, Sector, and Facility level reviews and reflections. |
| Partner and capacity relations | Dissemination of approved work plans, budgets, and performance targets to all stakeholders; agreement made in Technical Committee to gain approval of the activities at the sub-national level; regular update on progress of implementation of signed AWP that is used as the basis for BAST; joint-supervision GoI–GoA in KOMPAK regions; participation in quarterly review sessions; KOMPAK technical team field monitoring; and capacity building support for grantees. |
| Fiduciary and fraud | KOMPAK Fraud Control Strategy and Risk Assessment Tool and other internal controls; internal and external audit; induction and fraud training scheduled for staff, advisers, and associated partners/grantees; and refresher training. |
| Compliance and safeguards | KOMPAK Procurement Manual, KOMPAK Grants Manual and other internal controls; Abt Child Protection Policy; induction of staff to relevant policies and manuals; refresher training; and 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; SOPs 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 to ensure complementarity of KOMPAK activities with GoI agenda. |

KOMPAK reviews and assesses risk on an ongoing basis, through a number of formal and informal mechanisms. These include, but are not limited to: Senior Management Team internal quarterly risks reviews, Activity risk assessments through Activity design and planning and performance review, Partnership Performance Assessments and Health Checks with DFAT, Independent Strategic Advisory Team review, internal and external audits, and Steering Committee and Technical Committee meetings. Further detail on the timing and responsibilities related to each are included in the Risk and Safeguard Management Plan 2019–2022.

On a quarterly basis, KOMPAK updates and submits its Risk Register to DFAT. Timing of these updates aligns with the performance reviews and reflections from implementation teams, and quarterly expenditure reviews from the Operations team. KOMPAK’s Risk and Safeguard Management Plan 2019–2022 provides a framework for the systematic and structured management of risks and screening of safeguards. An example of the latest Risk Register is attached in Annex 3 of this document.

Annex 1: KOMPAK Target Areas as per January 2019

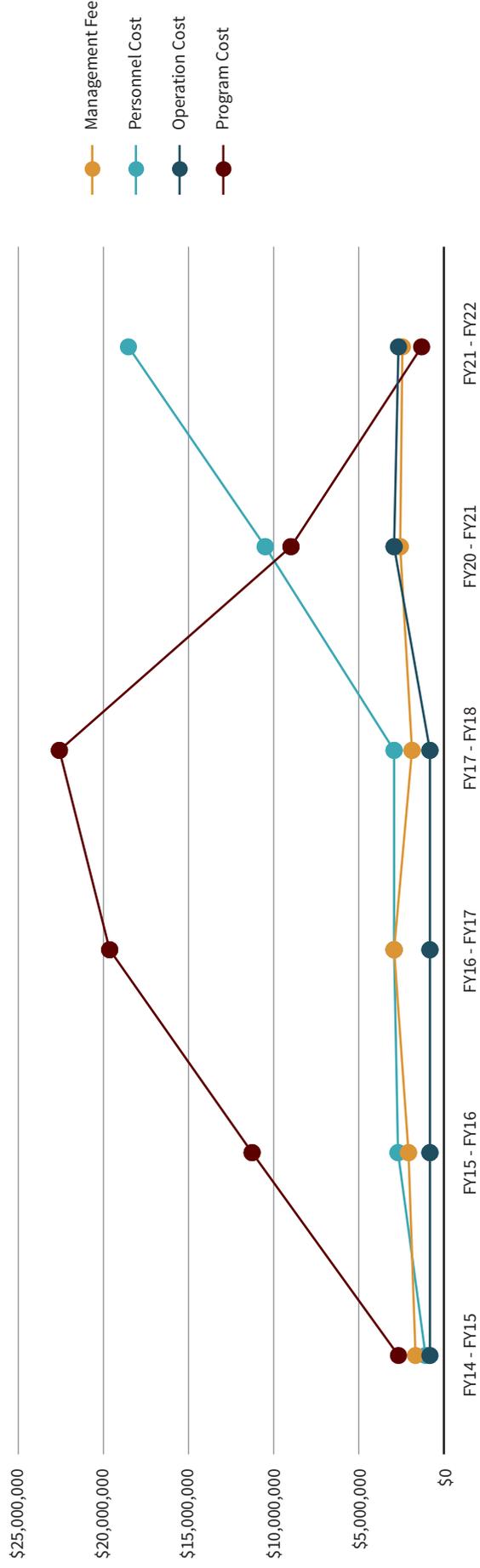
| Province | District | Sub-District | |
|------------------|--------------------------|------------------------------|--------------|
| Aceh | 1. Bireuen | 1. Simpang Mamplam | |
| | 2. Bener Meriah | 2. Bandar | |
| | 3. Aceh Barat | 3. Arongan Lambalek | |
| Central Java | 4. Brebes | 4. Paguyangan | |
| | 5. Pemasang | 5. Belik | |
| | 6. Pekalongan | 6. Petungkriyono | |
| East Java | 7. Bondowoso | 7. Cerme | |
| | | 8. Wringin | |
| | 8. Lumajang | 9. Gucialit | |
| | | 10. Pasirian | |
| | 9. Pacitan | 11. Tegalombo | |
| | | 12. Tulakan | |
| | 10. Trenggalek | 13. Dongko | |
| | | 14. Pule | |
| | NTB | 11. Lombok Utara | 15. Bayan |
| | | | 16. Pemenang |
| 12. Lombok Timur | | 17. Aikmel | |
| | | 18. Terara | |
| 13. Bima | | 19. Woha | |
| | | 20. Bolo | |
| 14. Sumbawa | | 21. Plampang | |
| | 22. Utan | | |
| South Sulawesi | 15. Bantaeng | 23. Pajukukang | |
| | 16. Pangkajene Kepulauan | 24. Liukang Tupabiring Utara | |

| Province | District | Sub-District |
|--------------------|-----------------------|-------------------------|
| West Papua | 17. Kaimana | 25. Kaimana |
| | | 26. Kambrau |
| | 18. Fakfak | 27. Pariwari |
| | | 28. Fakfak Tengah |
| | | 29. Fakfak Barat |
| | 19. Manokwari Selatan | 30. Ransiki |
| | | 31. Oransbari |
| | | 32. Momi Waren |
| | 20. Sorong | 33. Makbon |
| | | 34. Seget |
| Papua | 21. Asmat | 35. Asmat |
| | 22. Boven Digoel | 36. Jair |
| | | 37. Kombut |
| | | 38. Mandobo |
| | 23. Lanny Jaya | 39. Yiginua |
| | | 40. Malagai |
| | 24. Waropen | 41. Waropen Bawah |
| | | 42. Urei Fasei |
| | 25. Nabire | 43. Uwapa |
| | | 44. Teluk Kimi |
| | | 45. Kep. Moora |
| | 26. Jayapura | 46. Sentani Timur |
| | | 47. Sentani Barat |
| | | 48. Demta |
| 7 Provinces | 26 Districts | 48 Sub-districts |

Annex 2: Actual and Forecasted Spending 2015-2022

| Description | Actual | | Actual | | Forecast | | Forecast | | Forecast | | Actual | | Forecast | | TOTAL BUDGET |
|-----------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|--|--------------|
| | FY14 - FY15 | FY15 - FY16 | FY16 - FY17 | FY17 - FY18 | FY18 - FY19 | FY19 - FY20 | FY20 - FY21 | FY21 - FY22 | FY20 - FY21 | FY21 - FY22 | Jan 2015 to Dec 2018 | Jan 2019 to Jun 2022 | Jan 2019 to Jun 2022 | | |
| Management Fee | \$1,701,712 | \$2,100,010 | \$2,923,267 | \$1,929,886 | \$3,524,659 | \$2,534,842 | \$2,534,842 | \$2,534,842 | \$2,534,842 | \$2,534,842 | \$10,117,611 | \$9,666,450 | \$19,784,061 | | |
| Personnel Cost | \$1,048,808 | \$2,659,072 | \$2,964,644 | \$2,885,560 | \$8,912,508 | \$10,203,929 | \$10,550,269 | \$18,554,001 | \$18,554,001 | \$18,554,001 | \$13,095,345 | \$44,683,446 | \$57,778,791 | | |
| Operations Cost | \$770,771 | \$944,469 | \$870,967 | \$788,795 | \$2,623,621 | \$2,827,266 | \$2,896,790 | \$2,671,419 | \$2,671,419 | \$2,671,419 | \$4,445,110 | \$9,948,987 | \$14,394,098 | | |
| Program Costs | \$2,679,500 | \$11,236,580 | \$19,736,470 | \$22,509,679 | \$9,939,211 | \$9,433,963 | \$9,018,099 | \$1,239,738 | \$1,239,738 | \$1,239,738 | \$61,196,692 | \$24,596,547 | \$85,793,239 | | |
| TOTAL | \$6,200,791 | \$16,940,130 | \$26,495,347 | \$28,113,920 | \$25,000,000 | \$25,000,000 | \$25,000,000 | \$25,000,000 | \$25,000,000 | \$25,000,000 | \$88,854,758 | \$88,895,431 | \$177,750,189 | | |

KOMPAK BUDGET BREAKDOWN (FY14-15 TO FY21-22)



Annex 3: Risk Register updated February 2019

Date of Last Review: 26 February 2019

Date of Next Review: 30 June 2019

| | 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) | |
| OPERATING ENVIRONMENT | | | | | | | | | | | | | | | | |
| 1 | Political volatility during election campaign period; security risk; increased corruption; demonstrations and conflict; changes in policy direction post-election; lack of support or different priorities of incoming governors and / or sub-district heads. | Presidential Election 2019 and / or rotation and elections of key officials in KOMPAK locations and/or KOMPAK Partner Ministries. | Momentum is lost as new relationships are built affecting work plans and targets; activities may be changed or requested to be discontinued. | N | Possible | Moderate | Medium | Joint governance through Steering Committee, and Technical Committee; regular engagement of senior KOMPAK team with key GoI officials maintaining relations with E1 and E2; Security Manual; Emergency Communication Tree; Periodic risk updates via the risk register to DFAT; Strategic input to government's development of next Medium-Term Development Plan 2020-24; Continued political economy analysis by KOMPAK teams; Mapping of timing of rotations; ongoing political economy analysis to identify potential new candidates; early engagement to proactively build relations with strong candidates; strong relations with lower level officials for continuity. | Effective | This risk cannot be mitigated fully as it is beyond the control of KOMPAK. No further treatment is required. Informal and formal mechanisms for effective relations engagement will help to detect issues early and existing security manuals and procedures are in place should the situation change and further action is required. | N/A | N/A | Possible | Moderate | Medium | No |
| PARTNER CAPACITY AND RELATIONS | | | | | | | | | | | | | | | | |
| 2 | Different expectations between GoI and GoA towards KOMPAK; KOMPAK seen to be not responsive to GoI requests or needs; lack of GoI ownership and/or engagement; strained relations between KOMPAK's partner ministries | Misunderstanding about KOMPAK modality objectives, status and/or identity; governance arrangements for decision making (Steering Committee) and planning (Technical Committee) are not effectively implemented; inadequate opportunities provided for GoI field supervision and involvement; change in DFAT's budget/priorities; different interpretations among partner ministries on government regulations related to governance of KOMPAK. | Credibility of KOMPAK is compromised; KOMPAK's results are undermined; potential deterioration of GoI/GoA relationship; DFAT reputation damaged; program objectives compromised; unclear program direction and disjointed activities; BAST is not signed by relevant ministries; KOMPAK related activities will slow and/or stop; KITAS/VISA Problems; partner ministry discontinues collaboration with KOMPAK. | N | Possible | Moderate | Medium | Joint governance through Steering Committee, Technical Committee, regional Provincial Technical Teams; Agreed workplan; Regular coordination meetings KOMPAK-GoI, KOMPAK-DFAT; pre-BAST approval as part of annual work plan process; Agreement made in Technical Committee to gain approval of the sub-national activities; Regular update on progress of implementation of Signed AWP that is used as the basis for BAST; Joint-supervision GoI-GoA in KOMPAK regions; TC involvement in sub-national team workplan; SPPK (letter of activity delivery) is signed for each individual activity registered in the AWP, by both district and province, and national counterpart as well. | Effective | No further treatments are available. Governance mechanisms allow for formal and informal engagement and ongoing 'temperature checks' with GoI that can help to raise any issues and provide a forum for discussion to resolve these issues. Annual workplan development jointly with government, and mid-year review and adjustments provide the opportunity for KOMPAK to respond to changing circumstances and emerging priorities. SC guidance on which regulatory frameworks should be used as reference for governance of KOMPAK. KOMPAK's Executive Team to manage high-level relations with each partner ministry together with DFAT. | N/A | N/A | Possible | Moderate | Medium | No |

| 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) | | |
| 3 | KOMPAK Partner activities at subnational level overlap and/or duplicate; lack of coordination and communication between KOMPAK and its Partners; poor planning; and inadequate guidance from DFAT. | Weak coordination and communication channels, and parallel work planning and implementation; lack of coordination with other DFAT and donor programs. | Impact from local government partners and dissatisfaction or confusion in villages; constraints in achieving shared workplan; unclear direction; lack of sustainability of outcomes from strategic partner activities; reputational risks; missed opportunities; inefficiencies and VFM not met. | Y | Possible | Moderate | Medium | Integrated work planning process aligning national and subnational work, and integrating KOMPAK partner activities into SN ACNs; National and Provincial Roadmaps consolidating and coordinating all SN Activities; Coordination meeting at provincial level; PMF framework for activity planning and appraisal, monitoring and assessment of results in place applying to SN teams and KOMPAK Partners; Six review processes that bring together KOMPAK SN teams and partners for joint reflection, learning and forward planning, direct reporting and coordination lines from KOMPAK Partners to KOMPAK SN teams. | Effective | Linking the partners' monitoring and evaluation systems with KOMPAK and investing in capacity building of partners on MEL. | Implementation Director; Performance Director | First quarter 2019 | Possible | Moderate | Medium | No |
| DEVELOPMENT RESULTS | | | | | | | | | | | | | | | | |
| 4 | KOMPAK unable to communicate its results effectively, particularly to the Australian audience; program not demonstrating results in key outcome areas. | Insufficient data and analysis generated on project activities and / or available information and data is not prepared in a suitable format to effectively communicate results; M&E framework unable to capture and report effectively on results; significant changes in political climate and operating environment affect activity implementation. | Credibility of KOMPAK compromised; reporting requirements increase; budget scrutiny increases and availability decreases; program future at risk. | Y | Possible | Major | High | Socialisation of KOMPAK's strategic framework and targeted results; quarterly updates to stakeholders; diverse communications activities and channels to disseminate KOMPAK results; Various products developed to disseminate results (website, videos, stories of change, lessons learned/best practices, basic KOMPAK "info kit", and other materials); Communications and KM Strategy in place and implemented, including knowledge sharing platforms, media strategy and social media; Quarterly review, monitoring and evaluation tools (incl. baseline, pilot tracking, policy logs) implemented to collate and synthesize results. | Partially effective | There are no further treatments required. As outlined in the PMF, KOMPAK will structure its cross cutting portfolio to strengthen and resource its systems and processes for M+E as well as knowledge management, communication and research and evaluation which provide sufficient resources to address previous gaps. These will be reviewed and strengthened based on learning in 2019. KOMPAK will continue engagement of external MEL institution to support capacity development and operationalization of PMF among the KOMPAK team. | Team Leader | Socialization of PMF ongoing Oct-Dec 2018; website revamp ongoing through March 2018; documentation of best practices ongoing; communications and knowledge management strategy to be revised in 2019; PMF tools and mechanisms being developed through Q1 2019; new info kit on KOMPAK's second phase to be completed by April 2019. | Possible | Moderate | Moderate | No |
| 5 | KOMPAK Partners do not implement activities within approved workplan | Changes in activity implementation that are not communicated and approved by KOMPAK; weak grantee capacity; and/or poor oversight and management by grantee. | Value for money not achieved; ineligible expenditure; compromised ability of KOMPAK to deliver results and commitments as per the work plan. | N | Unlikely | Moderate | Medium | Dissemination of approved Work Plans, budgets and performance targets to relevant parties; Prior approval from KOMPAK before Partners implement new, or change existing activities in the approved workplan; monitoring of Partner implementation; induction and refresher training on KOMPAK policies and guidelines. | Effective | Existing controls coupled with ways of working have proven to be sufficient in managing this risk related to KOMPAK Partners | N/A | N/A | Unlikely | Moderate | Medium | No |

| 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) | | |
| 6 | Lack of coherence between national and sub-national activities; unable to collectively produce the desired impact; some activities not fully taken to scale or institutionalized by government by end of project. | Parallel activity planning and implementation processes between national and subnational teams and insufficient information and communication channels to align activities and share knowledge and learning; program logic not applied or does not adapt to reflect lessons/context. | KOMPAK's success in 2022 and contributions towards EOFO's are not achieved; KOMPAK results are not sustained and KOMPAK is not able to demonstrate convincing contribution to EOFOs; taxpayers money/ GOI resources wasted. | Y | Possible | Moderate | Medium | Integrated workplan that consolidates and aligns national and sub-national activities; KOMPAK Success in 2022 connecting national and SN agendas; National and Provincial Roadmaps connecting national and SN agendas; the PMF higher level results framework connects to lower level program logic with a monitoring and evaluation framework provides means to track and determine performance in particular, alignment between the KOMPAK (facility) and activity levels, sector strategies with technical guidelines at the higher level operationalised through provincial roadmaps; position papers to guide national and sub-national teams on a holistic approach and integrated set of interventions on sepcific topics; Joint supervision Missions with Gol and coordiantion froums conducted on key issues (Basic Services Governance, Community Empowerment, Economic Opportunities. | Effective | With existing control this risk cannot be mitigated further and will depend upon effective and full implementation of the PMF. | N/A | N/A | Possible | Moderate | Medium | No |
| 7 | Government no longer supports KOMPAK's work in Papua; lack of public understanding of KOMPAK; branding as an NGO; Provincial government does not understand Australian government's program. | Increased tensions in Papua; sensitivities in Bilateral relations, including suspicion; misunderstanding or suspicion of KOMPAK and Australia's intent. | Impact affects work plan leading to KOMPAK not achieving set targets; strains relations; reduces activities; create unsafe situation for staff/ project; inadequate visibility of KOMPAK benefits or Australia's support. | N | Possible | Major | High | Continued political analysis from local partners (BAKTI) and provincial team to pre-empt issues and sensitivities; Joint governance through Steering Committee, and Technical Committee; Regular engagement of Senior KOMPAK team with key Gol officials; Security Manual; Emergency Communication Tree; Periodic risk updates via the risk register to DFAT | Effective | No proposed treatments are required or possible for KOMPAK. The existing controls sufficiently cover the range of controls possible from ensuring effective governance mechanisms, to operationalising security processes and manuals, as well as continued analysis of the political economy for early warning signals. | N/A | N/A | Possible | Major | High | No |
| 8 | Underspend or overspend against DFAT annual budget allocation | Inaccurate forecasting and planning; changes to operational context that affects timing of activities outside of program control; and changing priorities and changing budget environment. | KOMPAK goals are not achieved; delays to program implementation and desired results; and reputational risk | N | Possible | Moderate | Medium | Analyse budget versus actual on a monthly basis; Budget review on a quarterly basis; Implementation Support team to assist program team to provide realistic forecasts; Grants team to ask monthly expenditure forecast from grantees and closely monitor their expenditure pattern; Coordination with DFAT on budget allocations particularly close to the end of the FY. | Effective | No proposed treatment is required. Monthly tracking, along with other existing controls has proven effective to date. | N/A | N/A | Possible | Moderate | Medium | No |

| 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) | | |
| 9 | Workplan not implemented as planned / scheduled (NB both programmatic and operational risk); workplan is not endorsed by GOI. | Insufficient involvement of GOI in KOMPAK planning and activities; timing of rotation of GOI staff where new staff assigned to KOMPAK are new and not well informed about KOMPAK; BAST is not signed by relevant ministry; KOMPAK is unable to meet GOI request for support. | Potential deterioration of GOI/GoA relationship, DFAT reputation damaged, and Program objectives compromised and implementation is affected. | N | Possible | Moderate | Medium | Joint governance through Steering Committee, Technical Committee, regional Provincial Technical Teams; Agreed workplan; Regular coordination meetings KOMPAK-GOI, KOMPAK-DFAT; Pre-BAST approval as part of annual work plan process; Agreement made in Technical Committee to gain approval of the sub-national activities; Regular update on progress of implementation of Signed AWP that is used as the basis for BAST; Joint-supervision GOI-GoA in KOMPAK regions; TC involvement in sub-national team workplan; SPPK (letter of activity delivery) is signed for each individual activity registered in the AWP, by both district and province, and national counterpart as well; GOI partner ministries, local governments and KOMPAK Partners involved in developing the Multiyear Workplan; Steering Committee has endorsed the Multiyear Workplan for 2019-2022 and budget allocations for 2019 annual workplan; Traffic Light tool and 6-monthly performance review mechanism in place since transition period in 2018. | Effective | No proposed treatment is required. The governance mechanisms to date have proved effective and have been implemented as per the program SOP. The Annual workplan process and mid-year review has enabled accountability but a degree of needed flexibility to support changes in the operating environment. DFAT-commissioned Independent Strategic Advisory Team (ISAT) will validate the 6-monthly performance reviews of KOMPAK. | N/A | N/A | Possible | Moderate | Medium | No |
| 10 | KOMPAK is not able to influence desired policy change at the subnational and/or national level | Rotation and key GOI staff; political changes in the operating environment; determination in Bi-lateral relationship; lack of qualified KOMPAK staff and quality of activity design. | Change at scale is not achieved in some of KOMPAK work areas; unable to achieve desired result and quality of activity implementation. | Y | Possible | Moderate | Medium | KOMPAK activities complemented with government or other funding, policy and regulatory support; Policy dialogue between central and sub-national governments; Documentation of best practices and lessons learned, including how to scale; Engagement of influential former senior officials as TA to support policy dialogue and engagement; clearly defined "KOMPAK Success in 2022" aspirational goals with policy analysis, pilot tracking and data collection mechanisms designed to track progress toward these goals. | Effective | No proposed treatments are required. The current controls are sufficient given a number of these factors are outside of KOMPAK control related to government rotations and the broader political environment. | N/A | N/A | Possible | Moderate | Medium | No |
| 11 | Abt Associates is not able to hire and retain suitably qualified staff on KOMPAK | Recruitment processes not sourcing the right personnel; high turn over of skilled staff; uncertainty in DoV4 process; KOMPAK remote locations i.e. Papua may not be attractive and / or able to retain qualified personnel; ARF and short term assignment may limit internationally qualified experts. | KOMPAK does not deliver results; damage to reputation. | Y | Possible | Moderate | Medium | Recruitment through Abt Associates national and global network; informal sourcing and reference checks to attract and screen suitably qualified applicants; Performance Management System to monitor and manage individual performance; Staff development budget for professional improvement; Review of Staff Organisation Structure with additional positions in line with PMF and PLWW. | Partially effective | Rolling out of online Performance Management System and Learning and Development Framework; Develop KOMPAK-specific Flexible Work Policy; Conduct risk and impact analysis of Annual Work Plan and link to team performance; ongoing recruitment of key positions. | Operations Director; Performance Director | Q1/2019: Performance management System; Flexible Work Policy; Q2/2019: Learning and Development Framework; Risk Investment Analysis; Ongoing: Recruitment of key positions | Possible | Moderate | Medium | No |

| 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) | | |
| FRAUD / FIDUCIARY | | | | | | | | | | | | | | | | |
| 12 | Fraud/misappropriation of funds and/or assets | Routine program checks and early warning systems not optimal; inadequate internal and ineffective system and controls; late reporting; lack of capacity or awareness of grantee staff about policies and/or poor oversight and management within grantee. | "Misuse of DFAT funds; contravening DFAT's 5 day fraud event reporting rule; activities suspended; outcomes not achieved; negative media coverage; possible delays and disputes; lower overall impact of Program; grantees/partners banned from further participation on the program; financial loss; impact on reputation." | N | Possible | Major | High | QMS – Fraud manual; Internal controls (manuals and procedures); Ongoing induction and fraud training scheduled for staff and advisers and associated Partners; Regular 'health checks' for KOMPAK Partners; Establish clear guidelines and criteria for financial accountability and reporting (finance manuals and fraud toolkit); Provide pro-active education and training to all stakeholders on compliance and audit; Require new staff to sign an oath of conduct which includes fraud and corruption; Carry out spot checks on all procurement processes; Procurement processes/policies in line with Commonwealth Procurement Rules (CPR). | Effective | No additional treatments are required, internal controls are sufficient and have been tested and refined over the past 4 years, proving to be effective. | N/A | N/A | Possible | Major | High | No |
| COMPLIANCE | | | | | | | | | | | | | | | | |
| 13 | KOMPAK Partners not compliant with required KOMPAK and DFAT policies | Lack of capacity or awareness of grantee staff about policies . | Non compliant with head contract requirements. | Y | Possible | Moderate | Medium | Conduct due diligence before engagement; Conduct induction sessions for Partners; Engage Grant Capacity Building & Assurance Manager to identify gaps and implement remedial actions; Grant Capacity Building & Assurance Manager to support each Partner to strengthen compliance and capacity. | Effective | Existing controls coupled with ways of working have proven to be sufficient in managing this risk related to KOMPAK Partners. | N/A | N/A | Possible | Moderate | Medium | No |
| 14 | Not following Commonwealth Procurement Rules | Lack of capacity or awareness of staff about policies and/or poor management oversight. | Value for money not achieved. | N | Unlikely | Moderate | Medium | KOMPAK Procurement Manual and KOMPAK Grants Manual; Induction of staff to relevant policies and manuals; Internal controls and audit process; Review and update of KOMPAK Procurement Manual and Grants Manual incorporating any changes to Commonwealth Procurement Rules; Provide refresh training regularly. | Effective | Existing controls coupled with ways of working have proven to be sufficient in managing this risk. | N/A | N/A | Unlikely | Moderate | Medium | No |
| 15 | Non-compliance with DFAT Child Protection Policy | Lack of capacity or awareness of grantee staff about policies, including partners' staff; incomplete and insufficient procedure for induction and refresher training provided by KOMPAK. | Increased chance of child protection incident occurring, non conformance to head contract; and reputation and relationship risk. | Y | Possible | Moderate | Medium | Update Abt Child Protection Policy; Inclusion of training on Child Protection Policy during induction; Refresher training; All employees to provide police clearance certificate. | Effective | Existing controls coupled with ways of working have proven to be sufficient in managing this risk. | N/A | N/A | Possible | Moderate | Medium | No |
| DISASTER | | | | | | | | | | | | | | | | |
| 16 | Natural or manmade disasters in KOMPAK locations | Earthquake, floods, volcanic eruption, cyclone, tsunami, Civil Unrest terrorism, conflict. | Loss of lives or injury to KOMPAK personnel and/or damage to KOMPAK assets or government facilities in KOMPAK locations that impact implementation of the work plan and achievement of objectives. In the case of manmade disaster, this may result in KOMPAK pulling out of the conflict region; impact to reputation and achievement of objectives. | Y | Likely | Major | High | Subscription to emergency alert system and emergency evacuation provider; Emergency Phone Tree system; Security Manual; Existing staff with experience is disaster and emergency relief; Dedicated staff as Security Manager; Flexible work plan; Close ongoing engagement with government partners at local and national levels. | Partially Effective | Develop location specific emergency response plan. This risk cannot be mitigated fully as it is beyond the control of KOMPAK. | Operations Director and Security Manager | Mar-19 | Likely | Major | High | No |

RISK MATRIX

| | | | | | CONSEQUENCES | | | | |
|--|--|--|--|--|---|---|--|--|--|
| | | | | | Limited | Minor | Moderate | Major | Severe |
| | | | | | Performance Short term delays in providing services or achieving objectives Compliance Non-compliance with public sector accountability requirements Reputation Limited impacts on DFAT's reputation Safety Limited injury requiring first aid Security Limited or short term damage to national interests Assets Limited damage to property or financial assets Information Disclosure of a small amount of UNCLASSIFIED (including DLM) data. | Performance Marked delays in providing services or achieving objectives Compliance Breach of DFAT policy Reputation Minor impact to relations with stakeholders Safety Minor injury requiring medical care Security Minor damage to national interests Assets Minor damage to property or financial assets Information Disclosure of a large amount of UNCLASSIFIED (including DLM) data or any PROTECTED data. | Performance Reduced ability to provide services or achieve objectives Compliance Breach of Australian/partner government legislation Reputation Significant damage to relations with stakeholders and media criticism. Safety Serious injury or multiple minor injuries Security Significant damage to national interests Assets Significant damage to property or financial assets Information Disclosure of a large amount of PROTECTED data or any CONFIDENTIAL and/or SECRET data. | Performance Restricted ability to provide services or achieve objectives Compliance Major breach of Australian/partner government legislation Reputation Major damage to relations with stakeholders and strong media criticism. Safety Life threatening injury/multiple serious injuries Security Major damage to national interests Assets Major damage to property or financial assets affecting business continuity Information Disclosure of a large amount of CONFIDENTIAL and/or SECRET data. | Performance Critical failure to provide services or achieve objectives Compliance Critical breach of legislation Reputation Total loss of confidence in DFAT and severe media criticism. Safety Death/multiple life threatening injuries Security Exceptionally grave damage to national interests Assets Extensive and widespread damage to property or financial assets affecting business continuity Information Disclosure of any TOP SECRET data. |

| LIKELIHOOD | PROBABILITY | CONTROLS | HISTORICAL | Limited | Minor | Moderate | Major | Severe |
|-----------------------|---|--|---|---------|--------|----------|-----------|-----------|
| Almost Certain | Expected in most circumstances 90% or greater probable Circumstances in train will cause it to happen. | Difficult to control All of the controls associated with the risk are extremely weak and/or non-existent. | Has occurred on an annual basis in DFAT or other similar agencies | Medium | Medium | High | Very High | Very High |
| Likely | Will probably occur in most circumstances 50% to less than 90% probable Circumstances have happened that will cause it to happen in the next few years | The majority of the controls associated with the risk are weak. Without control improvement it is more likely than not that the risk will eventuate. | Has occurred in the last few years in DFAT or similar agencies | Medium | Medium | High | High | Very High |
| Possible | Might occur at some time 20% to less than 50% probable | There are some controls that need improvement. | Has occurred at least once in the history of DFAT | Low | Medium | Medium | High | High |
| Unlikely | Not expected to occur 5% to less than 20% probable | The majority of controls are strong with few control gaps. | Has never occurred in DFAT but has occurred in similar agencies | Low | Low | Medium | Medium | High |
| Rare | May occur only in exceptional circumstances – Less than 5% probability | All controls are highly effective with no control gaps | Is possible but has never occurred to date | Low | Low | Low | Medium | High |

KOMPAK

*Kolaborasi Masyarakat dan Pelayanan untuk Kesejahteraan
Kemitraan Pemerintah Australia - Indonesia*