PUSHPA FUND

Due Diligence Policy

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Contents

1. Introduction

Purpose of the Document

This document sets out **Pushpa's Due Diligence policy**, outlining the procedures and criteria used to assess and monitor non-governmental organisations (NGOs), Partners and Projects. It is a structured framework to e**nsure accountability, transparency,** and the **responsible use of donor funds** in line with Pushpa's mission.

Who This Document is For

- **Pushpa Internal Staff (Pushpa Members):** To guide internal processes and decision-making.
- **Donors/Pushpa Contributors (Pushpa People):** To assure supporters that Pushpa exercises strict oversight before funding projects.
- **NGO Partners:** To clarify the expectations and requirements for organisations seeking funding or collaboration with Pushpa.

Why Due Diligence is Critical for Pushpa's Mission

Pushpa's mission is to invest in people and communities in Bangladesh to drive economic growth and sustainable development. Effective due diligence is essential to this mission because it ensures:

- **Ethical and Transparent Funding:** Prevents misuse or mismanagement of funds by verifying that partners handle donations responsibly.
- **Accountability for Impact:** Ensures that funded projects deliver their intended outcomes and benefits to communities.
- **Risk Mitigation:** Identifies and addresses potential risks (e.g. corruption, governance weaknesses, or operational issues) before they can affect a project.

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2. Key Terms

- **Partner:** Any organisation that Pushpa works with to fund economic development for people and communities in Bangladesh (e.g. governments, NGOs, private companies, community groups working on sustainable growth and tech innovation).
- **Delivery Partner:** A Partner organisation directly responsible for delivering projects on the ground (typically local NGOs or community-based organisations in Bangladesh). Delivery Partners implement activities and manage funds in the field, and therefore undergo comprehensive due diligence.
- **Non-Delivery Partner:** A Partner that does not directly implement projects, such as a donor, institutional funder, advocacy ally or research collaborator. Non-Delivery Partners support Pushpa's mission through funding or strategic collaboration but are not responsible for on-ground project delivery, so a lighter due diligence process is applied.
- **Pushpa People:** Donors/contributors of Pushpa.

- **Pushpa Members:** Staff and volunteers working at Pushpa.
- **DD:** Due Diligence.
- **DD Committee:** Pushpa Members in charge of operations and due diligence of Partners.
- **Project Concept Note:** A high-level summary of a project submitted by a Delivery Partner for initial consideration by Pushpa. Usually **half a page to one page**. It outlines the problem, proposed solution, target beneficiaries, and high-level costs, and is used to decide whether the project should progress further.
- **Project Proposal:** A detailed project submission developed **after** a Concept Note has been reviewed. It provides a full explanation of the project, including **detailed budgets, delivery approach, timelines, risks, and monitoring arrangements**, and is used for due diligence and final funding decisions.

3. The Need for Robust Due Diligence in Bangladesh and South Asia

Context

Operating in Bangladesh and the wider South Asian region presents **systemic governance challenges**. Bangladesh has made notable strides in socio-economic development; however, corruption remains a significant impediment, affecting various sectors, including NGOs. According to the Transparency International Corruption Perceptions Index (CPI) 2024, **Bangladesh scored 23 out of 100**, marking its lowest score in 13 years and ranking 151st out of 180 countries. This decline underscores the pervasive nature of corruption within the country. A survey by Transparency International Bangladesh (TIB) revealed that 70.9% of households encountered corruption when accessing services from public and private institutions between May 2023 and April 2024. The estimated total bribes amounted to BDT 10,902 crore, representing 1.43% of the national budget and 0.22% of GDP.

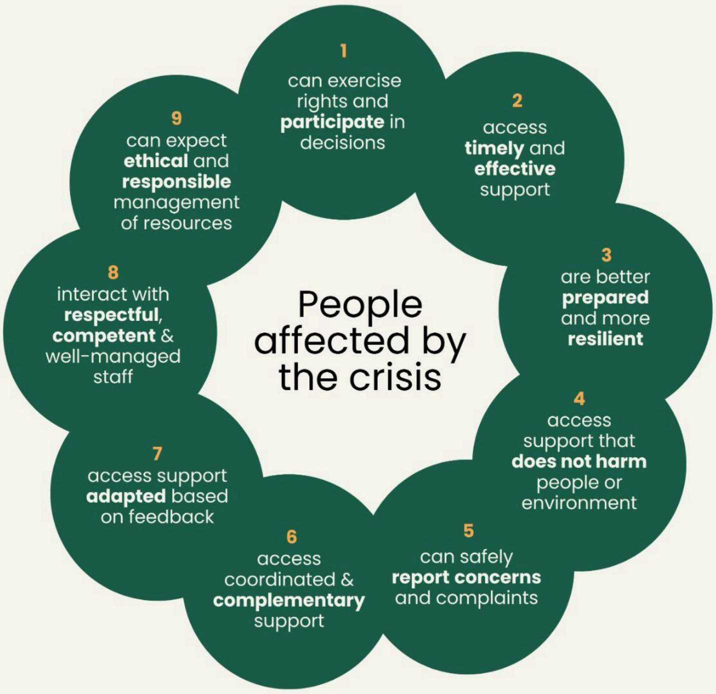
Rationale for Rigorous Due Diligence

In light of these challenges, Pushpa implements a robust DD process when selecting Partners. By assessing potential Partners against clear standards, Pushpa mitigates risks associated with corruption, safeguards the integrity of its mission, and contributes to the broader effort of promoting good governance within Bangladesh's NGO sector.

4. Core Humanitarian Standard (CHS) - The Primary Framework

The CHS is an internationally recognised **framework of nine commitments** that ensure **humanitarian and development organisations operate ethically, transparently, and effectively.** The commitments cover areas such as appropriate and effective aid delivery, communication with communities, handling complaints, safeguarding, and responsible resource management. Developed in 2014 by Sphere, Groupe URD, and the CHS Alliance, it is widely used across the sector.

The Nine CHS Commitments



The CHS is built on nine commitments, which define best practices for ensuring quality and accountability in humanitarian and development work

Why Pushpa Has Aligned with CHS

Pushpa is a diaspora fund committed to investing in the economic growth of communities in South Asia, with a strong emphasis on sustainability, innovation, and enabling long-term self-reliance over short-term relief. Our due diligence process must ensure that the NGOs and partners we fund embody the same values. The CHS provides the right starting point:

- **Community-Centric Approach:** CHS ensures that the beneficiary communities that we serve through our development efforts are actively consulted in project design and implementation. This resonates with Pushpa's community-driven mission, emphasising that communities are partners in development.
- **Practical for a Volunteer-Driven Organisation:** CHS is adaptable for organisations of all sizes. Its simplicity means Pushpa Members can implement core quality and accountability principles without overbearing bureaucracy.
- **Transparency and Accountability:** CHS mandates financial integrity, prevention of misuse of funds, and feedback mechanisms. Commitment 9 of CHS, for example, requires organisations to manage resources ethically and report transparently, aligning with Pushpa's insistence on honest financial reporting and anti-fraud measures.
- **Global Credibility:** Aligning with a globally recognised standard like CHS enhances Pushpa's reputation. Pushpa People and international stakeholders recognise CHS certification or alignment as a mark of high standards, which can increase trust in Pushpa's processes. (Notably, the UK's FCDO streamlines grant DD for CHS-certified organisations, underscoring CHS's credibility.)
- **Relevance to Local Context:** CHS principles help address challenges unique to the region, such as weak governance structures and resource constraints.

- **Focused and Scalable for Future Growth:** By aligning with CHS, Pushpa will start by implementing core principles and will expand over time to include more rigorous monitoring and evaluation systems.

Disclaimer: Pushpa's DD process is guided by the frameworks of CHS and UNGPs, but does not imply full alignment or certification.

5. The Need for Complementary Framework: UNGPs

Why CHS Alone is Not Enough

The CHS provides a **strong and comprehensive foundation for quality, accountability, governance, and human rights principles in humanitarian and development work.** Commitments 1, 4, 5, and 9, in particular, directly address human rights, community participation, accountability, and ethical resource management.

While the CHS outlines expectations, it does not always provide the same depth of detail, enforceability, or mechanisms for managing complex risks around corruption, governance failures, and broader corporate-style DD challenges that Pushpa faces when vetting Partners in high-risk contexts such as Bangladesh.

Therefore, Pushpa's DD process will be guided by CHS principles but supplemented by the UN Guiding Principles on Business and Human Rights (UNGPs). This additional framework will help fill gaps by offering detailed prescriptions and internationally recognised mechanisms in areas that CHS touches on but does not fully operationalise.

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The UN Guiding Principles on Business and Human Rights (UNGPs)

The UNGPs, established in 2011 by the United Nations Human Rights Council, serve as the authoritative global standard on preventing and addressing human rights abuses connected to organisational operations.

Key strengths of the UNGPs that complement CHS:

- Prescriptive approach to grievance mechanisms and remedy – CHS encourages complaints handling (Commitment 5), but UNGPs provide more structured expectations for remediation and stakeholder protection.
- Detailed human rights risk assessment guidance – Ensures that organisations not only respect rights in delivery but also proactively identify and mitigate risks in operations and supply chains.
- Explicit obligations around labour conditions and worker protections, which go beyond CHS's ethical resource management guidance and become more specific in terms of legal expectations.

Why Pushpa needs UNGPs:

- They help Pushpa evaluate whether a Partner has structures and policies to manage labour, discrimination, and exploitation.

- UNGPs provide remediation frameworks for when harm occurs, which CHS only outlines at a principle level.

6. Delivery vs. Non-Delivery Partners – Scope and Rationale

In recognising the different roles that partner organisations play, **Pushpa distinguishes delivery partners from non-delivery partners** in its due diligence approach. This differentiation ensures that the level of scrutiny is proportional to the nature of the partnership and the risks involved.

- **Delivery Partners:** These are partner organisations that **run projects on the ground in Bangladesh** using Pushpa funds. They implement programmes, interact directly with beneficiary communities, and manage project budgets. Examples include local NGOs, community-based organisations, or government entities directly executing projects. **Delivery Partners inherently carry higher operational and fiduciary risks for Pushpa** - they handle funds, make on-the-ground decisions, and their capacities directly affect project success and community well-being. As such, Pushpa **applies a rigorous, in-depth due diligence process** to delivery partners to ensure they meet our standards in governance, financial management, safeguarding, and programme quality.

- **Non-Delivery Partners:** These are partners that **support Pushpa's mission without implementing projects directly.** They may include donors or funding partners (e.g. charitable trusts, corporate or institutional funders contributing money), and strategic allies such as advocacy groups, research institutions, or networks collaborating on non-implementation activities. Non-delivery partners generally present lower operational risk - they do not directly manage projects or work with beneficiaries - but they can pose reputational or strategic risks. A major donor's practices and reputation must align with Pushpa's values, and any funding received should be from ethical sources. Pushpa **conducts due diligence on non-delivery partners that is "lighter-touch"** compared to delivery partners, focusing on key areas like legal status, ethical reputation, alignment with our values, and any potential risk exposure.

Why Different Due Diligence Intensities?

Applying different levels of due diligence allows Pushpa to be both thorough and efficient. Delivery partners warrant a full deep-dive because they **directly impact project outcomes and carry a higher possibility of issues** like misuse of funds, safeguarding incidents, or poor governance affecting communities.

Non-delivery partners, in contrast, are vetted with a streamlined process sufficient to flag major concerns (such as illicit financing, human rights abuses, or mission misalignment) without the exhaustive operational assessment needed for implementers. This tailored approach ensures that Pushpa's **limited resources are allocated where they are needed most:** heavy scrutiny where risks are highest, and simpler checks where risks are lower. It also enables Pushpa to engage confidently with small donors or low-risk collaborators without over-burdening them, while still maintaining strong standards for larger or higher-impact partners.

Going forward, this policy clearly separates procedures for delivery vs. non-delivery partners. Chapters 7-9 (below) detail the two-phase due diligence process used for delivery partners, and Chapters 10-11 outline the adapted due diligence process for non-delivery partners.

7. Pre-Due Diligence (Pre-DD) for Delivery Partners

Pushpa employs a **two-phase due diligence process for delivery partners.** The first phase, *Pre-DD*, is an initial light-touch screening conducted early in the engagement, before significant resources are invested in a full review. The aim of Pre-DD is to identify any obvious "red flags" or misalignments at the outset, ensuring only suitable and promising organisations move forward to the more intensive assessment. This two-phase model balances rigor with efficiency by catching show-stoppers early and focusing effort on viable partners.

Rationale for a Two-Phase Approach

The Pre-DD stage serves as an early warning filter and alignment check:

- ***Early Red Flag Detection*:** Quickly spot any deal-breakers (e.g. the NGO lacks legal registration or has known fraud cases) before expending significant time and resources.
- ***Values & Principles Alignment*:** Verify at the outset that the potential partner broadly shares Pushpa's values and adheres to basic CHS/UNGPs principles (for example, no involvement in human rights abuses and a commitment to community accountability).
- ***Resource Efficiency*:** Screen out high-risk or non-compliant candidates early, to avoid wasting effort on full due diligence for organisations unlikely to pass later.
- ***Readiness for Funding*:** Capture foundational information now so that if the NGO is considered for funding in the future, Pushpa can "hit the ground running" with a more in-depth review, having already gathered basics in advance.

By first applying a light filter of core CHS commitments (e.g. legal compliance, community participation, anti-corruption) and UNGP basics (no gross human rights violations, basic labor standards), Pushpa can focus its limited volunteer capacity on the most promising partners.

Pre-DD Process Overview

Pre-Due Diligence is conducted soon after initial contact with a prospective delivery partner (for example, after an introductory meeting or upon receiving a Project Concept Note). Key aspects of the Pre-DD review include:

- **Legal Status and Governance:** Confirm that the organisation is legally registered in its country of operation and has a basic governance structure (such as a board or leadership team). The partner may be asked for proof of registration (e.g. a charity or NGO registration certificate) and the names of its directors/trustees. *Inability or unwillingness to prove legal registration or to demonstrate an active legal standing is an immediate disqualifier.*
- **Basic Compliance Checks:** Ensure there are no evident legal violations or sanctions against the organisation. The team performs a quick background scan (e.g. internet search or checking any available registries) to verify there are no unresolved regulatory disputes or government bans. *If the NGO or its leaders are publicly known for fraud, embezzlement, or other corruption, that is an automatic veto at this stage.*
- **Alignment with Pushpa's Values:** Gauge at a high level whether the NGO's mission and approach align with Pushpa's humanitarian values and principles. This may involve reviewing the NGO's mission statement or asking them to briefly describe their objectives and how they work with communities. *If an organisation's ethos or history is clearly at odds with Pushpa's core values, that is an automatic veto at this stage.*
- **Reputation and Human Rights Scan:** Verify that neither the organisation nor its key personnel have links to human rights abuses or other serious misconduct. The team might scan media reports or watchdog databases for any mention of the NGO in relation to exploitation, violence, terrorism, or criminal activities. *Any such association would likely veto the partnership at Pre-DD.*
- **Financial Fundamentals:** While other areas are lighter touch, we conduct a detailed review of the NGO's financial statements from the past two years. This helps verify that the organisation is a going concern with a stable financial position. In the South Asian context, financially distressed organisations are at greater risk of fund mismanagement. *Any red flags (e.g. consistent losses) will be scrutinised, and insufficient explanations may lead to a Pre-DD fail.*
- **On-Site Verification and Evidence of Ongoing Activities:** Where appropriate, Pushpa may carry out a site visit to the NGO's office or an ongoing project to verify operations and assess capacity on the ground. This helps confirm that the organisation is active, engaged in relevant work,

and that submitted documents reflect actual activities. *Lack of access or refusal to accommodate a visit without a valid reason may raise concerns and lead to Pre-DD fail.*

After the Pre-DD review, the lead for NGO Partnerships at Pushpa makes a decision on whether to proceed. Outcomes of Pre-DDcould be:

- ***Proceed to Full Due Diligence:*** If no red flags are found and minimum criteria are met, the partner is invited to the next stage (Post-DD). There may be a lag between Pre-DD and Post-DD as Pushpa works through its pipeline of projects.
- ***Conditional Proceed:*** If only minor concerns are noted (which the NGO can readily clarify or fix), Pushpa may seek quick follow-up information. For instance, if a registration document was missing but obtainable, the NGO might be allowed to provide it before moving forward.
- ***Do Not Proceed:*** If serious red flags or deficiencies emerge (e.g. unregistered status, evidence of fraud, clear misalignment in values), the partnership consideration is ended at this stage. The NGO would be politely informed that it does not meet Pushpa's requirements, avoiding further expenditure of effort. Pushpa will document the reason and, if appropriate, provide feedback to the organisation.

8. Full Due Diligence (Post-DD) for Delivery Partners

If a delivery partner successfully passes the Pre-DD stage, they enter the second phase: Full Due Diligence (often referred to as Post-DD). In this phase, Pushpa conducts an in-depth assessment across all relevant areas, as described below.

Process for Full Due Diligence

The partner is typically asked to complete a **detailed due diligence by submitting supporting documentation.** This may include providing organisational policies or evidence across six topics as described in detail below. Pushpa will review these submissions, may conduct interviews or site visits as needed, and score the partner against established criteria (see Chapter 9). The full due diligence for delivery partners is structured around a comprehensive checklist derived from CHS commitments and UNGP principles. The core areas assessed during Post-DD are outlined below.

Post-DD Topic Areas

1. Governance & Legal Compliance

Ensuring that the Partner has sound governance and legal compliance mechanisms in place.

✅ Checklist Criteria:

- The Partner is legally registered in its country of operation and the organisation is of going concern.
- The Partner has a clearly defined governing structure (e.g., board of directors, oversight body).
- There is no evidence of legal or regulatory violations (e.g., unresolved legal disputes).
- The Partner has a documented leadership structure with assigned roles and responsibilities.
- Policies exist to prevent conflicts of interest in decision-making.
- References or past verifications confirm the Partner's legitimacy and reliability.

2. Financial Transparency & Anti-Corruption (CHS Commitment 9)

Assessing financial management practices to prevent fraud, corruption, or mismanagement.

✅ Checklist Criteria:

- The Partner has financial records covering at least the past two years (subject to consideration on developmental partners).
- There is a basic but functional financial management system in place.
- The Partner has not been involved in financial fraud or money laundering.
- Policies exist to prevent bribery and financial misconduct.
- There is transparency in funding sources (e.g., does not accept anonymous or questionable funding).

3. Community Engagement & Ethical Programmes (CHS Commitments 1, 2, 4)

Ensuring projects are community-driven, participatory, and ethically implemented.

✅ Checklist Criteria:

Ensuring that the Partner designs projects that respond to real, identified needs and funds flow to communities that require them the most.

- The Partner can evidence that the views, priorities, and needs of affected beneficiaries are actively consulted in the design of projects.
- The Partner can demonstrate that a needs assessment was conducted to ensure that resources are directed towards those with the greatest need.
- The Partner can demonstrate the use of fair, impartial and transparent criteria during the selection of people or groups supported by the organisation.

CHS Alignment: Principles of community participation, equity, and do no harm.

4. Accountability & Complaints Mechanisms (CHS Commitment 5)

Assessing whether the Partner has mechanisms for accountability to communities and Pushpa People.

✅ Checklist Criteria:

- There is a formal or informal complaint system for stakeholders.
- Complaints and feedback are documented and responded to appropriately.
- The Partner publicly discloses project outcomes and financial summaries.

CHS Alignment: Ensuring feedback mechanisms and stakeholder accountability.

5. Human Rights & Labour Standards (UNGPs-aligned)

Ensuring the Partner operates ethically and upholds human rights protections.

✅ Checklist Criteria:

- The Partner prohibits child labour and forced labour.
- Staff and volunteers have fair working conditions.
- The Partner complies with local and international labour laws.
- There is a non-discrimination policy in hiring and service delivery (e.g. fair tender practices)

UNGPs Alignment: Core principles of non-exploitation, labour rights, and grievance mechanisms.

6. Environmental Considerations (CHS commitment 4)

Ensuring that Partners incorporate environmental stewardship and sustainability into project planning and organisational decision-making.

- The Partner integrates long-term environmental sustainability into project design and delivery, ensuring that interventions contribute to lasting positive impact (i.e. meeting present needs without compromising the ability of future generations to meet their own).
- The Partner assesses the potential environmental impacts of its operations and takes concrete steps to avoid or minimise harm to the environment.
- Where feasible, the Partner demonstrates a commitment to nature-based solutions, actively promoting restoration, regeneration, or conservation efforts alongside community objectives.

Additional Partner Commitments

While not part of the formal DD scoring checklist, all Partners must explicitly agree to the following conditions as part of their partnership/collaboration with Pushpa:

1. Participation in Pushpa's Voting Mechanism

Partners must acknowledge and agree to Pushpa's community-led voting system (i.e. project funding decisions are guided by input from Pushpa People). Partners agree to respect the outcome of this process and participate in any associated communications or engagement activities. In the event of tie votes, Pushpa Members will hold an internal vote to decide the winning project

2. On-Ground Verification and Site Visits

Partners must agree to allow Pushpa Members or designated third-party verifiers access to project sites for the purpose of monitoring, verification, and evaluation. This may include interviews with project participants, staff, and other stakeholders, as well as physical inspection of project deliverables.

3. Transparency of Whistleblowing Policy

Partners must agree to communicate and make accessible Pushpa's whistleblowing policy to both their staff and the communities served by the project. This includes providing clear guidance on how individuals can raise concerns or report misconduct confidentially and without fear of retaliation (this is to be developed and reviewed as Pushpa scales).

4. Consent for Content and Communications Use

Partners must grant Pushpa the right to use approved project-related data and content - including impact data, photographs, videos, and beneficiary stories - for communications, learning, and fundraising purposes. This includes sharing content across Pushpa's website, social media channels, newsletters, and reporting materials, with appropriate credit and safeguarding measures in place.

5. Agreement on Periodic Reporting

Partners must agree to a schedule of periodic reporting, aligned either with predefined project milestones or fixed time intervals (e.g. monthly or quarterly), as determined during partnership onboarding. Reports must include narrative updates, budget utilisation summaries, and progress against key performance indicators. Timely and accurate reporting is essential for transparency and continued collaboration.

6. Annual Compliance Check

Partners must agree to provide key compliance documents on an annual basis, including updated financial statements (such as audited accounts, where available) and any revisions to core organisational policies (e.g. safeguarding, anti-fraud). This ensures Pushpa has continued visibility over the partner's governance and operational health throughout the partnership.

These commitments are non-negotiable and will be included in all partnership agreements with Partners. Failure to adhere to these commitments will be treated as a breach of contract and may result in termination of the partnership.

9. Scoring Methodology and Thresholds

To evaluate responses to the due diligence checklist consistently, Pushpa uses a **1–5 scoring system**. Each of the six core sections is scored individually, based on how well the Partner meets the requirements outlined in that area.

Score	Definition
1 – Significant Gaps	The Partner does not meet the minimum requirements in this area. Most or all of the key documents or practices are missing. There is limited evidence available, and serious gaps need to be addressed before a partnership can be considered.
2 – Some Foundations in Place	Some relevant information is provided, but important elements are missing or unclear. The Partner may be working toward stronger systems, but currently does not meet the standard expected. Further support or action is likely to be required.
3 – Meets the Essentials	The Partner meets most of the key requirements. Either all mandatory documents are present but may require improvement, or most (but not all) criteria are met to a high standard. There is a good foundation with room to build.
4 – Strong & Consistent	The Partner meets all of Pushpa's mandatory requirements to a good standard. Documentation is clear, relevant, and up to date. Practices are reliable, and there is confidence in the Partner's ability to deliver.
5 – Exemplary Practice	The Partner goes beyond all mandatory requirements and demonstrates best practice, including the provision of most or all "nice to have" evidence. Their approach is proactive, thoughtful, and well-documented.

Threshold for Approval:

Each of the six due diligence sections is scored on a scale of **1 to 5**. The Partner's **overall score** is calculated by averaging the six section scores.

- ***Average Score ≥ 3.0:*** The Partner will generally be approved for funding. A score of 3.0 or above indicates the partner meets Pushpa's core requirements in all major areas, even if some improvements could be made. For a partner at this level, Pushpa may provide written feedback on any weaker sections (scores below 3) and suggestions for improvement on sections that scored below 4, to encourage continuous growth. A ≥3.0 score means Pushpa is confident to move forward.

- ***Average Score 2.0 to 2.9:*** The Partner is not approved at this stage. This mid-range score signifies that while the partner has some strengths, there are notable weaknesses or gaps that prevent immediate partnership. In such cases, if there are no outright disqualifying issues, Pushpa may invite the partner to address specific weaknesses and submit additional evidence for reassessment. This is essentially a “conditional deferment” – the door isn’t closed, but the partner must improve certain areas (e.g. develop a policy, strengthen financial controls) and demonstrate these improvements before funding can proceed. Detailed feedback will be provided to help the partner understand requirements and encourage them to reapply once issues are fixed.
- ***Average Score < 2.0:*** The Partner is not eligible for funding. A score in the low 2s or below means significant problems were identified across multiple areas. In this scenario, Pushpa will decline the partnership and clearly communicate the reasons. We will still offer constructive feedback - outlining why the application could not proceed and how the organisation might improve for future consideration - but the shortcomings are too substantial for a conditional approval. Typically, scores this low may indicate an organisation is very early-stage or not currently equipped to meet our minimum standards.

Development Partner Pathway

Pushpa recognises that some grassroots or emerging organisations - while not fully meeting standard due diligence requirements - may show strong mission alignment, community leadership, and potential for impact. In exceptional cases, **Pushpa reserves the right to work with such “Development Partners” who score below the normal threshold,** provided enhanced safeguards are put in place. This is a deliberate flexibility to support promising small organisations that align closely with Pushpa’s values and objectives, even if they lack formal capacities.

In these cases, **extra support and oversight** (mentoring, smaller initial grants, capacity-building requirements) **will be implemented to uphold accountability** while allowing the partner to grow. This pathway is used sparingly and only when the potential benefits outweigh the risks and when Pushpa is prepared to invest in the partner's development.

Automatic Disqualifiers (Vetoes)

Regardless of the numeric score, **certain findings will automatically disqualify a prospective partner.** Pushpa reserves the right to veto a partnership at any stage of due diligence if serious red flags emerge, such as:

- Evidence of fraud, embezzlement, or corruption by the organisation's leaders (past or present).
- Known involvement of the organisation or key staff in human rights abuses or other criminal activities (e.g. exploitation, violence, terrorism).
- Inability to verify critical information provided by the partner (for instance, if the organisation cannot prove it is legally registered, or if there are major doubts about the truthfulness of its claims).
- Any factor that would make association with the partner reputationally risky for Pushpa or unsafe for Pushpa People or the communities we serve.

Such veto decisions align with Pushpa's stance that certain minimum standards - basic legality, integrity, and safety - are non-negotiable. This means even a high-scoring application could be rejected if a critical breach of trust is discovered. Conversely, meeting the score threshold (3.0) is not an absolute guarantee of partnership if qualitative judgment indicates undue risk. All borderline cases are carefully reviewed by Pushpa, which uses both the scoring results and professional judgement to make the final call.

Note: If any automatic disqualifier is identified after a partnership has already been approved (e.g. new information comes to light), Pushpa reserves the right to immediately terminate the partnership.

10. Due Diligence Process for Non-Delivery Partners - Overview

Not all partners are implementing organisations. Pushpa also collaborates with non-delivery partners - such as donors (who provide funding) and certain strategic or advocacy partners - who require a different due diligence approach. For these partners, the focus of due diligence is on ensuring the partnership will not expose Pushpa to legal or reputational harm and that the partner's values and conduct are compatible with Pushpa's mission. The due diligence **process for non-delivery partners is therefore simpler and more declarative in nature**, compared to the intensive vetting of delivery partners.

Key Differences in Approach:

- **Lighter-Touch, Principle-Based Checks:** Non-delivery partners are asked to complete a Partner Self-Declaration. This is a signed form where the partner affirms adherence to core principles around integrity, human rights, compliance, etc. *(see Chapter 11 for details of the criteria)*. This shifts much of the responsibility to the partner to be truthful and transparent about their standing. Pushpa uses the declarations as a primary source of assurance, complemented by basic independent checks.
- **Basic Verification & Public Information Searches:** Pushpa conducts a few low-cost background checks on each prospective non-delivery partner and its key individuals, to verify the claims in the self-declaration and flag any obvious red flags.
- **Proportionality Based on Partner's Role and Risk:** Pushpa adopts a proportionate approach for non-delivery partners. All undergo the baseline due diligence (self-declaration + basic checks), but if a partner is taking on a larger role or higher risk, we scale up the scrutiny accordingly. For example, a small community group donating £1,000 will get the minimal process, whereas a major institutional funder contributing a significant sum or closely involved in project decisions will face a bit more vetting. This ensures efficiency, while still exercising rigor where it truly matters.

11. Assessment Criteria for Non-Delivery Partners

Pushpa's Partner Self-Declaration for non-delivery partners is built around a core set of principles that every partner must endorse. These principles encapsulate our expectations in areas of integrity, compliance, and values alignment, drawn from the CHS and UNGPs. By signing the declaration, the partner attests that they meet these standards.

The key commitments in the declaration (and thus the assessment criteria for Pushpa) are:

- **Financial Integrity & Transparency:** The partner maintains honest financial practices and robust stewardship of resources. They declare that funds are managed and reported transparently, with zero tolerance for fraud, bribery, or misuse. Neither the organisation nor its principals have any history of financial wrongdoing (fraud, corruption, money laundering).
- **Human Rights and Labour Standards:** The partner respects international human rights and labour norms in all its activities. They affirm that their organisation does not violate human rights and prohibits any exploitative practices (such as child labor or forced labor) in their operations. They uphold non-discrimination and decent working conditions for their own staff and those they work with.
- **Good Governance & Legal Compliance**: The partner commits to sound governance practices and full legal compliance. This means the organisation is properly registered and abides by laws in its home country (and internationally, where applicable). It has a defined governance structure (e.g. a board, trustees) and no outstanding legal violations or sanctions against it.
- **Environmental and Social Responsibility:** The partner conducts its operations in a socially and environmentally responsible manner. For donors or advocacy partners, this may simply mean they try to minimise their environmental footprint and ensure their activities do not contribute to environmental harm.
- **Transparency and Cooperation with Pushpa:** The partner commits to maintaining open communication with Pushpa and to promptly disclosing any issues that could negatively affect our joint work. This clause ensures that the partner will be forthcoming if, for example, they encounter a legal problem, a reputational issue, or any conflict of interest during the partnership period. It also means the partner agrees to collaborate in good faith, providing information that Pushpa may reasonably request about their organisation relevant to the partnership.

If a partner does agree but later is found to be in breach of these commitments (e.g. news emerges of a human rights abuse or fraud involving the partner), that would constitute a breach of the partnership conditions. We will integrate

the declaration into the partnership agreement to give Pushpa the right to terminate the relationship if such breaches occur.

Documentation and Verification

Pushpa keeps the signed self-declaration on file. For many non-delivery partners, no further formal documentation is required from them beyond this form and the standard partnership MoU/contract.

Tiered approach

Pushpa's tiered approach can be summarised as:

- **Tier 1 - Low Risk/Influence:** Small contributions, no management role in projects.

  Due Diligence: Basic self-declaration + quick checks (default process). Minimal administrative effort, suitable for one-off or minor partners.

- **Tier 2 - Moderate Risk/Influence:** Moderate funding or informal influence (e.g. sits in meetings as an advisor).

  Due Diligence: Tier 1 steps plus a couple of extra actions, e.g. Have an extended call to discuss their internal practices. Possibly verify one or two claims from the declaration (like asking for a registration certificate or a policy document).

- **Tier 3 - High Risk/Strategic Influence:** Major funding partner and / or will have decision-making authority in the collaboration.

  Due Diligence: Tier 1 and Tier 2 steps, and consider a more detailed questionnaire or adapt parts of our delivery partner checklist to evaluate them on relevant points. A meeting with the partner's leadership is likely to align on governance, risk management, and values.

By clearly defining these criteria and processes, Pushpa ensures that, whether a partner is delivering projects or contributing in other ways, appropriate due diligence is conducted. Both paths - delivery and non-delivery - protect Pushpa's mission and stakeholders, with each tailored to different types of risk.

12. Risk Assessment Framework

Not all partners carry the same level of risk. After due diligence, Pushpa categorises partners into risk levels based on the findings. This risk rating influences how we manage and monitor each partnership going forward. The framework is as follows.

Risk Level Categories

1. **Low-Risk Partner:** The partner demonstrates strong governance, transparent finances, has no major influence in funding decisions or delivery and consistently meets Pushpa's criteria with no major weaknesses. Typically, their due diligence scores are well above thresholds.
    - *Example*: a well-established organisation with clean audits, positive community feedback, and experienced staff.
    - *Implications*: Pushpa proceeds with standard partnership terms. Monitoring is routine - regular reports and occasional check-ins as per normal agreed milestones. These partners require minimal additional oversight, though Pushpa remains vigilant as a precaution.

2. **Medium-Risk Partner:** The partner meets minimum requirements but has some minor gaps or areas for improvement. They are deemed capable and committed, though a few weaknesses were identified (which they may be actively working to address).

- *Example*: a newer NGO with strong community connections but somewhat weaker documentation, or a partner that scored just above the approval threshold with one or two lower-scoring areas (e.g. developing financial systems).
- *Implications*: Pushpa may impose additional conditions or support to mitigate the identified gaps. For instance, we might require more frequent progress updates, assist them in strengthening a policy, or disburse funds in tranches contingent on performance milestones. We could also start with a smaller pilot grant to build trust before scaling up. Monitoring for medium-risk partners is increased, e.g. more frequent communications or a mid-project check-in, to ensure issues do not escalate.

3. **Developing Partner:** This is typically a grassroots organisation that doesn't fully meet all DD requirements yet, but shows strong alignment with Pushpa's values and high potential to deliver impact. They may have fallen

just short of the threshold due to early-stage limitations (limited formal infrastructure, short track record), but their mission fit and community engagement are excellent.

- *Example*: a community-based group with genuine local leadership and trust, but lacking formal governance documents or a detailed financial history.
- *Implications*: Pushpa may choose to engage with a developing partner under strict, supportive conditions *(this correlates with the Development Partner Pathway from Chapter 9)*. Such conditions can include disbursing funds in smaller tranches tied to performance, requiring very regular reporting (monthly updates), and conducting on-site verification visits early in the project. Often, the partnership might begin with a small-scale pilot project to assess capacity and build trust before any larger commitment. The goal is to support the partner's development while protecting our investment and ensuring accountability.

4. **High-Risk Partner:** A high-risk partner is one that presents serious concerns during due diligence, including unresolved issues in governance, financial integrity, transparency, or potential harm to beneficiaries. In essence, they do not meet Pushpa's minimum standards.
    - *Example*: an organisation unable or unwilling to provide basic legal or financial documentation, or one that has been previously implicated in fraud or misconduct. (If a partner had triggers for automatic disqualification, they would have been vetoed already; "high-risk" here might also refer to cases where we considered a borderline approval with heavy caveats, but generally such partners should not be approved unless under the Development Partner scenario above.)
    - *Implications*: Pushpa will not proceed with funding or collaboration with a high-risk partner. If a partner is determined to be high-risk during due diligence, the partnership is declined. If somehow a partnership was initiated and later this status comes to light, we will suspend and likely terminate the engagement. Reconsideration of a high-risk partner would only happen if they make substantial,

verifiable improvements and go through a new due diligence process showing their changed status. No exceptions are made where automatic veto criteria apply (e.g. evidence of abuse or fraud). Essentially, for Pushpa, "high-risk" means no-go until proven otherwise.

Summary of Risk-Based Management

Assigning a risk level to each partner allows Pushpa to tailor its monitoring and support. Approval is not just a yes/no, but also informs *how* Pushpa work with the partner. A low-risk, trusted partner can be managed with the standard reporting and oversight, whereas a higher-risk or developing partner will get more attention and possibly capacity-building. This ensures oversight resources (time, site visits, check-ins) are directed where needed most, following the CHS principle of proportionality - more effort where risk is higher, and a lighter touch where risk is low.

For internal use, Pushpa maintains a Risk Register of partners. This log notes each partner's risk level, along with any special conditions or enhanced monitoring measures required. The risk rating is revisited over time (e.g. if a medium-risk partner addresses its gaps effectively, we might downgrade it to low-risk; conversely, if issues arise, a low-risk partner might be revised upward). This dynamic approach to risk management supports the due diligence process by ensuring continuous alignment of oversight intensity with actual partner performance and context.

13. Monitoring and Evaluation (M&E) Process

Due diligence does not stop at partner approval. Once Pushpa enters into a partnership and funds a project, we implement a **Monitoring and Evaluation (M&E) process to ensure ongoing compliance and to track the project's progress and results.** In effect, this is a continuation of due diligence throughout the project lifecycle, reinforcing accountability and supporting partners to achieve impact.Key components of Pushpa's M&E process:

- **Periodic Reporting:** All partners (delivery, and as relevant, non-delivery for joint initiatives) are required to submit regular progress reports. The frequency and format are agreed in the partnership stage, typically aligned with project milestones or fixed intervals (e.g. monthly or quarterly), plus a final report at project completion. Reports usually include:
    - Updates on activities conducted and outputs achieved (e.g. number of community members trained, infrastructure built, etc.).
    - Data on communities reached or beneficiaries served.
    - Challenges or delays encountered and how they are being addressed.
    - Financial report of funds spent vs. budget.
    - Upcoming plans for the next period.
    - Any media, photos, or stories that can illustrate progress (which can also feed into Pushpa's communications).

  Pushpa reviews these reports against the agreed project plan and budget to ensure the project remains on track and funds are used as intended. Any discrepancies or unexplained deviations must be clarified by the partner. This regular reporting is crucial for transparency and early detection of issues. If a partner consistently submits late or incomplete reports, it flags a compliance concern that will be addressed under our escalation procedures in Chapter 14 (Escalations and Breach).

- **Site Visits:** For all projects, Pushpa may conduct monitoring visits to the project site. During a site visit, Pushpa Members or designated verifiers will observe project activities on the ground, verify the accuracy of reports, and engage directly with stakeholders. For example, if the project provided equipment (say fishing boats or computers), the visit will check that those assets exist and are being used as reported; if training was delivered to 50 people, the team might meet some trainees or review attendance records.

  Site visits also enable unfiltered community feedback - our team can speak informally with community members about their experience with the project and the partner's performance. This can reveal insights that formal reports might miss. After the visit, Pushpa will document findings in a report. Positive observations (e.g. enthusiastic feedback, well-maintained records, evident progress) will be shared with the partner as validation. Any concerns (e.g. activities not happening as planned, complaints heard) will be raised with the partner for clarification and corrective action.

Note: Given current capacity, site visits will be prioritised by risk and feasibility. For international or remote projects, an in-person visit might be replaced or supplemented by alternative verification methods (video calls to see activities, photographs of progress, or engaging a trusted local third party to check on the project). The goal is to achieve oversight even when resources to travel are limited.

- **Stakeholder Feedback:** Beyond formal reports, Pushpa actively seeks feedback from various stakeholders: community members benefiting from the project, local leaders, other NGOs in the area, and the partners' own staff or volunteers. We may conduct surveys (directly or through the partner) or hold community meetings to gather *beneficiary perspectives* on whether the support is useful, delivered respectfully, and addressing their needs. We also welcome feedback from partners themselves on Pushpa's processes, and from our donors or advisors who have a stake in project success. This bottom-up feedback approach aligns with CHS commitments on accountability to affected populations. For example, if community members report they were not consulted or have grievances, Pushpa will address these concerns with the partner promptly. The emphasis is on listening and learning continually, not just relying on the partner's self-reporting.

- **Outcome Evaluation:** At project completion, Pushpa evaluates the results and impact of the project against its stated objectives. This involves reviewing the final report and supporting evidence to answer questions such as:
  - Were the target outcomes achieved (e.g. did the project create jobs or increase incomes as intended)?
  - Did the project stay within budget and timeframe?
  - What positive changes can be observed in the community as a result of the project (qualitative and quantitative)?

  Partners are encouraged to provide evidence of outcomes - for instance, before-and-after data, case studies, or success stories. Pushpa may also conduct a post-project review meeting (internally, or with the partner) to discuss successes, challenges, and lessons learned. Over time, these evaluations inform which types of partners and approaches yield the strongest results, thereby feeding back into our due diligence criteria and funding decisions (a continuous learning loop linked to Chapter 15 on Annual Review).

Through these monitoring activities, issues can often be caught early and corrected before they become serious. It reinforces that due diligence is not a one-off gate, but an ongoing process of accountability and improvement throughout the partnership.

Handling Minor Compliance Issues During M&E:

It is not uncommon for small issues to arise during project implementation. For example, a report may arrive late, an expense receipt may be missing, or an activity may be modified without prior approval. When such minor compliance issues occur, Pushpa's approach will be to supportively correct them.

Pushpa will promptly communicate the issue to the Partner, explain its importance, and request a specific corrective action. For instance, if an interim report is incomplete, Pushpa will request the missing information and remind the Partner of reporting standards for future submissions. If documentation for expenses is insufficient, Pushpa may ask for additional evidence or recommend improvements to record-keeping practices.

These cases are treated as learning opportunities rather than punishments. Pushpa will document the issue and the agreed remedy but will not impose harsh consequences for isolated lapses. Pushpa recognises that many smaller Partners are still building their capacity to meet international standards. However, repeated minor issues (for example, multiple late reports) will trigger escalation. Two or more repeated occurrences will result in a formal warning and potentially an elevated risk rating for the Partner.

The emphasis is on partnership and improvement: Pushpa's monitoring is not intended to "catch out" Partners but to jointly ensure success, accountability, and continuous improvement.

14. Escalations and Breach Procedures

Despite careful partner selection and ongoing monitoring, situations may arise where a **partner breaches Pushpa's requirements or falls into serious**

non-compliance during project implementation. A "breach" can range from minor contract violations (e.g. repeatedly late reports) to major violations (e.g. misappropriation of funds, or unethical conduct such as exploitation or abuse).

Pushpa has a clear escalation procedure to manage such cases, with the twin aims of resolving issues where possible and protecting the resources and communities we serve. This escalation process is designed to be fair but firm, and it unfolds in structured stages.

Step 1: Identification of a Breach or Issue
A potential compliance breach or serious concern can be identified through various channels:

- *Internal Monitoring*: Pushpa may detect issues via our regular M&E activities. For example, unexplained financial discrepancies in reports or a site visit revealing that activities are not occurring as per plan could signal a problem.
- *Complaints/Whistleblowing*: Concerns might be raised by external parties - such as community members, local stakeholders, or even whistleblowers within the partner organisation. Pushpa treats such external alerts seriously, as they can reveal issues that routine reports did not (e.g. misconduct, community harm).
- *Pushpa People or Third-Party Notification*: Our donors or other organisations might alert us to concerns based on sector knowledge or reputation. For instance, if another NGO shares intelligence about the partner misbehaving, or a donor flags a media report about the partner, we take note.
- *Partner Self-Reporting*: In some cases, the partner may self-report a problem (which we encourage as a sign of integrity). For example, the partner might inform us they uncovered an internal fraud or a safeguarding incident. Pushpa views self-reporting positively – it shows transparency – though the issue still needs resolution.

Step 2: Immediate Response and Containment
Once a potential breach is noted, Pushpa takes an initial action appropriate to the severity of the situation:

- For *minor or unclear issues*, we first seek clarification from the partner in a collaborative way. For instance, if a financial expense looks odd, we'll ask the partner for an explanation or documentation, giving them a chance to correct a possible oversight or misunderstanding. This keeps the tone problem-solving rather than accusatory, in case it's a minor lapse.

- For *serious and clear violations*, particularly anything suggesting misconduct or misuse of funds, Pushpa will take more drastic immediate action. If further payments are scheduled, we will suspend any disbursements to the partner right away. The DD Committee will be convened urgently to assess the situation. The priority in this stage is to contain any potential harm: prevent additional funds from being lost, and ensure beneficiary safety if relevant. For example, if evidence of fraud emerges mid-project, we halt funding to stop the bleeding and signal that something is wrong, pending investigation.

Step 3: Investigation and Assessment

Pushpa will promptly initiate an investigation to determine the facts and severity of the breach. The nature of the investigation depends on the issue:

- *Documentation Review*: We will scrutinise project records - financial ledgers, bank statements, receipts, communications - to trace what happened. For financial issues, this is often a forensic check of transactions.
- *Direct Communication with Partner*: Pushpa will formally raise the concerns with the partner's leadership, providing them an opportunity to respond or provide their side of the story. We expect full transparency and cooperation from the partner during this process. Sometimes issues arise from miscommunications or errors that the partner can clarify once asked directly.
- *External Verification*: If the breach relates to field-level activities (e.g. something not delivered to the community, or an abuse allegation), Pushpa may seek independent verification. This could mean contacting community members or local authorities for their accounts, or engaging a trusted third party (an auditor, another NGO, etc.) to investigate on the ground.
- *Engaging Experts*: For complex or sensitive cases, Pushpa won't hesitate to bring in experts. For example, if it's a complex financial fraud, we might hire a local auditor; if a law may have been broken, we might consult legal counsel; if it's a safeguarding issue, a specialist in that field. External expertise ensures the investigation is thorough and unbiased.

During the investigation period, the partnership is usually paused (activities might be temporarily halted if needed). The partner is informed of the seriousness and that full cooperation is expected. We aim to complete investigations as quickly as possible, balancing speed with thoroughness.

Step 4: Internal Decision - Determine Breach Severity and Action
Once the investigation concludes, Pushpa's DD Committee assesses the findings and decides on the appropriate response. Broadly, outcomes fall into:

- **Minor Breach / Correctable Issue:** If the issue turned out to be relatively minor or due to a mistake/miscommunication (and importantly, no evidence of intentional wrongdoing or harm), Pushpa will usually issue a *formal written warning* to the partner, detail the required corrective actions, and perhaps impose some conditions. For example, if the partner's financial reporting was sloppy but no funds are missing, we might require them to implement a better bookkeeping system and submit more frequent reports for a period. We'll offer guidance to help them strengthen their systems and avoid a repeat. The partnership continues, but under watch, to see that corrections are made.
- **Intermediate/Remediable Major Issues:** In some rare cases, a significant issue is found, but it stemmed more from capacity problems than deliberate misconduct. For instance, say a partner did mismanage funds due to poor controls, but there's no evidence of personal gain (fraud) and the Delivery Partner is committed to fixing things. In such a scenario, Pushpa may consider a *conditional continuation* of the partnership. This would only happen if the partner's leadership demonstrates strong commitment to reform and agrees to very strict conditions. Such conditions could include: replacing or removing any personnel responsible for the mismanagement, bringing in external help (like an accountant) to shore up gaps, weekly progress meetings with Pushpa, etc. If risks can be mitigated sufficiently and we believe the partner is genuine and capable of improvement, we might give them one chance under heavy supervision.
- **Serious Breach (Misconduct/Fraud):** If the investigation confirms serious misconduct - such as deliberate fraud, theft of funds, intentional falsification of records, or abuses like exploitation or harassment - Pushpa's response is immediate termination of the partnership. We will cut all funding and end the project. In such cases, Pushpa will demand the return

of any unspent funds and will actively seek recovery of misused funds if feasible. We will also inform our donors (Pushpa People) and any other relevant stakeholders of the breach and the actions taken, as part of our transparency obligations. The partner organisation and the individuals involved would be blacklisted from any future collaboration with Pushpa. Furthermore, if laws were broken, for example, embezzlement or abuse, Pushpa will report the case to relevant authorities (such as local law enforcement, the NGO Affairs Bureau in Bangladesh, or other regulatory bodies) to ensure legal accountability. We have zero tolerance for fraud and abuse; protecting community and donor trust is paramount.

Step 5: Communication and Transparency

For any major breach or partnership termination, Pushpa commits to appropriate communication to maintain trust and transparency:

- *Internal*: Pushpa Members (staff/volunteers) will be briefed so that everyone understands what happened and can respond to any queries consistently. We ensure the team learns from it and supports any consequences (like stepping in to manage a project if a partner is removed).
- *Donors (Pushpa People)*: If donor funds are at risk or have been misused, those donors will be informed promptly and clearly. We'll explain what went wrong and what we are doing about it (e.g. funds recovered or reallocated, partnership terminated). This is critical to maintain donor confidence. If, for example, a specific donor funded the project where the breach occurred, we may contact them individually. For the wider Pushpa community, significant issues may be reported in our annual report or newsletters in a manner that maintains transparency without unduly damaging reputations.
- *Public*: If the issue becomes public or poses a reputational risk to Pushpa, we will prepare a public statement to confirm that decisive action has been taken. Public disclosure will be factual and careful, aiming to demonstrate Pushpa's accountability while protecting the confidentiality of victims or whistleblowers and not unfairly defaming the partner beyond stating facts. The guiding principle is that we won't hide serious incidents – being open about challenges is part of our accountability.

Step 6: Post-Incident Review and Lessons Learned

After dealing with a breach, Pushpa treats it as an opportunity to learn and improve our processes. We conduct an internal debrief or "after-action review" once the dust has settled.

Key questions to consider: What allowed this issue to occur? Were there warning signs during initial due diligence that we missed or underestimated? Should Pushpa add new checks or criteria in the future to catch such issues earlier? This reflection might involve the DD Committee, and possibly input from advisors or other partners.

Findings from the post-incident review feed into continuous improvement (linked to Chapter 15 on Annual Review). Pushpa will update due diligence and monitoring procedures if needed. For instance, if a breach reveals that Pushpa didn't verify something that should have been, we'll incorporate that verification in the future. All major incidents and the lessons from them are documented so that institutional memory is built.

Pushpa's escalation and breach procedure thus balances fairness with a zero tolerance for misconduct. Minor or unintentional issues are addressed with support and the chance to improve, reflecting that we work with many grassroots partners still building capacity. But repeated negligence or any form of fraud/exploitation results in decisive action to protect donor funds and community trust. This approach enables Pushpa to confidently partner with small, innovative organisations - accepting some degree of risk in pursuit of impact - because we have robust mechanisms to detect problems early and deal with them before they cause widespread harm.

15. Annual Review and Continuous Improvement

Pushpa is committed to regularly reviewing and improving its DD policy and procedures. The humanitarian and development landscape is dynamic - best practices evolve, new risks emerge, and Pushpa learns from experience. Therefore, this DD policy is considered a living document, reviewed at least annually (and sooner if required) to ensure it remains effective, relevant, and aligned with the highest standards.

Annual Policy Review

Each year (at the end of the fiscal year) Pushpa will conduct a formal review of the DD process. This review will examine how the process has performed over the period and will incorporate necessary updates. Key areas of focus include:

- **Effectiveness:** Pushpa will assess whether the DD process has been effective in selecting reliable Partners and predicting potential challenges. Any serious issues encountered with Partners will be reviewed to identify missed warning signs or weaknesses in criteria. Conversely, if no issues arose, Pushpa will consider whether the process is overly strict and risks excluding promising grassroots organisations.
- **Efficiency:** Pushpa will evaluate whether the DD process remains practical for Pushpa Members to administer and for Partners to complete. If the process is found to be burdensome or overly complex, revisions will be considered to maintain rigour without deterring capable small Partners.
- **Relevance and Updates:** Pushpa will ensure that references to external frameworks (such as CHS and UNGPs) are current. Updates to these frameworks, or the emergence of new priority areas (such as climate impact or data security), will be reflected in this policy. Pushpa will remain aligned with global best practices and evolving donor expectations

Stakeholder Feedback Mechanism:

As part of the annual review, Pushpa will gather feedback from all stakeholders engaged in or affected by the DD process:

- **Internal Team Feedback:** Pushpa will seek input from Pushpa Members involved in DD activities (such as checklist evaluations or site visits). Their feedback on challenges, unclear criteria, or scoring difficulties will be used to fine-tune tools and processes.

- **Partners Feedback**: Pushpa will request feedback from Partners who have undergone the DD process, whether approved or not. This may take the form of surveys or interviews, asking if requirements were clear, fair, and achievable. This feedback will help ensure the process remains rigorous but accessible, especially for small but capable grassroots Partners.

- **Pushpa People Feedback:** Pushpa will also consult Pushpa People and advisors who have a stake in the integrity of the DD process. Donor concerns - such as environmental risk, safeguarding, or governance - will be incorporated into future policy updates, making DD outputs more valuable and transparent for Pushpa People.

All feedback will be compiled and discussed in the annual DD review meeting. Decisions on changes will be made by Pushpa's DD Committee. All policy revisions will be formally recorded, version-controlled, and communicated to Pushpa Members.

Implementing Continuous Improvement

In addition to formal annual reviews, Pushpa will ensure continuous improvement through the following actions:

- **Team Training and Onboarding:** Pushpa will ensure that all current and new Pushpa Members involved in DD are fully trained in the latest policy. Policy updates will trigger refresher briefings or training sessions. New volunteers will receive orientation on checklist application, scoring methods, and the principles behind Pushpa's standards.

- **Learning from Incidents:** Lessons learned from breaches or issues (as detailed in Section 15) will be fed back into future DD criteria and processes. For example, governance-related issues discovered during project execution may lead to the inclusion of new checklist items or verification steps.

- **Staying Informed Externally:** Pushpa will participate in communities of practice and sector networks (such as CHS Alliance workshops, NGO Affairs Bureau or NGO risk management forums) to stay informed of emerging trends and best practices. Pushpa will consider incorporating new risk areas where relevant.
- **Due-Diligence Refresh:** Pushpa will undertake a comprehensive refresh of its due-diligence framework and supporting documentation every **3–5 years** to ensure continued relevance, proportionality, and alignment with evolving best practice. This refresh will include a review of core

assumptions, scoring methodologies, risk thresholds, and external framework alignment (e.g. CHS, UNGPs). The process will incorporate lessons learned from past partnerships, changes in operating context, and feedback from Pushpa Members, Partners, and Pushpa People. Any material updates will be formally approved, version-controlled, and communicated clearly across the organisation.

Continuous improvement is itself a CHS principle (Commitment 7: organisations continuously learn and improve). Pushpa will document major policy changes and the rationale behind them, ensuring transparency and institutional learning. This may include internal memos or updated policy prefaces detailing amendments and dates.

By remaining adaptive and self-critical, Pushpa will maintain a robust DD process that evolves with sector best practices and continues to protect Pushpa People's investments and community trust.

Sources:

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Source: OECD official documentation and summaries.

4. Transparency International Corruption Perceptions Index (CPI) 2024

Source: Dhaka Tribune coverage

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