

Request for Proposals Due Diligence Consultancy

RFP n#: 2024-6-PR-
PAKDUEDILIGENCE

Location: Pakistan (Remote)

Start date: 14/06/2024

End date: 20/09/2024

Better Cotton key contact:
Procurement.pakistan@bettercotton.org



All applications must be sent by email, to Better Cotton's key contact, with the subject header: "Application RFP Partner Due Diligence Roll out – RFP n# 2024-6-PR-PAKDUEDILIGENCE".

Questions, requests and applications sent after the deadline (15 July 2024) will only be considered in exceptional circumstances.

Description

Better Cotton is the world's largest cotton sustainability programme.

Our mission: to help cotton communities survive and thrive, while protecting and restoring the environment. In challenging times, we are meeting the challenge head on. Through our network of field-level partners we have trained over 2.5 million farmers in 23 countries in more sustainable farming practices. A quarter of the world's cotton is now grown under the Better Cotton Standard. We have united the industry's stakeholders behind our efforts, and by 2030 our aim is to have trained 5 million farmers and doubled global production of Better Cotton.

Background

Better Cotton is focused on affecting change: reducing the environmental impact of cotton production and improving the livelihoods of cotton farmers through the production of Better Cotton. To achieve this change, Better Cotton coordinates a capacity building programme, delivered through experienced field-level partners, referred to as Better Cotton Programme Partners (PPs). These PPs help farmers to adopt practices consistent with the Better Cotton Standard System (BCSS).

The credibility of the BCSS therefore relies, in part, on Better Cotton's ability to select and work with

competent PPs. Better Cotton developed its current PP Endorsement process, and the corresponding PP Agreement in 2013, to support a phase of rapid growth. As Better Cotton has continued to expand and develop, the Endorsement Process and PP Agreement no longer meet Better Cotton's needs in terms of Due Diligence, governance and transparency of information.

Consequently, Better Cotton recognised the need to increase the rigour of the PP Endorsement process, introducing a new 'enhanced' Due Diligence framework and a more robust PP Agreement. In 2021, an initial pilot of the new Due Diligence process was completed. The new Due Diligence process aims to reduce partnership risks for Better Cotton and also supports PPs by implementing a remediation plan to enable them to comply with Better Cotton's requirements, strengthen their organisation and ensure a long-term partnership.

What is Due Diligence for Better Cotton

Due Diligence is an on-going, versatile process through which PPs can identify, prevent, mitigate, and account for how they address actual and potential adverse impacts as an integral part of decision-making and risk management systems.

The purpose of the Due Diligence process is to help Better Cotton to ensure that the PPs we work with, or fund, have adequate governance structures, policies, and operational systems in place. It can also help organisations ensure they observe both international and domestic law and build towards the requirements of corporate Due Diligence.

Better Cotton's due diligence covers multiple facets: i.e., ethics, governance, HR, environment and operations, financial stability and governance, and where applicable - downstream local partners.

The due diligence is structured around:

- **Assessing the organisation and its undertakings** to identify the factual circumstances (reality) under which the business is operating.
- **Identifying and assessing any actual or potential risks** by evaluating the factual circumstances against recognised standards.
- **Preventing or mitigating the identified risks** by adopting and implementing a corrective risk action plan.

Purpose of the Call for Proposals

The purpose of this call for proposals is to seek applications from experienced consultants/firms to conduct Due Diligence. This call for proposal aims to assist Better Cotton in assembling a consultancy cadre for the designated assignment.

Objective

The objective of the consultancy is to conduct the Due Diligence process in Pakistan with 4 potential partners, in accordance with Better Cotton's guidelines.

Through direct engagement with the PP, the consultant will be responsible for undertaking the entire Due Diligence process independently with operational support from the Better Cotton's team.

Tasks & Methodology

A Better Cotton team member located in Pakistan will closely follow and support the consultant in the Due Diligence management and coordinate the PP relationship.

Better Cotton will provide all Due Diligence materials to the consultant who will follow the procedure and guidelines and use the template:

- The Due Diligence Handbook
- The template for the kick-off session with PPs
- The Due Diligence questionnaire for PPs = 35 questions + sub-questions + attachments
- The Due Diligence analysis framework
- The template for the Final Report
- The template for the Financial Health Check

Templates will be issued to interested parties only. Please email (procurement.pakistan@bettercotton.org) with title "BCI PK PP Due Diligence Handbook".

The consultant will be required to follow these main steps to conduct the Due Diligence:

1. In coordination with the Better Cotton team: prepare the mission, create a roadmap, identify Better Cotton and PP contacts and define roles, prepare the kick-off meeting, prepare the shared folders
2. Lead the kick-off meeting with PPs
3. Support the PP in completing the Due Diligence questionnaire: Hold bi-weekly meetings , review answers and analyse submitted documents, provide feedback and requirements for more detail or accurate answers from PPs, prepare corrective risk action plan.
4. Lead the financial health check with the Better Cotton tool
5. In coordination with Better Cotton team, validate the PP's responses and provide a risk score with the Better Cotton tool
6. Complete the final Due Diligence report
7. Conduct a final meeting with the PP to review the Due Diligence results and agree to the corrective risk action plan

To proceed with these tasks, an estimated timeframe¹ to conduct one Due Diligence is proposed:

	W1	W2	W3	W4	W5	W6	Working days
Due Diligence preparation: DD process understanding	1						1
Questionnaire ongoing: - Bi-weekly meetings - Feedback to IP - Coordination with BCI Team - Validating IP responses - Fill BCI due diligence tool		3	3	2			8
Developing the risk action plan: - Detail BCI expectation - Action plan assessment -Feedback to IP					2	1	3
Financial Health Check: Gather financial datas, analysis, report					2		2
Due Diligence final report + Final meeting						1	1
					TOTAL:		15

Due Diligence Deliverables

- i. Kick off meeting presentation for each PP.
- ii. The due diligence analysis framework reviewed and updated on an ongoing basis
- iii. The Financial Health Check report
- iv. The Final Report, including a risk action plan for each PP

High-level Timeline

15th July (On-rolling basis)	Applications close. All proposals must be sent by email, to BCI's key contact, with the subject header: "Proposal in response to RFP on Partner Due Diligence Roll Out – RFP n°2024-6-PR-PAKDUEDILIGENCE"
20th June (On-rolling basis)	Applications review.
24th June (On-rolling basis)	Interviews & Discussions with consultants/firms
Open	Contract signature (Need based/according to the requirements to conduct the assignment)

Required Skills & Knowledge

Experience	
➤	Demonstrable experience writing, deploying, reviewing, or implementing Due Diligence framework(s) in the development or corporate sector
➤	Demonstrable experience in analysing financial information
➤	Experience working with international funding partners working in Pakistan with local partners/organizations
➤	Experience of working in the remote areas of Pakistan

Skills and competencies

- Strong financial expertise
- Strong analytical and communication skills, especially in the following areas: ethics, governance, HR, environment and operations, financial stability, and governance
- Excellent reporting and presentation skills
- Fluency in spoken and written English

Application Requirements

Interested applicants are requested to send, in English, the following:

- Relevant staff CVs
- A detailed financial offer
- A list of references
- A short narrative proposal composed of:
 - A timeline for delivery
 - A concise description of the approach that will be used including but not limited to
 - i. Due Diligence understanding,
 - ii. approach to partner engagement,
 - iii. how you will convince PPs to share information and overcome partners who are reluctant to cooperate with the process,
 - iv. ensure transparency of the process,
 - v. maintain privacy of the documentation (financial and governance) provided during the assignment, etc. *(NB. The consultant will implement Better Cotton methodology and use Better Cotton tools.)* 1500 words max.

Please note that no travel is expected for this assignment. Proposals will be evaluated based on quality and clarity of the proposed approach, relevant expertise and experience of the team member(s), alignment with the criteria set out in the ToR and overall value for money.

We thank all applicants for their interest; however, only shortlisted applicants will be contacted.

Better Cotton is committed to good practice and transparency in the management of natural, human and financial resources. All applications will be reviewed under the principles and subject to Better Cotton's policies on equal opportunity, non-discrimination, anti-bribery & corruption and conflict of interest.