

# Request for Proposals Consultancy

RFP n#: 2024-6-PR-  
TAJIDUEDILIGENCE

Location: Tajikistan or remote

Start date: 1<sup>st</sup> August 2024

End date: 31<sup>st</sup> October 2024

**Better Cotton key contact:**  
Rameez Ghauri,  
GIF and Partnerships Coordinator



All applications must be submitted via [this form](#).

You may submit questions to [tender@bettercotton.org](mailto:tender@bettercotton.org) RFI 2024-6-PR-TAJIDUEDILIGENCE  
Questions, requests and applications sent after the deadline (16<sup>th</sup> 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.

The Due Diligence framework/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, proactive, and reactive 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 six/seven areas: 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.

## Objective

---

The objective of the consultancy is to conduct the Due Diligence process in Tajikistan with one (1) existing PP, in accordance with Better Cotton's guidelines.

Through direct relationships with the PP, the consultant will be responsible for undertaking the entire Due Diligence process with the support of Better Cotton's teams

## 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. Other team members will also support. The Better Cotton team will therefore include, but is not limited to:

- Senior Director, Programmes, based in London
- Senior Programme Coordinator, based in Geneva
- Better Cotton country representative

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 (See Annex 1)
- 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

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 timeframe to conduct one Due Diligence is proposed:

	W1	W2	W3	W4	W5	W6	Working days
<b>Due Diligence preparation:</b> DD process understanding	1						1
<b>Questionnaire ongoing:</b> - Bi-weekly meetings - Feedback to PP - Coordination with BC Team - Validating PP responses - Fill BC Due Diligence tool		3	3	2			8
Developing the risk action plan: - Detail BC expectation - Action plan assessment - Feedback to PP					2	1	3
<b>Financial Health Check:</b> Gather financial data, analysis, report					2		2
<b>Due Diligence final report &amp; final meeting</b>						1	1
	<b>Total</b>						<b>15</b>

## 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

16 <sup>th</sup> July	Applications close. All proposals must be sent by email, to BETTER COTTON's key contact, with the subject header: "Proposal in response to RFP on Partner Due Diligence Roll Out – RFP n°2024-6-PR-TAJIDUEDILIGENCE"
16 <sup>th</sup> July – 23 <sup>rd</sup> July	Applications review.
23 <sup>rd</sup> July – 30 <sup>th</sup> July	Interviews
1 <sup>st</sup> August	Contract Award

## Required Skills & Knowledge

<b>Experience</b>
<ul style="list-style-type: none"><li>➤ Demonstrable experience writing, deploying, reviewing, or implementing Due Diligence frameworks in the development or corporate sector</li><li>➤ Demonstrable experience in analysing financial information</li><li>➤ Experience working with international organisations</li><li>➤ Field level experience in Tajikistan</li></ul>
<b>Skills and competencies</b>
<ul style="list-style-type: none"><li>➤ Strong financial expertise</li><li>➤ Strong analytical and communication skills, especially in the following areas: ethics, governance, HR, environment and operations, financial stability and governance</li><li>➤ Excellent reporting and presentation skills</li><li>➤ Fluency in spoken and written English and Tajik</li></ul>

## Application Requirements

Interested applicants are asked 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 your Due Diligence understanding, approach to partner engagement, how you will convince PPs to share information and overcome partners who are reluctant to cooperate with the process. (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.

**Annex 1 : Due Diligence Handbook**

# HANDBOOK

## HOW TO UNDERTAKE AN ENHANCED BETTER COTTON PROGRAMME PARTNER DUE DILIGENCE



Source: Alliance For Science, Cornell University



# 1. Enhanced PP DD Operational Handbook

---

## 1. Introduction

The enhanced Programme Partner (PP) Due Diligence (DD) framework provides a system for BETTER COTTON to enhance its existing processes to enable credible selection of Programme Partners (PPs), and conduct retrospective DDs on existing PPs. The DD framework provides for a robust system for conducting a DD, analysing risk and developing related corrective risk action plans.

## 2. What is a due diligence process and its purpose?

Due diligence is an on-going, proactive, and reactive process through which companies/organisations can identify, prevent, mitigate, and account for how they address actual and potential adverse impacts as an integral part of business decision-making and risk management systems.

The purpose of the Due Diligence processes 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. These processes can also help organisations ensure they observe both international and domestic law and build towards the requirements of corporate Due Diligence.

## 3. In practice, how is a due diligence process structured and accomplished?

The nature and extent of due diligence actions that are appropriate will depend on individual PP circumstances and can be affected by factors such as the size of the PP, the location of the activities, and the situation in a particular country such as political and socioeconomic environment, the sector and nature of the products or services involved, and in BETTER COTTON's case an additional layer with regards to downstream local partners.

Due diligence is thus structured around the steps that companies/organisations should take to:

1. Assess the business and its undertakings to identify the factual circumstances (reality) under which the business is operating.
2. **Identify and assess any actual or potential risks** by evaluating the factual circumstances against recognised standards.
3. **Prevent or mitigate the identified risks** by adopting and implementing a corrective risk action plan.

## 4. Implementing a risk-based approach to conducting the DD

The Better Cotton enhanced PP DD framework has been structured to enable Better Cotton to implement a risk-based approach to performing an adequate due diligence. Activities associated with higher risks will require more intensive due-diligence and monitoring activities. The framework is designed to capture and understand these risks and rate them according to specific risk guidance (High risk; Medium risk; Low risk), detailed below.

**Ongoing process:** Importantly, DD is an ongoing process of gradual improvements. Better Cotton should encourage change by constructively engaging PPs, and supporting them to build better organisations.

**Encouraging good faith efforts: It is key for Better Cotton to encourage PPs into making good faith efforts, that is that Better Cotton should anticipate to take** reasonable steps and make good faith efforts to carry out DD with its PPs - meaning that the PPs should be encouraged to participate actively, openly share all information (whether positive or negative) and communicate where clarity or additional support is required.

It is important for Better Cotton to proactively engage with the PP and its management, provide transparent and clear guidance regarding the process and maintain open communication channels.

It's unrealistic to expect PPs to achieve full compliance with the guidance overnight.

**Mitigate risks but don't embargo high-risk areas:** The enhanced PP DD framework is designed to help Better Cotton work with its PPs in a responsible way. Except in the most harmful and high risk circumstances, Better Cotton should leverage its relationships with PPs to improve business conduct and conditions in respective PP countries and in the field.

## 5. Risks areas covered enhanced PP DD framework

---

The DD has been developed to help Better Cotton identify whether their PPs pose any risks and prioritise the most severe risks associated with sourcing cotton from its PPs, ensuring that any risks are identified are mitigated. The key focus areas of the enhanced PP DD framework are detailed in figure 1 below.

**Figure 1: DD areas covered in the framework**

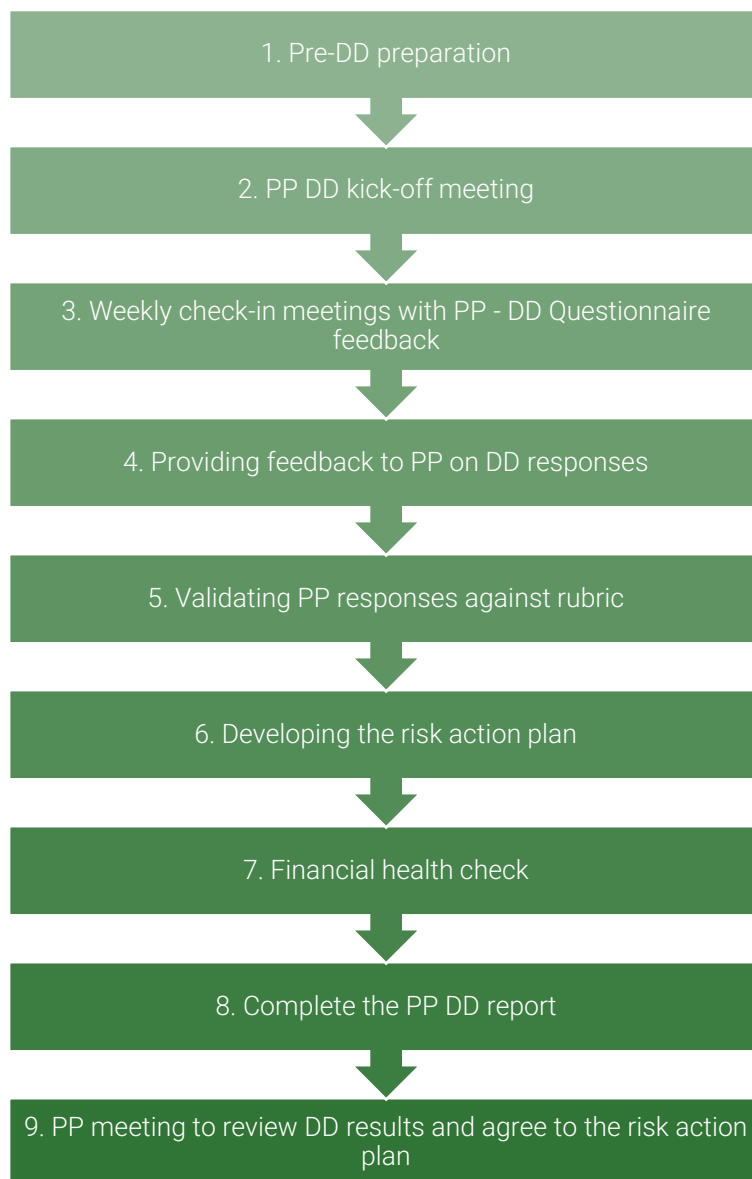




## The Better Cotton enhanced PP DD nine-step process

The nine-step, risk-based due diligence process is relevant to all Better Cotton PPs operating in the cotton supply chain and applies globally. The nine step process can be found in figure 2 below.

**Figure 2: Nine-step Better Cotton enhanced PP DD process**



Each of the nine steps is broken down in detail below.

## Step 1: Pre-DD

The pre-DD process is critical for delineating roles and responsibilities within Better Cotton and establishing the framework for conducting an effective DD with the PP. The Better Cotton HQ PP DD coordinator must be proactive in engaging with the country team to ensure that an appropriate DD roadmap is prepared and that all Better Cotton team members are aware of the implementation plan and fully invested in its successful delivery. Key steps are outlined below in figure 3.

**Figure 3: Key steps to be taken pre-DD**

1. Identify Better Cotton HQ staff member for responsible for coordinating the DD

2. Key roles of Better Cotton DD Coordinator

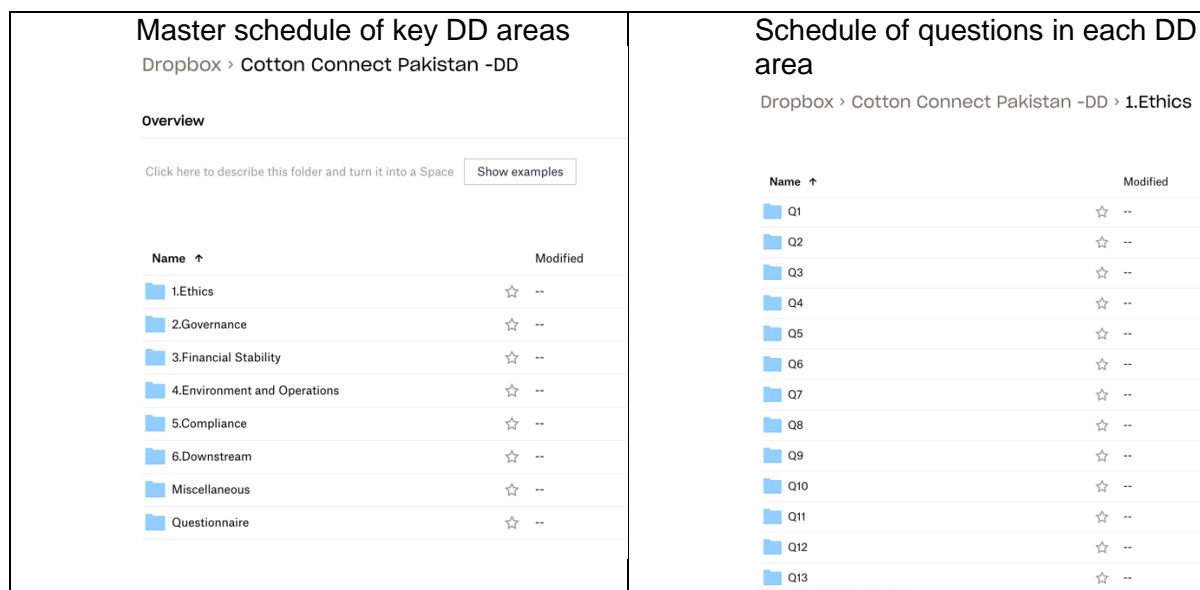
- Create roadmap for DD process from start to finish
  - Frequency of meetings
  - Deadlines for receiving information updates from PP
  - Deadline for completing DD Questionnaire
- Support and guide Better Cotton Country DD PP Manager throughout DD process
- Lead weekly follow-up calls with PP and Better Cotton
- Responsible for providing feedback and answering PP questions to ensure DD is completed correctly and on time
- Engaging with PP Senior Management as and where required

3. Identify Better Cotton PP DD Manager from Better Cotton Country Team to serve as primary contact with PP for purposes of completing DD

4. Key roles of Better Cotton Country DD IP Manager

- Managing the PP relationship
- Managing and handholding the PP through the DD process, translating as needed
- Setting up shared folders for the PP and ensuring content uploaded as required - see example below in Figure 4
- Managing timelines and expectations around completion of DD and sharing information in a timely manner
- Facilitating weekly follow-up calls between PP and Better Cotton
- Early-stage warning to Better Cotton HQ IP DD coordinator and IP CEO/Senior management on any concerns arising

**Figure 4: Example of shared folder structure**



**Tip 1:** Critical that Better Cotton Country Team – Country Director and Better Cotton PP DD Manager are engaged and fully understanding of their role within the DD process in advance of kick-off meeting.

## Step 2: Enhanced PP DD kick-off meeting

The enhanced PP DD kick-off meeting is the most important step of the DD process as it sets the tone for the DD with the PP and should clearly outline to the PP the roadmap for conducting the DD, and Better Cotton’s expectations of the PP throughout this process to ensure that it runs smoothly. It is important that both Better Cotton and the PP have appropriate management representation during the enhanced PP DD Kick-off meeting. See figure 5 below for overview, and figure 6 for snapshot of the enhanced PP DD kick-off meeting presentation.

**Figure 5: Purpose and outcomes of kick-off meeting**

Arrange kick-off meeting with PP (see figure 6 below for the link to the slide deck developed for the PP kick off call meeting)

Purpose of meeting is to explain and walk the PP through the process for undertaking and completing the DD questionnaire in a timely manner (3 weeks), including walking through the DD questionnaire

Critical outcomes of kick-off meeting

PP Senior management buy into and support the DD process

Identify DD point person for PP

Discuss and set placeholders for weekly meetings

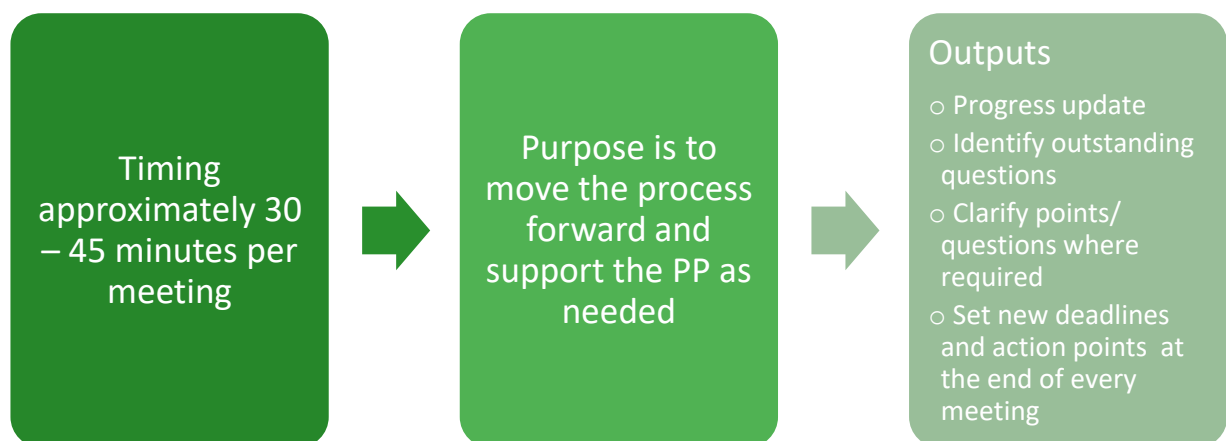
**Tip 2:** It is important to ensure that senior management, CEO, Director is present at this meeting to ensure buy and support for the DD process

At the end of the kick off meeting, Better Cotton country team will share the questionnaire with the PP's team.

### Step 3: Weekly check in meetings – DD questionnaire feedback

Weekly check in meetings provide an opportunity to gauge the progress of the PP, provide feedback on the process and to support the PP with specific questions/issues that they are having. During these meetings the Better Cotton Country PP DD Manager must remain focused on moving the process forward and holding the PP DD point person accountable to deliver in accordance with the agreed upon timelines, as well as being aware of any possible red flags that could inhibit the successful completion of the DD questionnaire. Details of timing, purpose and outputs is detailed below.

**Figure 6: Timing, purpose, expected outputs of the weekly check in meetings**



---

**Tip 3:** The DD process needs to continually be moving forward. The goal of the weekly check-in meetings is to discuss “new” information with the PP. Prior to each meeting the Better Cotton Country PP DD Manager should review questions completed by the PP at that juncture and prepare feedback to share with the PP regarding the latest version of the DD questionnaire. The expectation should be that the DD questionnaire and shared folder is updated by the PP on an ongoing basis.

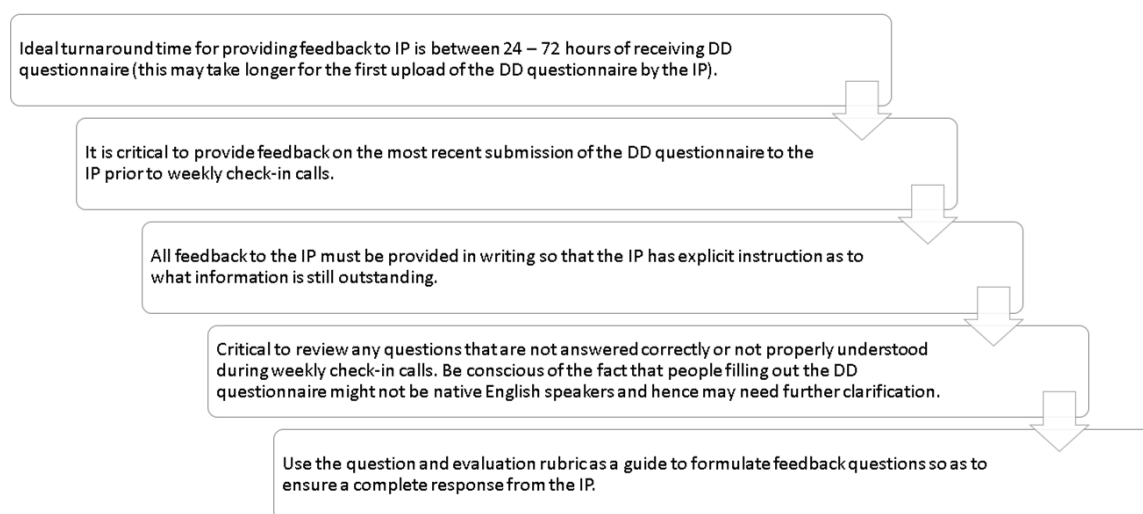
**Tip 4:** Engage the PP’s senior management team if limited progress is being made on the DD questionnaire and uploading of documents to the shared folder. This can be initiated after a two-weeks from kick off.

---

## Step 4: Providing feedback to PP on DD responses

Providing clear and consistent feedback to the PP is critical to the successful completion of the DD questionnaire and it is the responsibility of the Better Cotton Country PP DD Manager to ensure that Better Cotton receives DD responses that comprehensively address the questions being asked. See figure 7 below for the feedback process on the DD questionnaire, and figure 8 for guidance on providing feedback to the PP on question responses. See Annex 1 for detailed process examples of how to manage ensuring the PP responds comprehensively to a DD question.

**Figure 7: Process for providing feedback to the PP on the DD questionnaire**



**Figure 8: Guidance on providing feedback to the PP on question responses**

Providing feedback on question responses	Specific PP responses to questions
<ul style="list-style-type: none"> <li>● Assess whether question has been answered completely                             <ul style="list-style-type: none"> <li>○ All information requested in the question provided</li> <li>○ All required attachments requested have been provided</li> </ul> </li> <li>● Request clarity where                             <ul style="list-style-type: none"> <li>○ Response is unclear</li> <li>○ Require additional information/details</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Always best to get PP to identify the specific piece of information that is being referenced</li> <li>● For example – if given an HR Manual, but are looking for code of conduct have the PP identify the section, page, article that they are referring to otherwise spend a lot of time trying to guess what is being referred to</li> </ul>

**Tip 5:** Clear feedback must be provided by the Better Cotton Country DD PP Manager in order to receive complete DD responses from the PP.

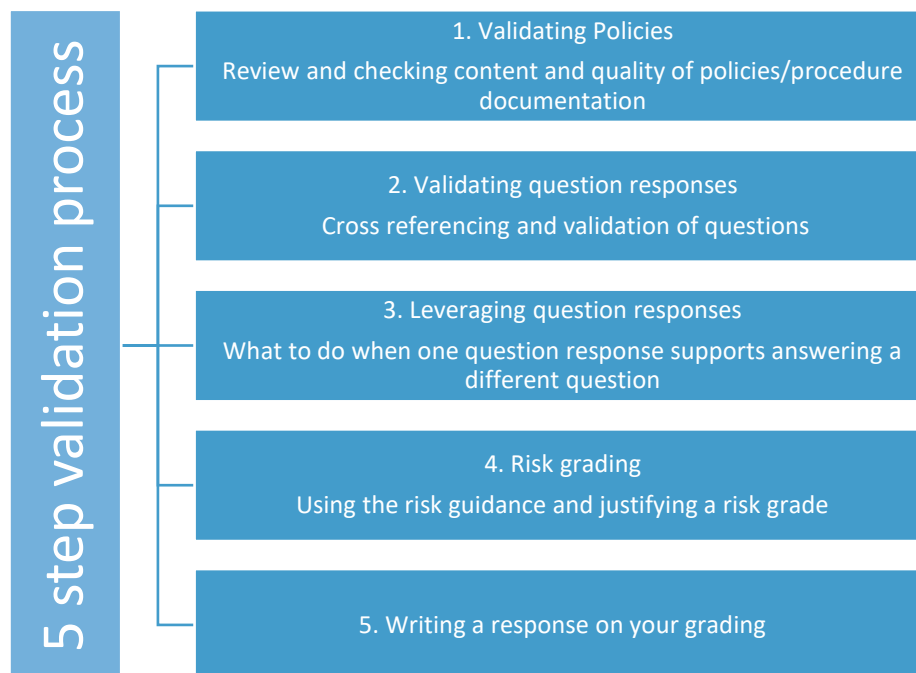
**Tip 6:** Questions that are clearly not understood or that are being answered incorrectly need to be escalated to senior management.



## Step 5: Validating PP responses against rubric

Validating PP responses against the evaluation rubric is an objective process that measures the risk level of the PP as per DD questionnaire. Prior to validating any question, the Better Cotton DD Coordinator should assess the quality of the question and determine that the information provided by the PP is sufficient to consider the question complete. Below is an outline of the five step validation process to be followed, see figure 9 below. See Annex 1 for detailed examples of how to validate an enhanced PP DD question response.

**Figure 9: Five step validation process**



---

**Tip 7:** Be objective and fact-based when validating a response.

---

---

**Tip 8:** It's important to check the quality and content of the policies and documents uploaded by the PP to the shared folder to ensure that they cover the adequately address the question to which they relate.

---



## Five step validation process

1. Validating Policies Review and checking content and quality of policies/procedure documentation		
<p>Scope of policy is defined</p> <ul style="list-style-type: none"> <li>oWhat does the policy cover?</li> <li>oMake sure specific terms are defined (example – child labour, bribery, etc.)</li> <li>oExamples</li> </ul>	<p>Clear actions to operationalise the policy are in place</p> <ul style="list-style-type: none"> <li>oProcesses and procedures are outlined</li> <li>oReporting mechanisms in place</li> </ul>	<p>Accountability</p> <ul style="list-style-type: none"> <li>oReporting mechanisms</li> <li>oDisciplinary actions for breach</li> <li>oPerson(s) responsible</li> </ul>

2. Validating question responses Cross referencing and validation of questions		
<p>When validating <b>you can use</b> information/documentation that has been provided to answer other questions</p>	<p>If information is available to support the justification for the grade provided for a particular answer then it is best to use it and make reference to it</p>	<p>Remember that Better Cotton is only asking the PP for a specific type of information to answer a question, but if more information can be used from other DD responses to demonstrate commitment/reduction in risk level, etc. then supportive</p>

3. Leveraging question responses - What to do when one question response supports answering a different question		
<p>Not every organisation will have every policy as per the DD.</p> <p>However they may have another policy document that covers the subject matter of the requested policy.</p>	<p>For example, an organisation may have another document that covers the subject matter, e.g. child labour policy, but instead has a safeguarding policy, which accounts for child labour issues.</p> <p>It is important to note that not having a child labour policy does not automatically mean that the PP poses any actual risk.</p>	<p>Using the previous example, based on the quality of the safeguarding policy it might be sufficient to state that the risk level is negligible</p>

4. Risk grading - using the risk guidance and justifying a risk grade	
<p>Review response and associated attachments</p>	<p>Review risk guidance notes for high, medium, low risk grade allocation</p> <p>Apply score 1,2,3 accordingly</p>

5. Writing a response on your grading	
<p>Use of language very important</p> <p>Needs to be objective, fact-based</p>	<p>Not definitive per se – for example, don't say no risk, it's important to preface by saying based on the information provided, or there is sufficient evidence to suggest.</p> <p>It's key to provide written justification for the risk score.</p>



Figure 10: Risk guidance for providing a risk score: [update once finalized by Better Cotton]

BCI Implementing Partner - Scoring Rubric			GUIDANCE TO BCI STAFF FOR REVIEWING THE QUESTIONNAIRE FOR RISK EVALUATION			Use the information shared by prospective IP and apply a risk score, following the guidance and good judgement.
Question Number	Focus Area	Question [TO BE REVIEWED WITH BCI HQ AND FURTHER EDITED]	RED RISKS = APPLY SCORE OF 3	AMBER RISKS = APPLY SCORE OF 2	GREEN RISKS = APPLY SCORE OF 1	
1	Ethics	<p>1. Corruption risk issues and compliance</p> <p>1a. How are corruption risk issues and compliance managed by the Company/Organisation? [Provide detail].</p> <p>1b. Who in the Company/Organisation is responsible for corruption risk issues and compliance? Please share the name(s), position, seniority, and training in risk management, compliance, and anti-bribery matters? [Provide Details]</p> <p><u>Required attachments</u></p> <ul style="list-style-type: none"> <li>o Risk manager CV</li> <li>o Anti-bribery and corruption policy</li> <li>o Whistle-blower policy</li> <li>o Conflicts of interest policy</li> <li>o Anti-money laundering policy</li> <li>o Know Your Customer policy</li> </ul>	<p>Risk level: Tolerant internal culture of corruption, coming from board and/or senior executives.</p> <p>Look for: Lack of senior leader designated to deal with corruption issues; signs the organisation does not take corruption seriously; structural weaknesses to manage corruption risk.</p> <p>None of the listed policy documents are available.</p>	<p>NEW RISK CATEGORY Combined amber/yellows Moderate Risk - Requires Action, Monitoring</p> <p>Risk level: Corruption taken seriously, but gaps in systems, capacity or implementation</p> <p>Look for: Individual(s) responsible for corruption issues have capacity issues, such as inadequate training or sufficient professional experience</p> <p>One or more of the listed policy documents are not available.</p> <p>Gaps in detail within listed policy documentation - i.e. documents do not comprehensively cover risk area.</p>	<p>Not applicable, Lowest Risk, No Further Actions</p> <p>Risk level: Corruption taken seriously, no gaps in systems, capacity or implementation</p> <p>Look for: Highly competent and high capacity anti-corruption management.</p> <p>Look for: Policy documents fully available, and comprehensively cover risk areas.</p>	Score dropdown

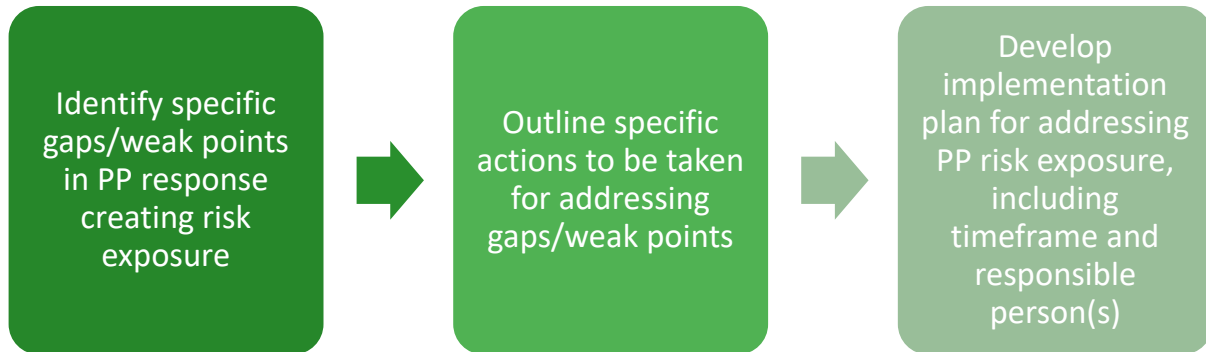
Figure 11: Written justification for risk score

BCI Implementing Partner - Scoring Rubric			RESPONSE EVALUATION		RISK MANAGEMENT				
Question Number	Focus Area	RISK SCORES	JUSTIFICATION FOR SCORE AND EVIDENCE (INTERVIEWS / DOCUMENTS)	CORRECTIVE ACTIONS	OTHER - DETAILS	CORRECTIVE ACTION TIMELINE	BCI MONITORING OF CORRECTIVE ACTION	IP PERSON RESPONSIBLE	IP PERSON RESPONSIBLE
1	Ethics	Score dropdown	[Insert text]	Use dropdown menu	[Insert Text]	Use dropdown menu	[Insert Text]	[Insert name]	[Insert name]
2	Ethics		[Insert text]	Use dropdown menu	[Insert Text]	Use dropdown menu	[Insert Text]		[Insert name]

## Step 6: Developing the corrective risk action plan

To support the PP in addressing any potential areas of risk exposure identified because of the DD process it is crucial that the Better Cotton Country DD PP manager develops a corrective risk action plan that provides effective guidance on how to address any gaps or weak points within the PP’s organisational structures, operational systems and policies. See below for steps to developing the corrective risk action plan.

**Figure 12: Steps to developing the corrective risk action plan**



**Tip 9:** The corrective risk action plan should be realistic and practical to implement for the PP based on the type of organisation, activities they carry out and environment in which they operate.

See figure 10 and 11 above for snapshot of the risk guidance and corrective risk action plan as per the DD framework – Validation and Corrective Action Plan Rubric Tab 3.

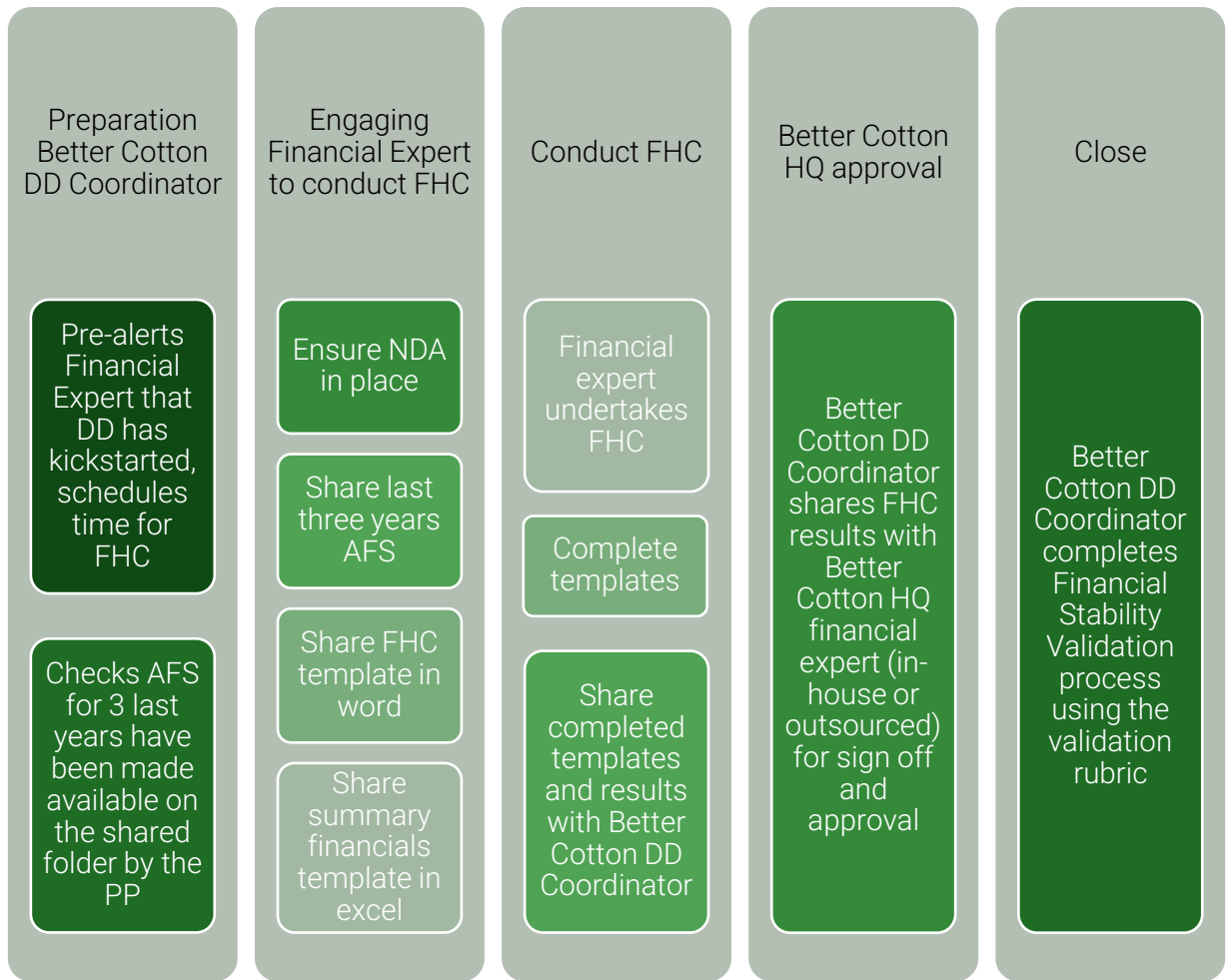
## Step 7: Financial health check on PPs Audited Financial Statements

The aim of undertaking a financial health check (FHC) on the PPs audited financial statements (AFS) for the last three years is to conduct a review of the AFS in the three areas outlined in figure 14 below. The FHC should be undertaken by a qualified financial expert engaged either centrally by Better Cotton HQ (allows for consistency) or by the Better Cotton Country Office (de-centralised approach) through the Better Cotton Country PP DD Manager. The process for undertaking the financial health check is outlined in figure 14 below; and a link to and overview of the financial health check template can be found in figure 15 below.

**Figure 13: Three areas of review of the financial health check of the PPs Audited Financial Statements**

THE QUALITY OF THE FINANCIALS	THE FINANCIAL PERFORMANCE OF THE ENTITY	THE ABILITY OF THE ENTITY TO CONTINUE AS A GOING CONCERN
<ul style="list-style-type: none"> <li>- <b>Type of financials reviewed:</b> The reviewer must consider the types of financials reviewed</li> <li>- <b>The standard of financials reviewed:</b> The reviewer must consider the quality of the statements i.e., are they up to standard or can be linked to an adequately mapped accounting system.</li> <li>- <b>Quality of the notes and the support information provided:</b> The reviewer must consider if the notes provide sufficient support information.</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Income generation:</b> The reviewer must consider the businesses income generating ability over the period.</li> <li>- <b>Cost Controls:</b> The reviewer must consider the businesses cost controlling ability over the period - can provide insights into effective cost allocation.</li> <li>- <b>Appropriateness of expenditure:</b> The reviewer must consider if the businesses expenditure on assets or remuneration is appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>- Ability to meet short-term commitments i.e., over the next 12 months</li> <li>- Reserves and access to funding</li> </ul>

**Figure 14: Process for undertaking a financial health check (FHC) on an PPs Audited Financial Statements (AFS)**



**Tip 10:** Better Cotton PP DD coordinator to ensure placeholder booking of the financial expert's time in advance of FHC review so to avoid unnecessary delays. Ideally this should be done as soon as the PP DD kick off meeting has been closed.

**Tip 11:** Request for AFS to be uploaded to the shared folder as a priority at the kick off call and first weekly check in meeting, and share with financial expert soon as they are available.

**Figure 15: Financial Health Check Template**

Template in Excel: Two tabs – FHC report; Summary AFS





## Step 8: Complete the enhanced PP DD report

Upon completion of the DD validation process (Step 5), developing the corrective risk action plan (step 6) and the Financial Health Check (Step 7) the Better Cotton DD Coordinator will be in a position to complete the enhanced PP DD report. This report provides a summary of the key DD results and outcomes. These are as per figure 16 below which also outlines the process for completing the enhanced PP DD report, and figure 17 for a snapshot of the template, including a link to the template.

Figure 16: Process for completing the enhanced PP DD report

1. PP DD Details	2. Record of meetings	3. DD results	4. Corrective risk action plan	5. FHC of PPs AFS	6. Better Cotton HQ for approval
<ul style="list-style-type: none"> <li>Input details of the PP DD as per template requirements (name of PP, start date, end date, PP DD team, Better Cotton HQ team, Better Cotton Country team etc)</li> </ul>	<ul style="list-style-type: none"> <li>Complete the schedule of meetings and key activities undertaken during the DD process.</li> </ul>	<ul style="list-style-type: none"> <li>3.1 Summary of DD results</li> <li>-Copy and paste from DD framework Tab 1</li> <li>3.2 Key points to note on key areas of review</li> <li>-Complete sections accordingly</li> </ul>	<ul style="list-style-type: none"> <li>Complete the corrective action plan template by dropping in the detail from Tab 2 in the DD framework</li> </ul>	<ul style="list-style-type: none"> <li>Copy and paste the FHC template results for the PP into this section</li> </ul>	<ul style="list-style-type: none"> <li>Share with the Better Cotton HQ lead for approval and sign off</li> </ul>

**Tip 12:** Start completing and uploading information to the enhanced PP DD report at kick off of the DD and thereafter on a weekly basis (e.g., Record of meeting/ key activities) and as information is complete and ready for input.

Figure 17: Enhanced PP DD Report Template

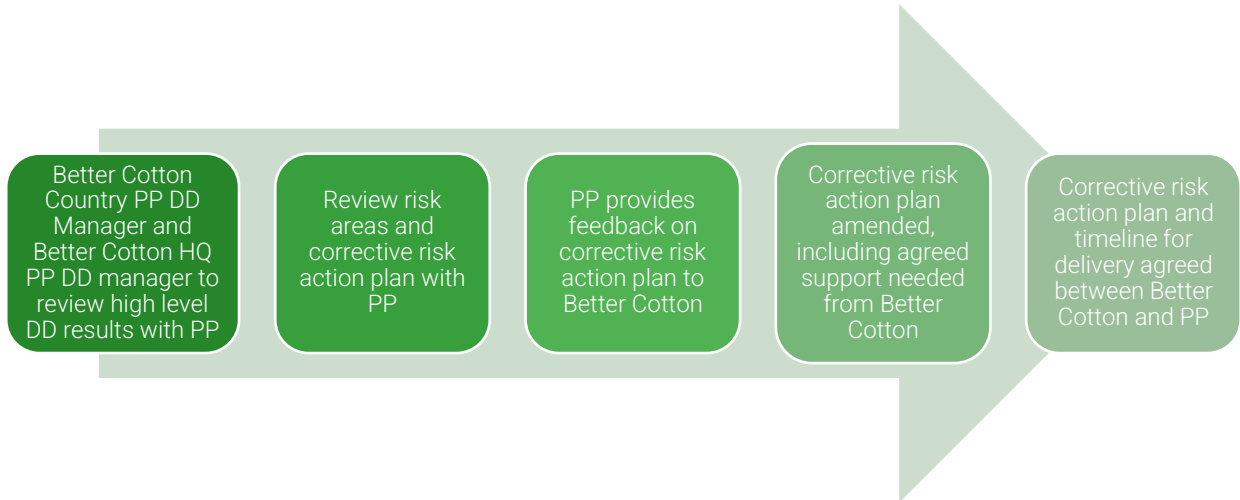
<p>Enhanced Implementing Partner Due Diligence Report</p> <p>1. DD Details</p> <table border="1"> <tr> <th>ID Name</th> <th>Development Support Centre (DSC)</th> <th>Country</th> <th>Index</th> </tr> <tr> <td>DD Implementation Dates</td> <td>15/03/2024 - 26/07/2024</td> <td>BD (D) Report Approval Date</td> <td>16/08/2024</td> </tr> </table> <p>2. Record of meetings/Key activities</p> <table border="1"> <thead> <tr> <th>Meeting/Activity and Purpose</th> <th>Date</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>Kick off call - introductory meeting</td> <td>15 March 2024</td> <td>BCI HQ, BCI Country Team, DSC Exec Director and Management Team, Frank Impact</td> </tr> <tr> <td>Weekly check-in call</td> <td>21 March 2024</td> <td>BCI Country Team, DSC Management Team, Frank Impact</td> </tr> <tr> <td>Weekly check-in call</td> <td>21 March 2024</td> <td>BCI Country Team, DSC Management Team, Frank Impact</td> </tr> <tr> <td>Weekly check-in call</td> <td>2 April 2024</td> <td>BCI Country Team, DSC Management Team, Frank Impact</td> </tr> <tr> <td>Review of outstanding questions with DSC Management Team</td> <td>24 April 2024</td> <td>BCI Country Team, DSC Management Team, Frank Impact</td> </tr> <tr> <td>Review of outstanding questions with DSC Executive Director</td> <td>21 April 2024</td> <td>BCI Country Team, DSC Exec Director and Management Team, Frank Impact</td> </tr> <tr> <td>DD Validation</td> <td>Week 3<sup>rd</sup> May 2024</td> <td>Frank Impact</td> </tr> <tr> <td>Review of DD validation with BCI</td> <td>10 May 2024</td> <td>BCI HQ, Frank Impact</td> </tr> <tr> <td>Sign-off on report check on BCI</td> <td>10 May 2024</td> <td>BCI Country Team</td> </tr> <tr> <td>Audited Financial Statements</td> <td></td> <td></td> </tr> <tr> <td>Final DD results and agreed action</td> <td>17 June 2024</td> <td>BCI HQ, BCI Country Team, DSC Management Team, Frank Impact</td> </tr> </tbody> </table> <p>3. Due Diligence Results</p> <p>DSC has performed well with 98% of DD questions achieving green risk status.</p> <table border="1"> <thead> <tr> <th>Area</th> <th>Score</th> <th>Comments</th> <th>Overall Status</th> </tr> </thead> <tbody> <tr> <td>Business</td> <td>100%</td> <td>Business is well established and profitable</td> <td>Green</td> </tr> <tr> <td>Finance</td> <td>100%</td> <td>Financial statements are audited and reliable</td> <td>Green</td> </tr> <tr> <td>Operational</td> <td>100%</td> <td>Operational systems are robust and secure</td> <td>Green</td> </tr> <tr> <td>Human Resources</td> <td>100%</td> <td>HR policies are clear and followed</td> <td>Green</td> </tr> <tr> <td>Environment and Operations</td> <td>100%</td> <td>Environmental and safety policies are clear and followed</td> <td>Green</td> </tr> <tr> <td>Compliance</td> <td>100%</td> <td>Compliance with laws and regulations is maintained</td> <td>Green</td> </tr> <tr> <td>Reputation</td> <td>100%</td> <td>Reputation is positive and well managed</td> <td>Green</td> </tr> </tbody> </table>	ID Name	Development Support Centre (DSC)	Country	Index	DD Implementation Dates	15/03/2024 - 26/07/2024	BD (D) Report Approval Date	16/08/2024	Meeting/Activity and Purpose	Date	Attendees	Kick off call - introductory meeting	15 March 2024	BCI HQ, BCI Country Team, DSC Exec Director and Management Team, Frank Impact	Weekly check-in call	21 March 2024	BCI Country Team, DSC Management Team, Frank Impact	Weekly check-in call	21 March 2024	BCI Country Team, DSC Management Team, Frank Impact	Weekly check-in call	2 April 2024	BCI Country Team, DSC Management Team, Frank Impact	Review of outstanding questions with DSC Management Team	24 April 2024	BCI Country Team, DSC Management Team, Frank Impact	Review of outstanding questions with DSC Executive Director	21 April 2024	BCI Country Team, DSC Exec Director and Management Team, Frank Impact	DD Validation	Week 3 <sup>rd</sup> May 2024	Frank Impact	Review of DD validation with BCI	10 May 2024	BCI HQ, Frank Impact	Sign-off on report check on BCI	10 May 2024	BCI Country Team	Audited Financial Statements			Final DD results and agreed action	17 June 2024	BCI HQ, BCI Country Team, DSC Management Team, Frank Impact	Area	Score	Comments	Overall Status	Business	100%	Business is well established and profitable	Green	Finance	100%	Financial statements are audited and reliable	Green	Operational	100%	Operational systems are robust and secure	Green	Human Resources	100%	HR policies are clear and followed	Green	Environment and Operations	100%	Environmental and safety policies are clear and followed	Green	Compliance	100%	Compliance with laws and regulations is maintained	Green	Reputation	100%	Reputation is positive and well managed	Green	<p>Enhanced Implementing Partner Due Diligence Report</p> <p>3.1 Summary of DD results</p> <p><b>Scoring:</b> DSC has performed well with 98% of DD questions achieving green risk status. The risk level associated with the organization is very low and as per the responses and information provided there are no additional risk areas that require investigation by BCI.</p> <p><b>Overview:</b> DSC, as an organization, has comprehensive and transparent systems in place for managing operational, financial, governance and environmental risks. These systems are certified and extensively detail processes and procedures for implementing the organization's respective policies.</p> <p><b>Conclusion:</b> Following a comprehensive review and validation of the Due Diligence assessments submitted by DSC it can be concluded that the organization poses a very low level of risk to an implementing partner delivering project activities on behalf of BCI.</p> <p>3.2 Key points to note on key areas of review</p> <p><b>Ethics:</b> DSC is governed by a set of core principles, which are supported by effective risk management systems and comprehensive operational policies that guide the actions of the organization and its employees. DSC has not been subject to any major operational or litigation over the past five years and as such there are no substantiated open cases regarding the ethical conduct of the organization moving forward.</p> <p><b>Governance:</b> DSC operates under a clear and transparent governance framework that enables organization to operate and project activities to be carried out in a manner that is DSC's management accountable and without undue influence from external staff organization does have affiliations with government officials and bodies, but the relationships are clearly defined and pose no risk to the operations of DSC.</p> <p><b>Financial stability:</b> DSC is a member of BCI's financial health check (AFS) program. BCI's AFS program is a three year cycle of financial health check. DSC scored 100% (a total of 50 points) out of a maximum score achievable of 50 points) on the AFS health check. See as attached DSC Financial Health Check of AFS 2021 to 2023 - 11 June 2024.</p> <p><b>Annual financial statements (AFS) health check:</b> DSC scored 100% (a total of 50 points) out of a maximum score achievable of 50 points) on the AFS health check. See as attached DSC Financial Health Check of AFS 2021 to 2023 - 11 June 2024.</p> <p><b>Environment and operations:</b> DSC operates under a clear and transparent governance framework that enables organization to operate and project activities to be carried out in a manner that is DSC's management accountable and without undue influence from external staff organization does have affiliations with government officials and bodies, but the relationships are clearly defined and pose no risk to the operations of DSC.</p> <p><b>Downstream:</b> DSC is a member of BCI's financial health check (AFS) program. BCI's AFS program is a three year cycle of financial health check. DSC scored 100% (a total of 50 points) out of a maximum score achievable of 50 points) on the AFS health check. See as attached DSC Financial Health Check of AFS 2021 to 2023 - 11 June 2024.</p>	<p>Enhanced Implementing Partner Due Diligence Report</p> <p>4. Corrective Risk Action Plan</p> <table border="1"> <thead> <tr> <th>Issue</th> <th>Risk Rating</th> <th>Root Cause</th> <th>Actions for risk rating</th> <th>Corrective action</th> <th>Timeline</th> <th>BCI member of corrective action</th> <th>BCI Partner responsible</th> <th>BCI Partner responsible</th> </tr> </thead> <tbody> <tr> <td>BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.</td> <td>Low</td> <td>BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.</td> <td>BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.</td> <td>BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.</td> <td>31/12/2023</td> <td>BCI Country Team</td> <td>BCI Country Team</td> <td>BCI Country Team</td> </tr> <tr> <td>BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.</td> <td>Low</td> <td>BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.</td> <td>BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.</td> <td>BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.</td> <td>31/12/2023</td> <td>BCI Country Team</td> <td>BCI Country Team</td> <td>BCI Country Team</td> </tr> </tbody> </table>	Issue	Risk Rating	Root Cause	Actions for risk rating	Corrective action	Timeline	BCI member of corrective action	BCI Partner responsible	BCI Partner responsible	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	Low	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	31/12/2023	BCI Country Team	BCI Country Team	BCI Country Team	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	Low	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	31/12/2023	BCI Country Team	BCI Country Team	BCI Country Team
ID Name	Development Support Centre (DSC)	Country	Index																																																																																																						
DD Implementation Dates	15/03/2024 - 26/07/2024	BD (D) Report Approval Date	16/08/2024																																																																																																						
Meeting/Activity and Purpose	Date	Attendees																																																																																																							
Kick off call - introductory meeting	15 March 2024	BCI HQ, BCI Country Team, DSC Exec Director and Management Team, Frank Impact																																																																																																							
Weekly check-in call	21 March 2024	BCI Country Team, DSC Management Team, Frank Impact																																																																																																							
Weekly check-in call	21 March 2024	BCI Country Team, DSC Management Team, Frank Impact																																																																																																							
Weekly check-in call	2 April 2024	BCI Country Team, DSC Management Team, Frank Impact																																																																																																							
Review of outstanding questions with DSC Management Team	24 April 2024	BCI Country Team, DSC Management Team, Frank Impact																																																																																																							
Review of outstanding questions with DSC Executive Director	21 April 2024	BCI Country Team, DSC Exec Director and Management Team, Frank Impact																																																																																																							
DD Validation	Week 3 <sup>rd</sup> May 2024	Frank Impact																																																																																																							
Review of DD validation with BCI	10 May 2024	BCI HQ, Frank Impact																																																																																																							
Sign-off on report check on BCI	10 May 2024	BCI Country Team																																																																																																							
Audited Financial Statements																																																																																																									
Final DD results and agreed action	17 June 2024	BCI HQ, BCI Country Team, DSC Management Team, Frank Impact																																																																																																							
Area	Score	Comments	Overall Status																																																																																																						
Business	100%	Business is well established and profitable	Green																																																																																																						
Finance	100%	Financial statements are audited and reliable	Green																																																																																																						
Operational	100%	Operational systems are robust and secure	Green																																																																																																						
Human Resources	100%	HR policies are clear and followed	Green																																																																																																						
Environment and Operations	100%	Environmental and safety policies are clear and followed	Green																																																																																																						
Compliance	100%	Compliance with laws and regulations is maintained	Green																																																																																																						
Reputation	100%	Reputation is positive and well managed	Green																																																																																																						
Issue	Risk Rating	Root Cause	Actions for risk rating	Corrective action	Timeline	BCI member of corrective action	BCI Partner responsible	BCI Partner responsible																																																																																																	
BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	Low	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	31/12/2023	BCI Country Team	BCI Country Team	BCI Country Team																																																																																																	
BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	Low	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	BCI has not received a copy of the DSC's Board of Directors' minutes for the year ending 31st Dec 2023.	31/12/2023	BCI Country Team	BCI Country Team	BCI Country Team																																																																																																	

## Step 9: PP meeting to review DD results and agree to the corrective risk action plan

The DD process will culminate with Better Cotton reviewing the results of the DD with the PP and agreeing the corrective risk action plan. See figure 19 below for guidance for the meeting to review the DD results and agree the action plan meeting with the PP.



**Figure 19: Steps for the enhanced PP DD results and action plan meeting**



---

**Tip 13:** It is important to ensure that senior management, CEO, Director is present at this meeting to ensure buy-in and support for agreeing the corrective risk action plan.

**Tip 14:** PP feedback on the corrective risk action plan is critical to ensure that it is fit for purpose and achievable.

**Tip 15:** Do not rush/force the PP into providing feedback on the corrective risk action plan or agreeing its contents immediately. If required, agree a timeline for the PP to provide feedback on the corrective risk action plan and arrange a follow-up meeting to formally agree its contents.

**Tip 16:** The PP may require Better Cotton to share standard policy content and or additional support.

---

## 6. Key takeaways and learnings

---

The below are key takeaways and learnings from the pilot to keep in mind as the Better Cotton PP DD manager starts the enhanced DD process with an PP.

Overall, it is important for the Better Cotton HQ team to check in regularly with the Better Cotton PP DD manager to ensure they are on track if they are coming up against unforeseen challenges so to be able to ensure the DD stays on track and that the DD PP Manager has the support required to ensure the process is completed. This may mean that the Better Cotton HQ team need to arrange a meeting with the PP's CEO and senior management.

### 1. Not a One-Size Fits All Process

- Better Cotton works with a diverse network of Ps whose structure, size, geography, operations, mission/purpose, etc. will influence their willingness and ability to undertake the DD process.
- As a result, some PPs will be better positioned to address the questions contained in the DD questionnaire due to their level of formalization, as well as governance, legal, financial compliance and reporting requirements.

### 2. Managing PPs with complex structure or international presence

- Critical to identify, engage and work with the correct decision maker(s), departments and offices from day 1 of the DD otherwise it can be difficult to gather information and access necessary personnel later in the process.
- Where an organization has representation in multiple countries it is best to direct the DD process through the office with which Better Cotton maintains its primary relationships.
- Should an organization be operational in a certain country (e.g., Tajikistan), but have no registered entity the DD process should be directed through the organization's head office.

## ANNEX 1: Examples of how to go through validating a question response (PP X example)

Q13. Is there a grievance mechanism in place and is it known by staff? [Yes/No; please attach]		
<b>Step 1 – understand the question</b>	1. What information is being requested in the question?	<ul style="list-style-type: none"> <li>• Does PP X have a grievance policy in place?</li> <li>• Is the grievance mechanism that is in place known by PP X staff?</li> </ul>
	2. What needs to be determined about the grievance process?	<ul style="list-style-type: none"> <li>• Are PP X's grievance mechanisms appropriate?                             <ul style="list-style-type: none"> <li>○ Note this is the difference between receiving a 2 (amber) and a 4 (green)</li> </ul> </li> </ul>
<b>Step 2 - Response 1 provided by PP</b>	<ul style="list-style-type: none"> <li>• The response indicates that PP X has a grievance mechanism in place</li> <li>• The policy document has been provided by PP X</li> <li>• To determine if the response is sufficient as is it is necessary to review the policy document</li> <li>• Attachments can be found in the shared folder for the PP (sub-folder "Ethics", sub-sub folder "Q15")</li> </ul>	
<b>Step 2.a - Document Review</b>	<ul style="list-style-type: none"> <li>• The grievance policy is not very detailed; only provides information for the contact person in the event that an employee would like to raise a grievance</li> </ul>	
<b>Step 2.b - Is the response complete at this stage?</b>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• What information is missing?                             <ul style="list-style-type: none"> <li>○ Is the grievance mechanism known by staff?</li> <li>○ Is the grievance mechanism in place appropriate?                                     <ul style="list-style-type: none"> <li>▪ We know that there is a procedure, but that has not been outlined in the policy or the written response</li> </ul> </li> </ul> </li> </ul>
<b>Step 3 – Response 2 provided by PP</b>	<ul style="list-style-type: none"> <li>• The response gives a basic outline of the grievance procedure</li> <li>• The PP has introduced a new policy that they are attributing to be part of the grievance policy</li> <li>• The PP has identified that training is provided on an annual basis</li> </ul>	
<b>Step 3.a - Document Review</b>	<ul style="list-style-type: none"> <li>• Policy provided is PP X's sexual harassment policy</li> <li>• Does not encompass general grievances, so while it is helpful, it does not really relate to answering the question</li> </ul>	
<b>Step 3.b - Is the response complete at this stage?</b>	<ul style="list-style-type: none"> <li>• No</li> </ul>	<ul style="list-style-type: none"> <li>• What information is missing?                             <ul style="list-style-type: none"> <li>○ It is still unclear whether the grievance mechanisms in place are acceptable</li> <li>○ More detail is required</li> <li>○ In this instance need to understand very clearly the sequence of events from time grievance raised and final decision communicated by management</li> </ul> </li> </ul>

<b>Step 4 - Response 3 provided by PP</b>	<ul style="list-style-type: none"> <li>Sequence of events more clearly explained</li> </ul>	
<b>Step 4.a - Is the response complete at this stage?</b>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>The procedure that has been outlined is not codified</li> <li>Further confirmation is required from Senior Management in order to validate that the process as outlined in the response is accurate</li> </ul>
<b>Step 5 - Engage Senior Management [note that this step may not be necessary for all questions].</b>	<ul style="list-style-type: none"> <li>Engage Senior Management - <i>if the process still remains unclear having engaged with the PP DD Point Person three times.</i></li> <li>The process as outlined by in the response is not codified in the attached policy document</li> <li>Since the process is not codified further confirmation from a Senior Manager is required because at this time it still cannot be determined as to whether the grievance policy in place is acceptable</li> </ul>	
<b>Step 5.a - Response provided by the PP</b>	<ul style="list-style-type: none"> <li>Senior Manager provides confirmation and clarification related to the process provided in the written response</li> </ul>	
<b>Step 6 - Validating the Response</b>	<ul style="list-style-type: none"> <li>What can be concluded? <ul style="list-style-type: none"> <li>There is a grievance mechanism in place at PP X</li> <li>The grievance mechanism is known by staff – induction and refresher training provided</li> <li>Grievance mechanisms in place are acceptable; however, the grievance process is not codified in the HR Handbook for Consultants.</li> <li>This does not pose any significant risk to Better Cotton as the mechanisms are in place and known by staff, but should be addressed by the management team at PP X</li> </ul> </li> </ul>	

<b>Q22. Are all statutory deductions (e.g. payroll deductions) paid and paid on time? [Yes/No]</b>		
<b>Step 1 – understand the question</b>	1. What information is being requested in the question?	<ul style="list-style-type: none"> <li>Confirmation that statutory deductions are paid in full and in a timely manner.</li> </ul>
	2. What needs to be determined?	<ul style="list-style-type: none"> <li>Does PP X make its statutory deductions in line with the requirements of the countries that it operates in?</li> </ul>
<b>Step 2 - Response 1 provided by PP</b>	<ul style="list-style-type: none"> <li>Stated that the question is not applicable since PP X does not have an established entity in Tajikistan</li> </ul>	
<b>Step 2.b - Is the response complete at this stage?</b>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>What information is missing? <ul style="list-style-type: none"> <li>Confirmation that statutory deductions are paid in full and in a timely manner.</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>Confirmation that PP X makes statutory deductions in line with the requirements of the countries that it operates in.</li> </ul>
<b>Step 3 - Response 2 provided by PP</b>	<ul style="list-style-type: none"> <li>Additional information provided does not adequately address the question</li> </ul>	
<b>Step 3.b - Is the response complete at this stage?</b>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>What information is missing? <ul style="list-style-type: none"> <li>Confirmation that statutory deductions are paid in full and in a timely manner.</li> <li>Confirmation that PP X makes statutory deductions in line with the requirements of the countries that it operates in</li> </ul> </li> </ul>
<b>Step 4 - Response 3 provided by PP</b>	<ul style="list-style-type: none"> <li>Provides some information as to how statutory deductions are paid by Consultants from PP X Tajikistan</li> <li>However, no further indication as to whether the organisation makes its statutory deductions and how it does so.</li> </ul>	
<b>Step 4.a - Is the response complete at this stage?</b>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>What information is missing? <ul style="list-style-type: none"> <li>Confirmation that statutory deductions are paid in full and in a timely manner.</li> <li>Confirmation that PP X makes statutory deductions in line with the requirements of the countries that it operates in</li> </ul> </li> </ul>
<b>Step 5 - Engage Senior Management</b>	<ul style="list-style-type: none"> <li>After 3 attempts by the PP DD Point Person the question has still not been adequately responded to and it appears that the PP DD Point Person might not be best suited to answering the question</li> <li>Insight from a Senior Manager is required because at this time it still cannot be determined as to whether PP X makes its statutory deductions and how it does so.</li> </ul>	
<b>Step 5.a - Response provided by the PP</b>	<ul style="list-style-type: none"> <li>Information has been provided as to how PP X UK makes its statutory deduction at the global level and in country.</li> </ul>	
<b>Step 6 - Validating the Response</b>	<ul style="list-style-type: none"> <li>What can be concluded? <ul style="list-style-type: none"> <li>It can be confirmed based on the information provided that PP X makes all statutory deductions and pays them in full as the requirements of the countries that it operates in?</li> </ul> </li> </ul>	

**Q33. With regards to data protection please describe how the Company/Organisation undertakes and records data, and how data gathered is managed and protected (in terms of, for example, managing/hosting/disclosing farmer and beneficiary data) [Please detail]**

<b>Step 1 - understand the question</b>	<p>1. What information is being requested in the question?</p>	<ul style="list-style-type: none"> <li>Does PP X have a Data Management and Security Policy?</li> <li>If no, does PP X have suitable processes and procedures for managing beneficiary data?</li> </ul>
---	--	---

	2. What needs to be determined about the grievance process?	<ul style="list-style-type: none"> <li>Is the policy fit for purpose?</li> </ul>
<b>Step 2 - Response 1 provided by PP</b>	<ul style="list-style-type: none"> <li>The response indicates that PP X has Security and Data Management Policy in place</li> <li>The policy document has been provided by PP X</li> <li>To determine if the response is sufficient as is it is necessary to review the policy document</li> <li>Attachments can be found in the shared folder for the PP (sub-folder "Governance", sub-sub folder "Q28")</li> </ul>	
<b>Step 2.a - Document Review</b>	<ul style="list-style-type: none"> <li>The Data and Security Management Policy appears to be applicable to use of PP X's website.</li> <li>It appear that the question has not been properly understood</li> </ul>	
<b>Step 2.b - Is the response complete at this stage?</b>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>What information is missing? <ul style="list-style-type: none"> <li>Does PP X have a Data Management and Security Policy?</li> <li>If no, does PP X have suitable processes and procedures for managing beneficiary data?</li> <li>Is the policy fit for purpose</li> </ul> </li> </ul>
<b>Step 3 – Response 2 provided by PP</b>	<ul style="list-style-type: none"> <li>The response appears to indicate that PP X's contract agreements with third parties such as Better Cotton contains IT and confidentiality clauses, but is unclear what that means.</li> <li>No further clarification has been provided regarding the Data Management and Security Policy that was provided</li> </ul>	
<b>Step 3.a - Document Review</b>	<ul style="list-style-type: none"> <li>No additional documentation provided</li> </ul>	
<b>Step 3.b - Is the response complete at this stage?</b>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>What information is missing? <ul style="list-style-type: none"> <li>Does PP X have a Data Management and Security Policy?</li> <li>If no, does PP X have suitable processes and procedures for managing beneficiary data?</li> <li>Is the policy fit for purpose</li> </ul> </li> </ul>
<b>Step 4 - Response 3 provided by PP</b>	<ul style="list-style-type: none"> <li>No additional information provided</li> </ul>	
<b>Step 4.a - Is the response complete at this stage?</b>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>What information is missing? <ul style="list-style-type: none"> <li>Does PP X have a Data Management and Security Policy?</li> <li>If no, does PP X have suitable processes and procedures for managing beneficiary data?</li> <li>Is the policy fit for purpose</li> </ul> </li> </ul>
<b>Step 5 - Engage Senior Management</b>	<ul style="list-style-type: none"> <li>Engage Senior Management - <i>if the process still remains unclear having engaged with the PP DD Point Person three times.</i></li> </ul>	





	<ul style="list-style-type: none"> <li>Insight from a Senior Manager is required because at this time it still cannot be determined as to whether PP X has either a policy or processes in procedures for managing beneficiary data</li> </ul>
<p><b>Step 5.a - Response provided by the PP</b></p>	<ul style="list-style-type: none"> <li>Feedback from Senior Management indicates that PP X does not have a Data Management and Security Policy in place for managing beneficiary data; rather the company implements data management and security protocols for specific projects as per the requirements of the donor partner</li> <li>There is no written policy and/or processes or procedures, but it was stated that PP X employs a sensible approach to managing and disclosing data</li> <li>Response is complete</li> </ul>
<p><b>Step 6 - Validating the Response</b></p>	<ul style="list-style-type: none"> <li>What can be concluded?                         <ul style="list-style-type: none"> <li>There is no Data Management and Security Policy in place at PP X</li> <li>There is a need for PP X to draft and implement a Data Management and Security Policy</li> <li>The risk posed to Better Cotton is limited as the contract agreement between PP X and Better Cotton will include provisions for managing beneficiary data</li> </ul> </li> </ul>