

Risk Matrix

| # | Risk | Consequence | Likelihood | Risk Rating | Extent of influence of DFAT Jakarta | Proposed Treatment | Consequence following treatment | Likelihood following treatment | Risk Rating following treatment |
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| 1 | Deterioration in the bilateral relationship results in reduction to or refusal of Australian support for health. | Severe | Rare | High | Moderate | Build and maintain relationships with sectoral counterparts to permit limited cooperation; maintain flexibility to reduce strategic goals and refocus on traditional aid delivery for priority services in geographic locations of greatest need. | Major | Rare | Moderate |
| 2 | DFAT cannot maintain staff levels / technical expertise, lowering ability to influence health policy. | Major | Possible | High | Moderate | Allocation of DFAT health staff across programs subject to ongoing review to ensure key programs are prioritised. More may be demanded of implementing partners, increasing associated risks. | Moderate | Possible | High |
| 3 | Implementing partners do not deliver on agreed scopes of services, do not respond flexibly to emerging needs and opportunities, or make corrections when activities are not achieving intended purposes. | Major | Possible | High | High | Designs and scopes of services are constructed to be flexible over long time frames; new contracts are awarded based primarily on the technical and managerial capacity and track record of organisations; existing contracts are actively managed, with regular performance assessments; underperforming programs are ended or retendered. | Moderate | Possible | High |
| 4. | No conditionality in new village law weakens capacity of PERMATA to improve health outcomes as incentives are removed. | Major | Possible | High | Low | DFAT to continue to monitor development and implementation of village law and modify programs accordingly. | Major | Possible | High |
| 5 | Safety and security concerns disrupt programs and prevent achievement of desired outcomes. | Moderate | Possible | High | None | Safety and security policies and protocols built in to all subnational programs. If security deteriorates, cascading treatments from local | Moderate | Possible | High |

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| | | | | | | office closures through to complete shutdown and withdrawal implemented in consultation with DFAT Security. | | | |
| 6 | Fraud damages DFAT's reputation or confidence in the program at senior levels. | Moderate | Likely | High | Moderate | All DFAT and implementing partner staff regularly receive fraud training. All fraud cases handled in line with DFAT policy to reduce impact and likelihood of future cases. | Minor | Possible | Moderate |
| 7 | Corruption or other perverse incentives significantly distort government decision-making and spending, preventing or weakening the program's ability to deliver intended outcomes. | Moderate | Likely | High | Low | DFAT and implementing partner staff maintain awareness of the broader political economy in which programs operate and the incentives for corrupt or similar behaviour. Programs are designed in light of this. | Moderate | Possible | High |
| 8 | Other DFAT / GoI programs are not able to support PERMATA outcomes | Moderate | Possible | High | Moderate | DFAT senior management have oversight of Joint results framework and efforts of other programs to support PERMATA outcomes. DFAT PERMATA Program managers seek to influence other DFAT programs through joint planning processes, colocation. Incentives for cooperation are institutionalised in contracts. | Minor | Possible | Moderate |
| 9 | Focus provinces are in areas of high incidence of natural disasters – for example tsunamis, cyclones, and earthquakes. | Severe | Possible | High | Low | Ensure appropriate and adequate emergency briefings and plans for all staff are in place and budgeted for, including evacuation plans and training. | Moderate | Possible | High |
| 10 | Indonesia does not allocate sufficient funding for health at the national level, and health | Major | Likely | High | Low | Support MoH and cross sector actors such as MoF and Bappenas to build strong evidence-based cases for health funding; | Major | Possible | High |

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| | outcomes fail to improve. | | | | | demonstrate approaches that deliver better health outcomes at district level and advocate these at national level. | | | |
| 11 | GoI routine health and survey data insufficient for program to use as Baseline or to demonstrate effectiveness. | Major | Almost certain | Very High | Low | DFAT seek to influence GoI at national level to strengthen data collection, work with other donors who support this work. PERMATA to strengthen health data collection through specific interventions and independently collect key indicator data for baselines. | Moderate | Possible | High |
| 12 | Roll-out of national health insurance favour curative services over preventive and promotive public health services, with reduced outcomes for the poor and near poor. | Moderate | Almost certain | High | Low | Provide strategic technical assistance at the highest levels of health insurance policy and implementation; demonstrate approaches that deliver better preventive and promotive health outcomes at district level and advocate these at national level. | Moderate | Likely | High |
| 13 | Some districts where program is active fail to allocate sufficient funding for health, or fail to target funding appropriately. | Moderate | Almost certain | High | Low | The program will engage with and advocate for sufficient budget allocations with a broad range of district counterparts outside the health sector, including decision-makers such as bupati, Sekdas and heads of Bappeda. District health sector counterparts are supported to better plan, budget and advocate. Examples of good processes and outcomes shared across districts and provinces. DFAT and program staff will work with other relevant programs – particularly AIPD – to improve health budgeting and planning at the local level. | Moderate | Almost certain | High |
| 14 | National policy-making processes do not use evidence from research as generated through the | Moderate | Likely | High | Moderate | Program works to create demand for evidence and to improve the supply by increasing the quality, relevance and accessibility of the | Moderate | Possible | High |

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| | “learning platform” to inform future policies and policy implementation. | | | | | evidence. This will include by developing a communications strategy that involves multiple channels of disseminating evidence. National and sub-national health officials, researchers, civil society, parliamentarians, and the media will all be engaged through the learning platform. Program will also support advocacy of evidence from different levels of government, civil society to decision-makers, including linking with AIPHSS at the national level. | | | |
| 15 | Provinces and districts not committed to partnership with Australia and do not prioritise family planning, maternal, newborn and child health and nutrition. | Major | Possible | High | Moderate | Managing contractor will perform critical relationship management in first instance, with issues escalated to DFAT management if necessary. The program will commence with an exchange of letters with each local government (provincial or district) supported through the program, and conditions for ongoing support will be negotiated annually. This will provide an opportunity to review levels of commitment should there be a change in policy focus or in government, or if performance benchmarks are not achieved. | Moderate | Possible | High |
| 16 | Managers in provincial and district government agencies (Bappeda, PHO / DHO) do not have availability, capacity and/or resources to implement the program, in particular the time and capacity of Bappeda and | Major | Possible | High | Low | DFAT and program staff need to be sensitive to pace and capacity of GoI implementation team. Program to develop framework for assessing capacity of provincial and district and use it to monitor capacity development and flag any areas for intensive support. Mentoring and technical assistance to be provided | Moderate | Unlikely | Moderate |

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| | PHO / DHO managers and key staff. | | | | | in response to identified needs. This support could be offered jointly with AIPD and other co-located programs. The program will also work with AIPHSS at central level on workforce improvement strategies. | | | |
| 17 | Frequent staff turnover (mutasi) at district level (in particular) limits the potential for technical assistance and training to lead to sustainable improvements in health planning, budgeting and service delivery. | Major | Likely | High | Low | <p>Program will identify options for managing the risk of mutasi from outset, including seeking commitments from Bupatis to manage mutasi in relation to the program. Capacity building and technical assistance to be provided, including to develop systems for handover of knowledge and transfer of skills in offices and individuals.</p> <p>Program will operate in a sufficient number of districts and health facilities to spread risks of serious mutasi.</p> <p>Program will work with AIPHSS at national level to feed up evidence of the challenges caused by mutasi to national level policy-makers.</p> | Moderate | Possible | High |
| 18 | National Population and Family Planning Board (BKKBN) do not support program goals | Moderate | Unlikely | Moderate | Moderate | <p>DFAT fosters good relationship and mutual interests with BKKBN at national level. Managing contractor and program staff manage operational level relationship at provincial and district level.</p> <p>BKKBN encouraged to become involved in district level planning and program implementation, and this participation is facilitated by the program.</p> | Moderate | Rare | Moderate |
| 19 | Central level governance arrangements do not increase national | Moderate | Possible | High | Moderate | DFAT ensures elements of high level strategic decision-making are conducted jointly with GoI. Terms | Minor | Possible | Moderate |

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| | ownership. | | | | | of reference and membership of Program Steering Committee are negotiated and agreed in early implementation and reinforced in Subsidiary Arrangement documentation. Learning platform used to actively engage senior level decision-makers on the program progress and foster take-up more broadly of concepts and practices proven to be successful. Linkages established with AIPHSS to ensure cross-fertilisation between programs. | | | |
| 20 | National-level oversight of provinces and districts is weak, compromising performance based financing demonstration of PERMATA. | Minor | Almost certain | Moderate | Low | Oversight and monitoring arrangements agreed at outset to ensure national (government?) involvement, and supported through program documentation, letters of commitment and terms of reference for Program Steering Committee. Program designed to link to national Ministry of Health interests and thereby increase stake in program success. The program-supported learning platform will enhance linkages with AIPHSS at national level and assist in feeding evidence to policy makers and encouraging greater oversight. | Minor | Possible | Moderate |
| 21 | Lack of capacity or willingness to address corruption or improve administrative systems to reduce corrupt use of funds or assets. | Major | Possible | High | Moderate | Managing contractor to provide oversight and audit on behalf of DFAT, escalating any issues that may arise to DFAT. Audits are to be conducted at least annually and may be requested by DFAT more regularly if a need is identified. | Moderate | Possible | High |
| 22 | Program planning processes do not result in the selection of | Major | Possible | High | High | Managing contractor to develop program support framework, introduce system of quality | Moderate | Unlikely | Moderate |

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| | appropriate or effective activities and as a result implementation is not effective in achieving program outcomes | | | | | assurance for workplan activities. Support and technical assistance to be provided throughout planning process, applying lessons learned from previous programs, including AIPHSS, and linking with other co-located Australian programs such as AIPD. | | | |
| 23 | Program leadership of different components is uncoordinated, given geographic diversity of program sites and breadth of issues the program will address | Moderate | Possible | High | Moderate | Monthly program management team meeting comprising managers of each key component. Group will have terms of reference requiring coordination both within the program and with other co-located Australian-funded programs. Program Steering Committee terms of reference include oversight to ensure all program components are aligned with the strategic direction and contributing to shared outcomes. | Minor | Possible | Moderate |

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

| Likelihood | Description |
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| Almost Certain | <i>Expected to occur in most circumstances</i> <ul style="list-style-type: none"> • Has occurred on an annual basis in AusAID or in similar agencies/organisations in the past • Circumstances are in train that will cause it to happen |
| Likely | <i>Will probably occur in most circumstances</i> <ul style="list-style-type: none"> • Has occurred in the last few years in AusAID or has occurred recently in similar agencies/organisations • Circumstances have occurred that will cause it to happen in the next few years |
| Possible | <i>Might occur at some time</i> <ul style="list-style-type: none"> • Has occurred at least once in the history AusAID or in similar agencies/organisations |
| Unlikely | <i>Not expected to occur</i> <ul style="list-style-type: none"> • Has never occurred in AusAID but has occurred infrequently in similar agencies/organisations |
| Rare | <i>May occur only in exceptional circumstances</i> <ul style="list-style-type: none"> • Has not occurred to date in AusAID or any other similar agency/organisation |

| Consequence | Description |
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| Negligible | <ul style="list-style-type: none"> • Result in consequences that can be dealt with by routine operations |
| Minor | <ul style="list-style-type: none"> • Minor delays in providing services or achieving objectives • Threaten the efficiency of effectiveness of some aspect of the program/activity/business unit but can be dealt with internally • Have minor political/community sensitivity • Minor dissatisfaction of clients/beneficiaries, partners or other key stakeholders • Program/project/business unit suffers minor adverse financial impact • Minor breach of public sector accountability requirements • Minor damage to property or one minor injury |
| Moderate | <ul style="list-style-type: none"> • Moderate delays in providing services or achieving key objectives • Program/activity/business unit subject to unplanned review or changed ways of operation • Have moderate political/community sensitivity resulting in limited adverse publicity or criticism • Limited dissatisfaction of clients/beneficiaries, partners or other key stakeholders, moderately damaging AusAID's reputation |

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| | <ul style="list-style-type: none"> • Program/project/business unit suffers moderate adverse financial impact • Moderate breach of public sector accountability requirements or information security • Moderate damage to property • One serious injury or multiple minor injuries |
| Major | <ul style="list-style-type: none"> • Major delays in providing services or achieving key objectives • Threaten the survival or continued effective function of the program/activity/business unit • Have major political/community sensitivity resulting in significant adverse publicity or criticism • Significant dissatisfaction of clients/beneficiaries, partners or other key stakeholders, significantly damaging AusAID's reputation and relationships • Program/project/business unit suffers major adverse financial impact • Major breaches of public sector accountability requirements, legislative/contractual obligations or information security • Major damage to property or moderate damage to multiple properties • One life-threatening injury or multiple serious injuries |
| Severe | <ul style="list-style-type: none"> • Critical business failure resulting in non-achievement of key objectives • Program/activity/business unit subject to unplanned external review/inquiry • Have severe political/community sensitivity resulting in extensive adverse publicity or criticism • Extensive dissatisfaction of clients/beneficiaries, partners or other key stakeholders, severely damaging AusAID's reputation and loss of stakeholder and/or Government confidence in or support of AusAID • Program/project/business unit suffers severe adverse financial impact • Severe breaches of public sector accountability requirements, legislative/contractual obligations or information security • Extensive damage to property resulting in loss of property or major damage to multiple properties • One death or multiple life-threatening injuries |

