Request for Proposals – Due Diligence roll out in Uzbekistan

RFP n#: 2025-7-PR-UZBDUEDILIGENCE

Location: Uzbekistan

Start date: 8th September 2025

End date: 1st September 2027

Better Cotton key contact:
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Due Diligence & Partnerships Coordinator

All applications must be submitted via this form

You may submit questions to tender@bettercotton.org using subject 2025-7-PR-UZBDUEDILIGENCE" until 3rd of August 2025

Questions, requests and applications sent after the deadline of 10th of August 2025 will only be considered in exceptional circumstances.

AT THE END OF THIS DOCUMENT, THERE IS A QUESTION AND ANSWER SECTION WHICH YOU ARE ENCOURAGED TO GO THROUGH IN PREPARATION FOR SUBMITTING YOUR BIDS

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 2.8 million farmers in 22 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 strengthening 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 to support this selecting process.

The 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, 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 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 organization 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 find team of consultants to conduct the Due Diligence and financial health check process of PPs in Uzbekistan for upcoming programmes, in accordance with Better Cotton's guidelines,

Five (5) full Due Diligence and one (1) Financial Health Check would need to be completed by end of March 2026. We still don't have any visibility for the following years.

Through direct relationships with the PP, the team consultants 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 Uzbekistan 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:

- Partnerships Manager, based in Geneva
- Due Diligence and Sustainable Partnerships Coordinator, based in Lahore
- 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. In conjunction with Better Cotton, 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. Present the Due Diligence results and propose a corrective risk action plan during a final meeting with the PP

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

	W1	W2	W3	W4	W5	W6	Working days	Comments
Due Diligence preparation: DD process understanding	1						1	1 WD in common for all IP
Questionnaire ongoing: - Bi-weekly meetings - Feedback to IP - Coordination with BCI Team - Validating IP responses - Fill BCI due diligence tool		3	2	2			7	
Developing the risk action plan: - Detail BCI expectation - Action plan assessment -Feedback to IP					2	1	3	12 WD for 1 IP
Financial Health Check: Gather financial datas, analysis, report					1		1	
Due Diligence final report + Final meeting						1	1	
					TOTAL:		**13**	

Due Diligence Deliverables

i. Kick off meeting presentation for each PPs.
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

By August 10th, 2025	Applications deadline All applications must be submitted via this form.
By August 11th to 25th, 2025	Applications review & shortlisting/ Interviews/ The successful applicant will be notified.

By September 5th, 2025	Contract + ToRs signature
By September 8th, 2025	Induction and Start of the assignment
By the End of March 2026	1st batch of 5 Due Diligence would need to be completed by End of March 2026 and more detailed timeline for each of them will be provided into specific ToRs.

Required Skills & Knowledge

Experience
• Demonstrable experience writing, deploying, reviewing, or implementing Due Diligence frameworks in the development or corporate sector • Demonstrable experience in analysing financial information • Experience working with international organisations • Field level experience in Uzbekistan
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 and Uzbek or Russian

Application Requirements

Please note that we have changed our RFP submission protocol, and this is now in two phases:

- **Phase 1: Initial details will be submitted on the form found in this link.**
- **Phase 2: You will receive an email with live links to upload relevant documents (please check your Spam and Junk folders).**

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

- Relevant staff CVs
- A detailed financial offer: A unit cost for a full Due Diligence + a unit cost for a Financial Health Check. + an average cost for travels to meet BC partners if required.
- 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 field and office visits are expected to cross check the policy review and support data collection. 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.

RFP 2025-7-PR-UZBDUEDILIGENCE

Questions & Answers

Question 1

The Objectives section (page 3) states 5 full Due Diligence (DD) assessments and 1 Financial Health Check (FHC) are to be conducted. However, Step 8 in the DD stages (“Complete the enhanced PP DD report”, page 24) indicates the DD reports should include the FHC. Could you please clarify if the FHC is required for each of the five IPs, or only once for one IP by March 2026?

Answer

Consultants will work directly with the PPs to carry out the Due Diligence process, with support from Better Cotton’s teams. Please note that a full Due Diligence includes a Financial Health Check and area cover in Due diligence framework (Please refer to DD handbook below RFP), whereas tasks labeled solely as "Financial Health Check" refer only to the financial component.

Question 2

We would appreciate clarification on the Financial Health Check. Will the Financial Health Check Template provide detailed guidance on the required information, supporting documents, and financial ratios to be reviewed for each area?

Answer

Yes, the Financial Health Check (FHC) template provides comprehensive guidance on the information and supporting documents required from the partner organizations. It outlines the specific financial data to be collected, the key financial indicators to be reviewed, the template is designed to ensure consistency in assessment and supports consultants in identifying potential financial risks and areas of concern. This structured approach allows for a thorough and objective evaluation of a partner’s financial health in alignment with Better Cotton’s due diligence standards.

Question 3

The questionnaire reportedly outlines the key areas to be assessed, particularly under “What information is being requested?” and “What needs to be determined?”. Since we do not have access to the due diligence questionnaire, could you please confirm whether all necessary supporting documents and information are referenced in the instructions? Additionally, if IP withholds information, are we expected to conduct further research independently, or should we rely solely on the data provided?

Answer

Yes, the questionnaire outlines the key areas to be assessed during the Due Diligence process. It also provides guidance on the type of supporting documents required for specific questions and outlines what a complete or satisfactory response should look like. In cases where the Implementing Partner (IP) holds the relevant information but does not share it, there could be two possible reasons: either the IP is unwilling to provide the information, or the IP simply does not possess it—for example, in the case of missing policies or procedures. In such situations, the consultant is expected to explain to the IP that without sufficient information, the Due Diligence process will be incomplete, which may negatively impact the final assessment and outcomes. Additionally, for certain sections—such as checking whether the IP has any legal or litigation cases—the consultant may need to conduct independent research, including online searches, public databases, or legal records, to verify the information. This approach ensures a thorough and balanced assessment, even when some information from the IP is limited or unavailable.

Question 4

If the submission deadline has passed and the information received from the IP is incomplete, how should we proceed? Should we allow additional time for the IP to submit the missing information, or continue the assessment based on the available data?

Answer

Firstly, the consultant is expected to adhere to the timeline outlined in the Terms of Reference (TORs). However, if the information received from the Implementing Partner (IP) is incomplete or delayed, the consultant should allow a reasonable buffer period for the IP to provide the missing details. During this time, the consultant must also keep the Better Cotton team informed of any delays, including the specific reasons why the information has not been provided. This ensures transparency, allows for timely support if needed, and helps manage the overall progress of the Due Diligence process effectively

Question 5

Kindly provide the engagement template that would formalize our agreement if awarded the tender. Reviewing this in advance will enable us to assess contractual terms, ensure internal compliance, and facilitate timely execution

Answer

The TOR will be custom for this Agreement based on timelines, scope and key deliverables. We are able to share a link to our Standard Service Agreement here: https://bettercotton.org/documents/better-cotton-template-supplier-service-agreement/

Question 6

Do you have a standard proposal template you would like us to use to apply for this opportunity?

Answer

You can provide the proposal in your template, BCI does not have standard proposal template.

Question 7

If not, could you kindly advise on the key content areas or structure you expect to see in the proposal?

Answer

The Technical Proposal should include the following sections for clarity and completeness:

- Cover Letter
- Consultant Profile and Relevant Experience
- Understanding of the RFP Objectives and Scope
- Proposed Approach, Methodology, and Work Plan
- Details of Key Personnel Involved
- Strategy for Partner Engagement including (how you will convince PPs to share information and overcome partners who are reluctant to cooperate with the process)
- Risk Identification and Mitigation Measures

The financial proposal includes the proposed cost to cover financial which include travel, consultant fee, translation cost if any, admin and management fee if any.

Question 8

Would it be possible to review a sample or at least one Terms of Reference (ToR) document for context, so as to ensure that we have the capability to cover all aspects of the engagement

Answer

Before formal agreement we cannot share the sample copy of TORs.

Annex 1 : Due Diligence Handbook

HANDBOOK

HOW TO UNDERTAKE AN ENHANCED BCI PROGRAMME PARTNER DUE DILIGENCE

21 JUNE 2021

Source: Alliance For Science, Cornell University

BCI REF: 2020-11-IMP-DUE DILIGENCE

1. Enhanced PP DD Operational Handbook

1. Introduction

The enhance Programme Partner (PP) Due Diligence (DD) framework provides a system for BCI 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 BCI'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 BCI enhanced PP DD framework has been structured to enable BCI 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. BCI should encourage change by constructively engaging PPs, and supporting them to build better organisations.

Encouraging good faith efforts: It is key for BCI to encourage PPs into making good faith efforts, that is that BCI 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 BCI 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 BCI work with its PPs in a responsible way. Except in the most harmful and high risk circumstances, BCI 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 BCI 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

6. The BCI enhanced PP DD nine-step process

The nine-step, risk-based due diligence process is relevant to all BCI 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 BCI enhanced PP DD process

1. Pre-DD preparation
2. IP DD kick-off meeting
3. Weekly check-in meetings with IP - DD Questionnaire feedback
4. Providing feedback to IP on DD responses
5. Validating IP responses against rubric
6. Developing the risk action plan
7. Financial health check
8. Complete the IP DD report
9. IP meeting to review DD results and agree to the risk action plan

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 BCI and establishing the framework for conducting an effective DD with the PP. The BCI 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 BCI 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 BCI HQ staff member for responsible for coordinating the DD

2. Key roles of BCI DD Coordinator

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

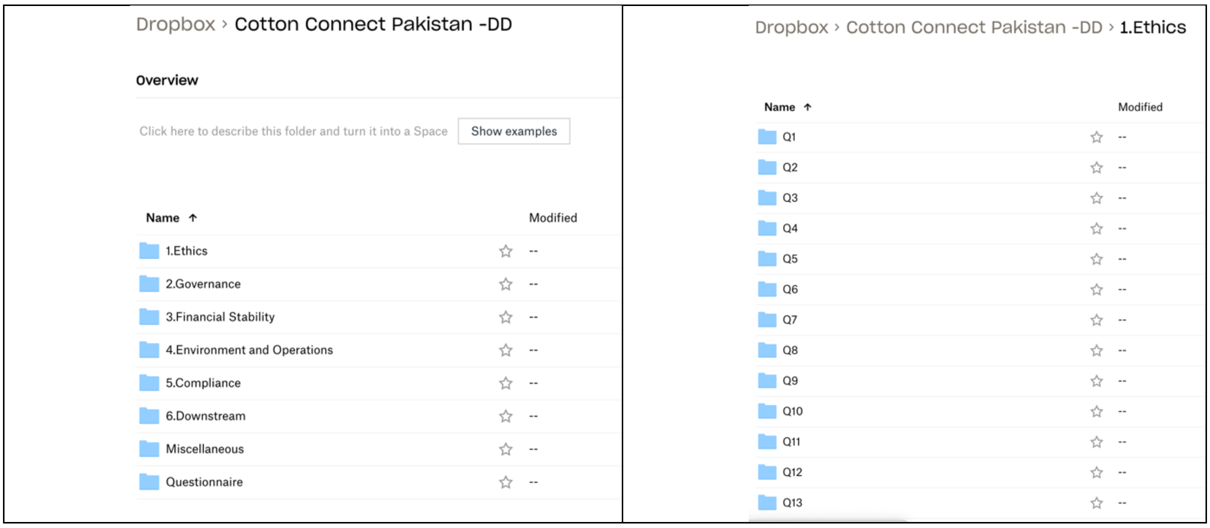
3. Identify BCI IP DD Manager from BCI Country Team to serve as primary contact with IP for purposes of completing DD

4. Key roles of BCI Country DD IP Manager

- Managing the IP relationship
- Managing and handholding the IP through the DD process, translating as needed
- Setting up Sharepoint folders for the IP 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 IP and BCI
- Early-stage warning to BCI HQ IP DD coordinator and IP CEO/Senior management on any concerns arising

Figure 4: Example of Sharepoint structure

Master schedule of key DD areas	Schedule of questions in each DD area



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

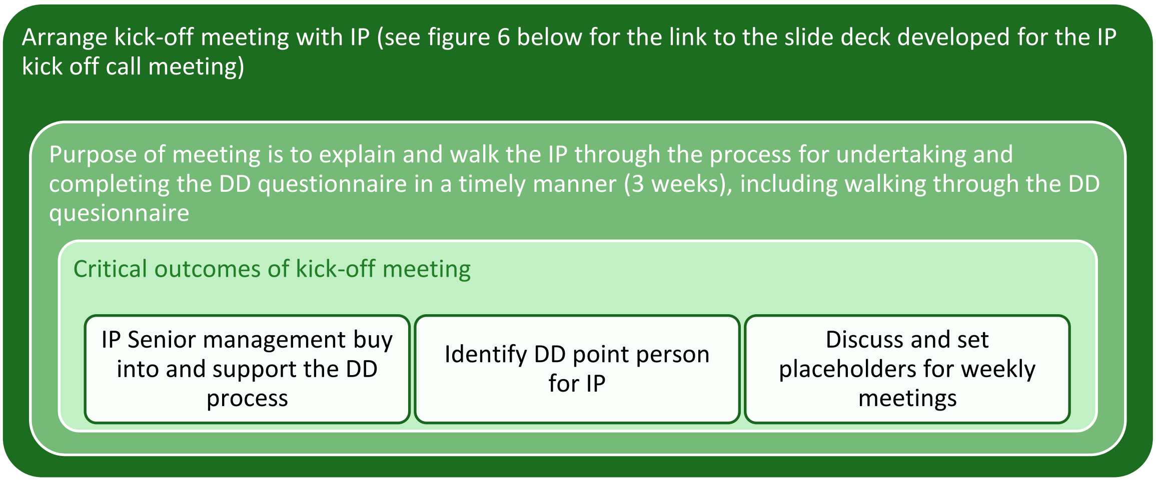
Training will be very important.

BCI HQ handholding during the first couple of DD's will be key.

Step 2: Enhanced PP DD kick-off meeting

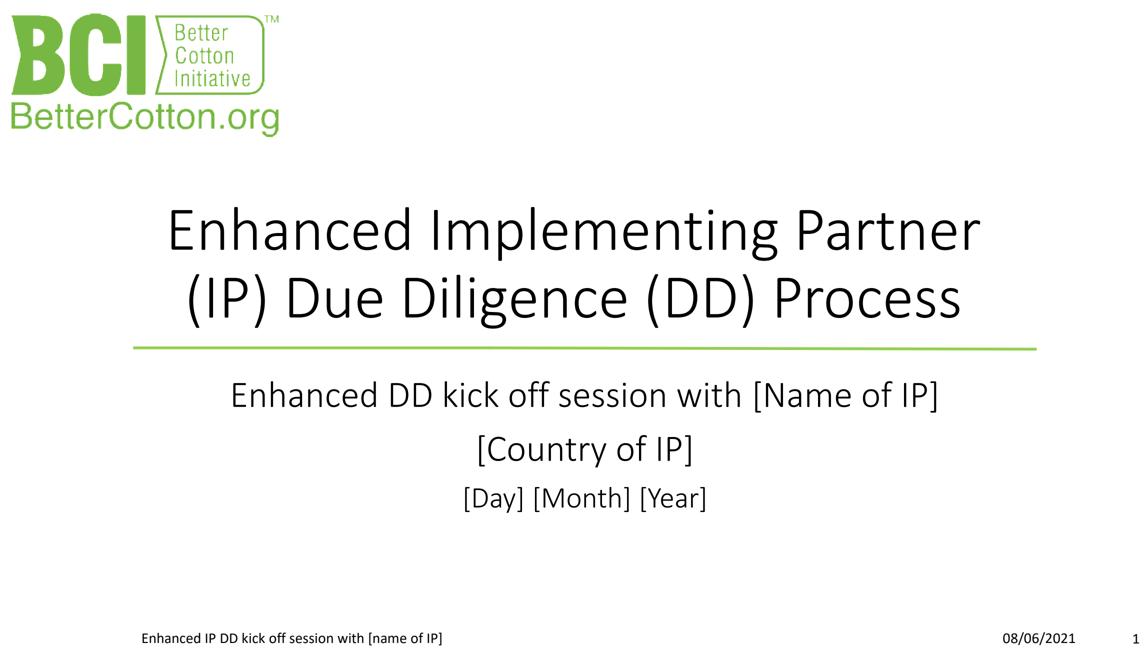
The enhanced PP DD kick-off meeting is the most important step of the DD process as it sets the tone for the DD with the PP and should clearly outline to the PP the roadmap for conducing the DD, and BCI's expectations of the PP throughout this process to ensure that it runs smoothly. It is important that both BCI 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



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

Figure 6: Slide deck for guiding PP kick of call meeting
To be shared with the successful applicant(s).

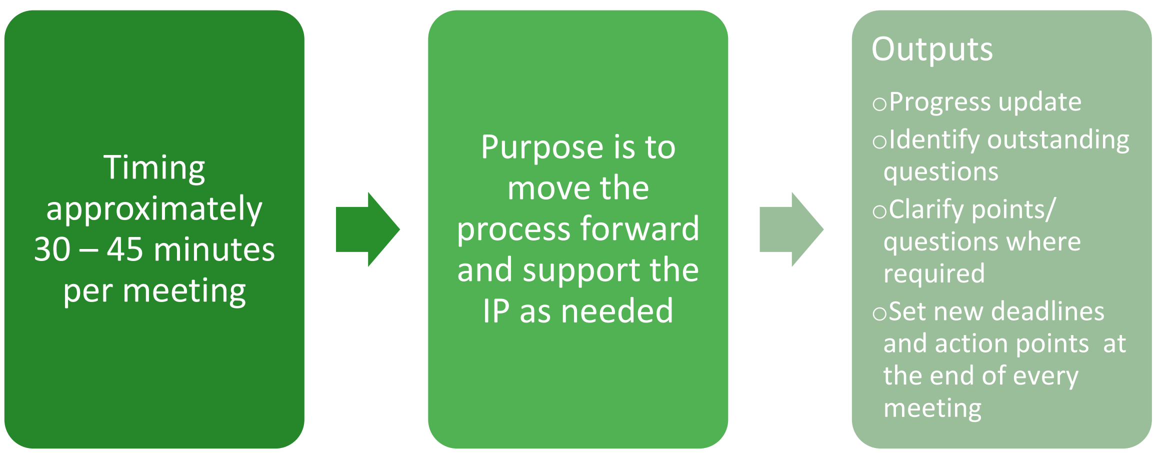


At the end of the kick off meeting, BCI country team will share the questionnaire with the PP's team. The excel file to be considered is: PP DD Questionnaire - for sharing with PP

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 BCI 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 7: 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 BCI 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 Sharepoint folder is updated by the PP on an ongoing basis.

TPP *4*: Engage the PP's senior management team if limited progress is being made on the DD questionnaire and uploading of documents to Sharepoint. 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 BCI Country PP DD Manager to ensure that BCI receives DD responses that comprehensively address the questions being asked. See figure 8 below for the feedback process on the DD questionnaire, and figure 9 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 8: Process for providing feedback to the PP on the DD questionnaire

Ideal turnaround time for providing feedback to IP is between 24 – 72 hours of receiving DD questionnaire (this may take longer for the first upload of the DD questionnaire by the IP).

It is critical to provide feedback on the most recent submission of the DD questionnaire to the IP prior to weekly check-in calls.

All feedback to the IP must be provided in writing so that the IP has explicit instruction as to what information is still outstanding.

Critical to review any questions that are not answered correctly or not properly understood during weekly check-in calls. Be conscious of the fact that people filling out the DD questionnaire might not be native English speakers and hence may need further clarification.

Use the question and evaluation rubric as a guide to formulate feedback questions so as to ensure a complete response from the IP.

BCI feedback will be clearly formulated in the dedicated column of the excel file: **PP DD Questionnaire - for sharing with PP Document will be shared to successful applicant)**

Figure 9: Guidance on providing feedback to the PP on question responses

Providing feedback on question responses	Specific IP responses to questions
• Assess whether question has been answered completely ○ All information requested in the question provided ○ All required attachments requested have been provided • Request clarity where ○ Response is unclear ○ Require additional information/details	• Always best to get IP to identify the specific piece of information that is being referenced • For example – if given an HR Manual, but are looking for code of conduct have the IP identify the section, page, article that they are referring to otherwise spend a lot of time trying to guess what is being referred to

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Tip 5: Clear feedback must be provided by the BCI 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

Please refer to excel file: Final Validation and Reporting Rubric - Internal Use, Tab: Validation & Risk Rubric (Document will be shared with the successful applicant)

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 BCI 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 10 below. See Annex 1 for detailed examples of how to validate an enhanced PP DD question response.

Figure 10: Five step validation process

5 step validation process

1. Validating Policies
Review and checking content and quality of policies/procedure documentation

2. Validating question responses
Cross referencing and validation of questions

3. Leveraging question responses
What to do when one question response supports answering a different question

4. Risk grading
Using the risk guidance and justifying a risk grade

5. Writing a response on your grading

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 Sharepoint 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		
Scope of policy is defined o What does the policy cover? o Make sure specific terms are defined (example – child labour, bribery, etc.) o Examples	Clear actions to operationalise the policy are in place o Processes and procedures are outlined o Reporting mechanisms in place	Accountability o Reporting mechanisms o Disciplinary actions for breach o Person(s) responsible

2. Validating question responses – Cross referencing and validation of questions		
When validating **you can use** information/documentation that has been provided to answer other questions	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	Remember that BCI is only asking the IP 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

3. Leveraging question responses - What to do when one question response supports answering a different question		
Not every organisation will have every policy as per the DD. However they may have another policy document that covers the subject matter of the requested policy.	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. It is important to note that not having a child labour policy does not automatically mean that the IP poses any actual risk.	Using the previous example, based on the quality of the safeguarding policy it might be sufficient to state that the risk level is negligible

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

5. Writing a response on your grading	
Use of language very important Needs to be objective, fact-based	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. It's key to provide written justification for the risk score

Figure 11: Risk guidance for providing a risk score:

DD Questionnaire Evaluation - Risk Weighting and Corrective Action

BCI Implementing Partner - Scoring Rubric			GUIDANCE TO BCI STAFF FOR REVIEWING THE QUESTIONNAIRE FOR RISK EVALUATION		
			Non-negotiable, DD is paused	NEW RISK CATEGORY Combined amber/yellows Moderate Risk - Requires Action, Monitoring	Not applicable, Lowest Risk, No Further Actions
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	1. Corruption risk issues and compliance 1a.How are corruption risk issues and compliance managed by the Company/Organisation? [Provide detail]. 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] Required attachments oRisk manager CV oAnti-bribery and corruption policy oWhistle-blower policy oConflicts of interest policy oAnti-money laundering policy oKnow Your Customer policy	Risk level: Tolerant internal culture of corruption, coming from board and/or senior executives. 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. None of the listed policy documents are available.	Risk level: Corruption taken seriously, but gaps in systems, capacity or implementation Look for: Individual(s) responsible for corruption issues have capacity issues, such as inadequate training or sufficient professional experience One or more of the listed policy documents are not available. Gaps in detail within listed policy documentation - i.e. documents do not comprehensively cover risk area.	Risk level: Corruption taken seriously, no gaps in systems, capacity or implementation Look for: Highly competent and high capacity anti-corruption management. Look for: Policy documents fully available, and comprehensively cover risk areas.
2	Ethics	2. Provide details if any of the below apply to the Company/organisation, its employees, agents	Risk level: On-going practices of corruption, money laundering	Risk level: Little or no evidence of unethical behaviour but high	Risk Level: No evidence of unethical behaviour, no future risk

Figure 12: Written justification for risk score

DD Questionnaire Evaluation - Risk Weighting and Corrective Action

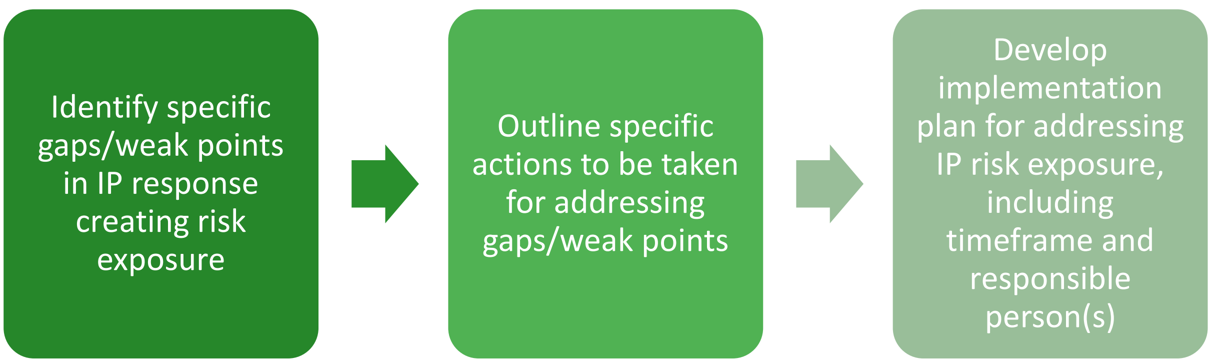
BCI Implementing Partner - Scoring Rubric		RESPONSE EVALUATION		RISK MANAGEMENT					
		Use the information shared by prospective IP and apply a risk score, following the guidance and good judgement.	Provide additional explanation for the risk score selected	Mandatory actions that are conditions for endorsement	Expand on selection in Column P if "Other" is selected	Select timeline for completion of corrective action	BCI process of verifying the corrective action	BCI person(s) responsible for managing the action is completed. May require managing external experts.	IP person(s) responsible for managing the action is completed. May require managing external experts.
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

Please refer to excel file: Final Validation and Reporting Rubric - Internal Use , Tab: Corrective risk action plan (Document will be shared with the successful applicant)

To support the PP in addressing any potential areas of risk exposure identified because of the DD process it is crucial that the BCI 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 13: 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 11 and 12 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 BCI HQ (allows for consistency) or by the BCI Country Office (de-centralised approach) through the BCI Country PP DD Manager.The process for undertaking the financial health check is outlined in figure 15 below; and a link to and overview of the financial health check template can be found in figure 16 below.

Figure 14: Three areas of review of the financial health check of the PPs Audited Financial Statements

THE QUALITY OF THE FINANCIALS

- Type of financials reviewed: The reviewer must consider the types of financials reviewed
- The standard of financials reviewed: 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.
- Quality of the notes and the support information provided: The reviewer must consider if the notes provide sufficient support information.

THE FINANCIAL PERFORMANCE OF THE ENTITY

- Income generation: The reviewer must consider the businesses income generating ability over the period.
- Cost Controls: The reviewer must consider the businesses cost controlling ability over the period - can provide insights into effective cost allocation.
- Appropriateness of expenditure: The reviewer must consider if the businesses expenditure on assets or remuneration is appropriate.

THE ABILITY OF THE ENTITY TO CONTINUE AS A GOING CONCERN

- Ability to meet short-term commitments i.e., over the next 12 months
- Reserves and access to funding

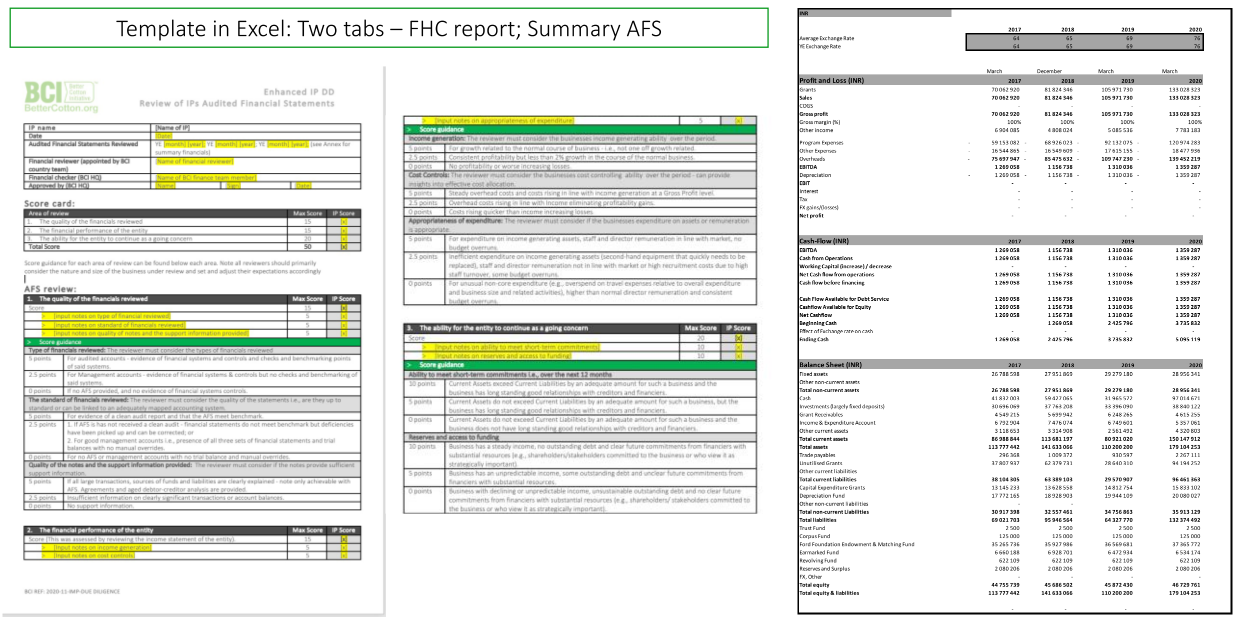
Figure 15: Process for undertaking a financial health check (FHC) on an PPs Audited Financial Statements (AFS)

Preparation BCI DD Coordinator	Engaging Financial Expert to conduct FHC	Conduct FHC	BCI HQ approval	Close
Pre-alerts Financial Expert that DD has kickstarted, schedules time for FHC	Ensure NDA in place	Financial expert undertakes FHC	BCI DD Coordinator shares FHC results with BCI HQ financial expert (in-house or outsourced) for sign off and approval	BCI DD Coordinator completes Financial Stability Validation process using the validation rubric
Checks AFS for 3 last years have been made available on the Sharepoint folder by the IP	Share last three years AFS	Complete templates		
	Share FHC template in word	Share completed templates and results with BCI DD Coordinator		
	Share summary financials template in excel			

Tip *10*: BCI 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 Sharepoint 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 16: Financial Health Check Template Document will be shares with the successful applicant]



Step 8: Complete the enhanced PP DD report

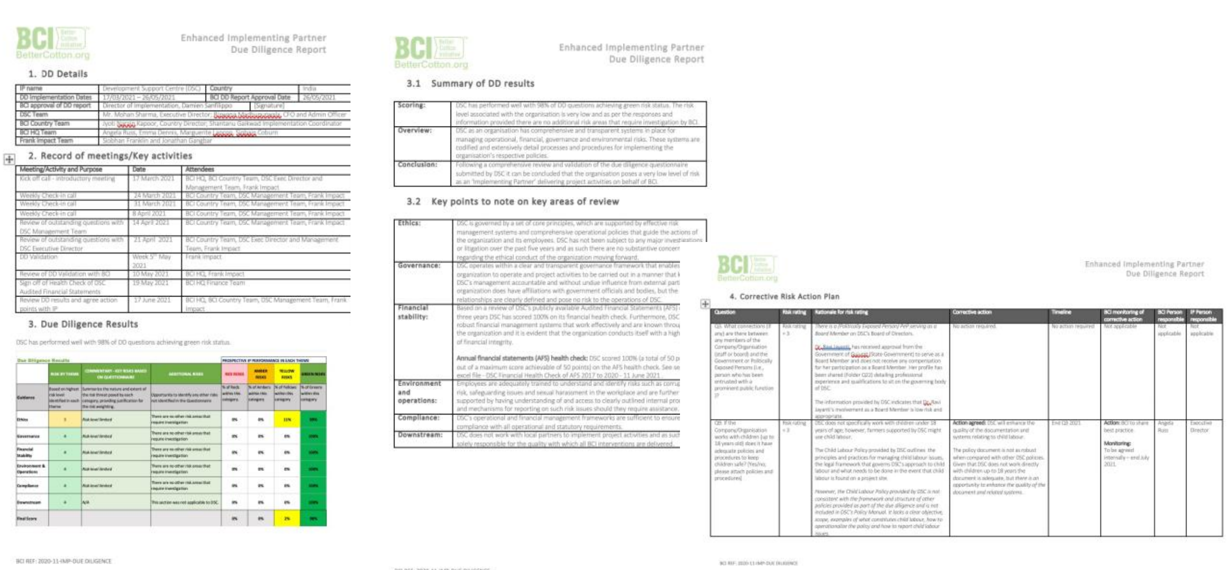
Upon completion of the DD validation process (Step 5), developing the corrective risk action plan (step 6) and the Financial Health Check (Step 7) the BCI DD Coordinator will be in a position to complete the enhanced PP DD report. This report provides a summary of the key DD results and outcomes. These are as per figure 17 below which also outlines the process for completing the enhanced PP DD report, and figure 18 for a snapshot of the template, including a link to the template.

Figure 17: Process for completing the enhanced PP DD report

1. IP DD Details	2. Record of meetings	3. DD results	4. Corrective risk action plan	5. FHC of IPs AFS	6. BCI HQ for approval
• Input details of the IP DD as per template requirements (name of IP, start date, end date, IP DD team, BCI HQ team, BCI Country team etc)	• Complete the schedule of meetings and key activities undertaken during the DD process.	•3.1 Summary of DD results • -Copy and paste from DD framework Tab 1 •3.2 Key points to note on key areas of review • -Complete sections accordingly	• Complete the corrective action plan template by dropping in the detail from Tab 2 in the DD framework	• Copy and paste the FHC template results for the IP into this section	• Share with the BCI HQ lead for approval and sign off

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 18: Enhanced PP DD Report Template (Document will be shared with the successful applicant



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

The DD process will culminate with BCI 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 BCI to share standard policy content and or additional support.

7. Key takeaways and learnings

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

Overall, it is important for the BCI HQ team to check in regularly with the BCI 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 BCI HQ team need to arrange a meeting with the PP's CEO and senior management.

1. Not a One-Size Fits All Process

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

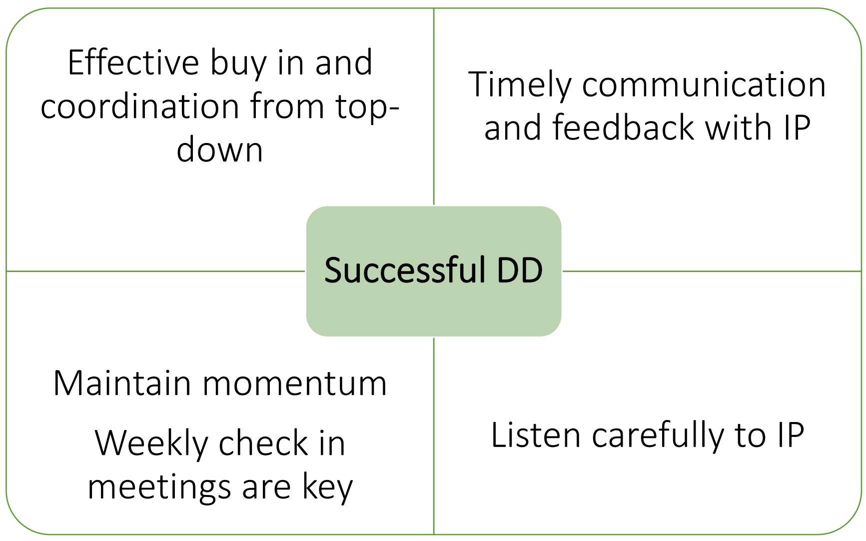
3. Managing IPs with Complex Structure or International Presence

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 on in the process

Where an organisation has representation in multiple countries it is best to direct the DD process through the office with which BCI maintains its primary relationship (e.g. CCUK vs. PCC)

Should an organisation be operational in a certain country (e.g. Pakistan), but have no registered entity the DD process should be directed through the organisation's Head Office

4. Recipe for Successful DD Process



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]		
Step 1 – understand the question	1. What information is being requested in the question?	• Does PP X have a grievance policy in place? • Is the grievance mechanism that is in place known by PP X staff?
	2. What needs to be determined about the grievance process?	• Are PP X's grievance mechanisms appropriate? o Note this is the difference between receiving a 2 (amber) and a 4 (green)
Step 2 - Response 1 provided by PP	• The response indicates that PP X has a grievance mechanism in place • The policy document has been provided by PP X • To determine if the response is sufficient as is it is necessary to review the policy document • Attachments can be found in the Sharepoint folder for the PP (sub-folder "Ethics", sub-sub folder "Q15")	
Step 2.a - Document Review	• 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	
Step 2.b - Is the response complete at this stage?	• No	• What information is missing? o Is the grievance mechanism known by staff? o Is the grievance mechanism in place appropriate? ▪ We know that there is a procedure, but that has not been outlined in the policy or the written response
Step 3 – Response 2 provided by PP	• The response gives a basic outline of the grievance procedure • The PP has introduced a new policy that they are attributing to be part of the grievance policy • The PP has identified that training is provided on an annual basis	
Step 3.a - Document Review	• Policy provided is PP X's sexual harassment policy • Does not encompass general grievances, so while it is helpful, it does not really relate to answering the question	
Step 3.b - Is the response complete at this stage?	• No	• What information is missing? o It is still unclear whether the grievance mechanisms in place are acceptable

		○ More detail is required ○ In this instance need to understand very clearly the sequence of events from time grievance raised and final decision communicated by management
Step 4 - Response 3 provided by PP	• Sequence of events more clearly explained	
Step 4.a - Is the response complete at this stage?	• No	• The procedure that has been outlined is not codified • Further confirmation is required from Senior Management in order to validate that the process as outlined in the response is accurate
Step 5 - Engage Senior Management [note that this step may not be necessary for all questions].	• Engage Senior Management - *if the process still remains unclear having engaged with the PP DD Point Person three times*. • The process as outlined by in the response is not codified in the attached policy document • 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	
Step 5.a - Response provided by the PP	• Senior Manager provides confirmation and clarification related to the process provided in the written response	
Step 6 - Validating the Response	• What can be concluded? ○ There is a grievance mechanism in place at PP X ○ The grievance mechanism is known by staff – induction and refresher training provided ○ Grievance mechanisms in place are acceptable; however, the grievance process is not codified in the HR Handbook for Consultants. ○ This does not pose any significant risk to BCI as the mechanisms are in place and known by staff, but should be addressed by the management team at PP X	

<table>
<tr><th colspan="3">Q22.Are all statutory deductions (e.g. payroll deductions) paid and paid on time? [Yes/No]</th></tr>
<tr><td rowspan="2">Step 1 – understand the question</td><td>1. What information is being requested in the question?</td><td>• Confirmation that statutory deductions are paid in full and in a timely manner.</td></tr>
<tr><td>2. What needs to be determined?</td><td>• Does PP X make its statutory deductions in line with the requirements of the countries that it operates in?</td></tr>
<tr><td>Step 2 - Response 1 provided by PP</td><td colspan="2">• Stated that the question is not applicable since PP X does not have an established entity in Turkey</td></tr>
<tr><td>Step 2.b - Is the response complete at this stage?</td><td>• No</td><td>• What information is missing?
o Confirmation that statutory deductions are paid in full and in a timely manner.
o Confirmation that PP X makes statutory deductions in line with the requirements of the countries that it operates in.</td></tr>
<tr><td>Step 3 – Response 2 provided by PP</td><td colspan="2">• Additional information provided does not adequately address the question</td></tr>
<tr><td>Step 3.b - Is the response complete at this stage?</td><td>• No</td><td>• What information is missing?
o Confirmation that statutory deductions are paid in full and in a timely manner.
o Confirmation that PP X makes statutory deductions in line with the requirements of the countries that it operates in</td></tr>
<tr><td>Step 4 - Response 3 provided by PP</td><td colspan="2">• Provides some information as to how statutory deductions are paid by Consultants from PP X Turkey
• However, no further indication as to whether the organisation makes its statutory deductions and how it does so.</td></tr>
<tr><td>Step 4.a - Is the response complete at this stage?</td><td>• No</td><td>• What information is missing?
o Confirmation that statutory deductions are paid in full and in a timely manner.
o Confirmation that PP X makes statutory deductions in line with</td></tr>
</table>

		the requirements of the countries that it operates in
Step 5 - Engage Senior Management	• 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 • 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.	
Step 5.a - Response provided by the PP	• Information has been provided as to how PP X UK makes its statutory deduction at the global level and in country.	
Step 6 - Validating the Response	• What can be concluded? o 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?	

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]		
Step 1 – understand the question	1. What information is being requested in the question?	• Does PP X have a Data Management and Security Policy? • If no, does PP X have suitable processes and procedures for managing beneficiary data?
	2. What needs to be determined about the grievance process?	• Is the policy fit for purpose?
Step 2 - Response 1 provided by PP	• The response indicates that PP X has Security and Data Management Policy in place • The policy document has been provided by PP X • To determine if the response is sufficient as is it is necessary to review the policy document • Attachments can be found in the Sharepoint folder for the PP (sub-folder “Governance”, sub-sub folder “Q28”)	
Step 2.a - Document Review	• The Data and Security Management Policy appears to be applicable to use of PP X’s website. • It appear that the question has not been properly understood	
Step 2.b - Is the response complete at this stage?	• No	• What information is missing? o Does PP X have a Data Management and Security Policy?

		◦ If no, does PP X have suitable processes and procedures for managing beneficiary data? ◦ Is the policy fit for purpose
Step 3 – Response 2 provided by PP	• The response appears to indicate that PP X's contract agreements with third parties such as BCI contains IT and confidentiality clauses, but is unclear what that means. • No further clarification has been provided regarding the Data Management and Security Policy that was provided	
Step 3.a - Document Review	• No additional documentation provided	
Step 3.b - Is the response complete at this stage?	• No	• What information is missing? ◦ Does PP X have a Data Management and Security Policy? ◦ If no, does PP X have suitable processes and procedures for managing beneficiary data? ◦ Is the policy fit for purpose
Step 4 - Response 3 provided by PP	• No additional information provided	
Step 4.a - Is the response complete at this stage?	• No	• What information is missing? ◦ Does PP X have a Data Management and Security Policy? ◦ If no, does PP X have suitable processes and procedures for managing beneficiary data? ◦ Is the policy fit for purpose
Step 5 - Engage Senior Management	• Engage Senior Management - *if the process still remains unclear having engaged with the PP DD Point Person three times*. • 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	
Step 5.a - Response provided by the PP	• 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 • 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	

	• Response is complete
Step 6 - Validating the Response	• What can be concluded? o There is no Data Management and Security Policy in place at PP X o There is a need for PP X to draft and implement a Data Management and Security Policy o The risk posed to BCI is limited as the contract agreement between PP X and BCI will include provisions for managing beneficiary data