

RFP TITLE:	Hiring of Firm for Due Diligence of Companies/ Firms/ NGO's/ Trusts under various Projects of IPE Global Limited
RFP NO.:	IPE-CORP-2024 (RFP) – 001

REVISED ON: FEBRUARY 17, 2024

STATEMENT OF WORK (SOW)

ASSIGNMENT NAME: HIRING OF FIRM FOR DUE DILIGENCE OF COMPANIES/ FIRMS/ NGO'S/ TRUSTS UNDER VARIOUS PROJECTS OF IPE GLOBAL

A. INTRODUCTION/BACKGROUND

IPE Global Limited is a leading development sector consulting firm offering end-to-end services in the areas of Health Systems Strengthening, Education and Skill Development, Social Development, Livelihoods Generation, Urban and Infrastructure Development, PPP, Economics and Public Finance, Democratic Governance, Agriculture Management, and Climate Change, among others.

IPE Global Limited is an ISO 9001:2015 certified development sector consultancy organization, promoted by established practitioners and sector experts. Over the last sixteen years, IPE Global has successfully implemented over 700 projects in more than 100 countries. We are a multi-disciplinary group company offering a range of integrated, innovative and high-quality services across several sectors and practices. The group is headquartered in New Delhi, India with four international offices in United Kingdom, Kenya, Ethiopia and Bangladesh. We have 700 full time professional staff and also over 1000 empaneled consultants. We partner with multilateral, bilateral, governments, corporates and not-for-profit entities in anchoring development agenda for sustained and equitable growth. The organization has multi-disciplinary team of professionals, bringing together the right skills and technical expertise for enriching lives in poor and developing countries. Our experts work closely with programme stakeholders and clients to co-design solutions for complex socioeconomic issues. We strive to create enabling environment for path breaking social and policy reforms that contribute to sustainable development.

IPE Global and its subsidiaries, under its various projects, works in partnership with different organizations and/or individuals (including for-profit organizations, NGOs, etc.; hereinafter referred to as **"SUPPLIER"**) for specialized support to achieve the project goals. Though these Suppliers are independent entities, however, as a delivery partners for IPE Global, their business practices significantly reflect upon IPE Global's reputation and brand.

B. SCOPE

The scope of Due Diligence including Business Research, Financial Performance, Technical Review Compliance to Applicable Laws, Reputation and Ethics checks, etc. of Organizations w.r.t their capacity, systems, policies and processes to have a much better understanding of the strengths, weaknesses, opportunities and risks in working with the Organization and shall extend to all Down-stream Organizations/Partners under various projects awarded by but not limited to USAID, BMGF, CIFF, World Bank, UNICEF, UNDP, ADB, FCDO and other Government of India or State Government Projects, etc. of IPE Global Limited and its subsidiaries.

C. OBJECTIVE

IPE Global is inviting proposals from reputed firms ("Firms") to conduct Due Diligence of these Suppliers w.r.t their capacity, systems, policies and processes to have a much better understanding of the strengths, weaknesses, opportunities and risks in working with the Supplier. The Due Diligence reveals which Suppliers

has a proven and recognized commitment to principled business practices and should give IPE Global some information by which to decide whether to rely on the Supplier's non-binding commitment for providing resource support for the Projects and helps in making better managed interventions and capacity development in future.

A key outcome of the Overall Assessment of the Due Diligence is to have improved knowledge and understanding of the Suppliers' system and processes and the nature and process of gaining assurance.

Overall, the objective is to select an Supplier that demonstrates the highest level of competence, experience, and commitment to support the successful implementation various projects, ultimately contributing to the achievement of its objectives and desired outcomes.

A Draft Due Diligence Performa is to be provided by the Agency while submitting the proposal. This Due Diligence Performa will be used while collecting information/seeking documents from the Supplier.

Below mentioned is a list (which includes but not limited to) of Due Diligence checks required are as below and are divided into 4 parts. Additional assessment criteria for NGO's/ Not Profit Organizations are separately mentioned:

C.1 ASSESSMENT CRITERIA FOR CORPORATES/ COMPANIES/ OTHER FOR-PROFIT FIRMS

1. BUSINESS OVERVIEW

- Registration and Incorporation Details Verification;
- Supply chain vendors/partners/client check;
- Procurement from restricted geographies check (*for e.g. as per USAID authorized Geographic Code 935. The list of prohibited source countries as per ADS 303*).
- Business Processes being followed – Organizational Structure, Payments, Security etc.;
- Business sustainability/expansion plans of the Supplier, as per vision/mission of the Supplier; Shareholding pattern of Supplier;
- Any other companies or entities in which the Supplier has controlling/ownership interest;
- Potential Conflict of Interest;
- Antecedent checks of Promoters/Directors/ Trustees (PEP check, Criminal records).

2. FINANCIAL PERFORMANCE

- Financial Statements Analysis of the Supplier, for the past 3 years;
- Check for Business sustainability for short term (1 year) and medium term (3-5 years)
- Financial Projections of the Project for the Grant Tenure as provided by the Supplier.
- Banker Verifications & Status-Check for Bank Transactions of the existing businesses;
- Credit Defaulter Check (Defaulter's List of CIBIL or other financial databases);
- Review of the Debt Service Coverage Ratio.
- Review of the Cash Flow Statement
- Highlighting any risk associated with the repayment capability of the Supplier

- Highlighting any financial defaults by the Supplier or its Promoters.
- Loan defaulter's database check; Review of details of all existing loans (Sanction letters and Repayment Schedules) to assess the repayment capacity of the Supplier
- Ministry of Corporate Affairs defaulting companies/ Defaulter Directors' check;
- Bankruptcy check.

3. LEGAL AND COMPLIANCE

- Criminal and civil Litigation/ record Check; (Including FIR's)
- Regulatory / Compliance Database Checks;
- Compliance Check for Partnership deeds, Registrar of Companies registration, ESI & EPF; Other Indian Compliance Check.
- Income Tax, Good & Service Tax liabilities verification;
- Global Compliance Checks:
 - SAM Check; (also help with UEI generation)
 - OFAC List check;
 - United Nations Security Designation List Check (https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list);
 - PROSCRIBED TERRORIST GROUPS OR ORGANISATIONS (<https://www.gov.uk/government/publications/proscribed-terror-groups-or-organisations--2>);
 - CURRENT LIST OF DESIGNATED PERSONS, TERRORISM AND TERRORIST FINANCING (<https://www.gov.uk/government/publications/current-list-of-designated-persons-terrorism-andterrorist-financing>);
 - Checks pertaining to World Bank List of Ineligible Firms and Individuals
 - Other Global Compliance checks.

4. REPUTATION AND ETHICS

- Compliance Assessment: Checks regarding to ethical history w.r.t:
 - Is there any pending, current or threatened internal or external investigations or proceedings relating to allegations of fraud, theft, bribery, corruption, money laundering, human rights violations, anti-competitive or other unethical or unlawful behaviour connected with Supplier or any of its directors, senior management, Trustees, Members, 10%+ shareholders or owners?
 - In the last ten years has Supplier or have any directors, senior management, Trustees, Members, 10%+ shareholders or owners or any other person who has power of representation, decision or control of Supplier or any of its associated organization/firm or subsidiary companies:
 - ever been subject to and/or of pending, current or threatened internal or external investigations or proceedings or any FIR relating to allegations of fraud, theft, bribery, corruption, money laundering, human rights violations, anti-competitive or other unethical or unlawful behaviour?
 - ever been bankrupt, insolvent, unable to pay his or its debts, sought protection from his or its creditors, been wound-up or compulsorily dissolved by any court or tribunal or been involved

in any insolvency and bankruptcy proceedings?

- ever been convicted of a criminal offence in any country related to fraud, theft, bribery, corruption, money laundering, human rights violations, tax –evasion, social security violation, anti-competitive or other unlawful or unethical behaviour?
 - entered into any deferred prosecution agreement, settlement agreement or similar arrangement with any law enforcement, prosecutorial or regulatory agency or body relating to investigations or allegations of fraud, theft, bribery, corruption, money laundering, human rights violations, anti-competitive or other unlawful or unethical, behaviour?
 - ever been convicted of an offence related to abuse of children?
 - ever been listed by any country or Organization or any authority for being involved in terrorism or money-laundering activities?
 - ever received or been the subject of allegations or press/media reports of misconduct - including fraud, bribery, theft, corruption, money laundering, human rights violations, anti-competitive behaviour (including bid-rigging, cartels, collusion or coercion), damage to the environment, health or safety of employees or employment or abuse of children?
 - ever had cancelled or revoked or failed to hold any licence or membership of an Organization/firm required by law?
 - Is the Supplier or any director, senior manager, 10%+ shareholder or owner of the Supplier, or any of its associated or subsidiary companies, currently sanctioned by, disqualified, blacklisted, barred or suspended from doing business with any government, national or public international organization/firm including any multilateral development bank?
- Basic Adverse media searches: Check of Local, National, Global media, Blogs and internet data bases for history of any negative information / default;
 - Intelligence collection: Interaction 2-3 key business principals/Directors to confirm the business credentials, financial processes or corporate governance matters;
 - Checks relating if the Suppliers have current, published policy and/or procedures and/or statements w.r.t:
 - Anti-Fraud and Anti-Corruption Policy
 - Conflict of Interest Policy
 - Ethical Code of Conduct
 - Equity and Diversity Policy
 - Child Protection Policy
 - Modern Slavery and Human Trafficking Statement
 - Policy on Prevention of Sexual Exploitation and Abuse
 - Whistle Blower Policy
 - Environment Policy/Commitments
 - Anti-Bullying Policy
 - Disability Inclusion Policy
 - Prevention of Sexual Harassment Policy
 - Involvement in any activities of frauds or crimes, any connections to organized criminal outfits.
 - Checks relating if the Supplier have any potential or perceived conflict of interest in relation to the assignment undertaken.

C.2 In addition to the above-mentioned parameters for Due Diligence checks, the Firm should use the below

mentioned additional Assessment Criteria for NGO's/ Trusts/ Societies/ Non-Profit Organisations.

1. ORGANIZAIONAL OVERVIEW

- Additionally, FCRA, Section 12A, 80G (of IT Act) registrations and similar regulatory certification details Verification;
- Network of NGOs/vendors/partners/client check;
- Existing Projects undertaken. Average financial value and duration of Projects in last 3 years;
- The Supplier operates within the parameters of its vision/mission and the alignment of work done with vision/ mission; Demonstrates high level of accountability to the community;
- Has strong program management system that ensures proper functioning of multiple projects and requisite infrastructure to facilitate effective functioning.
- Check Credentials available with Supplier, such as awards, certificates, recommendations, empanelment with government, non-profit organisations, etc.;
- Checking ownership of the Supplier or any other entities in which the Board/Trustees/ Members has controlling interest.

2. FINANCIAL PERFORMANCE

- Accounting practices as per Funder guidelines and Statutory rules and regulations. Judicious utilisation of allocated funds for the specific project/ purpose only as per Funder guidelines.
- Financial Policies and procedures in place for transparent accounting practices and deter malpractices, fraud, siphoning of funds, etc. and shall include finance staff skillset and qualifications check.
- Govt of India's and Global Blacklisted NGOs check;

D. CONFIDENTIALITY

For purpose of this Point:

- The Disclosing Party shall be IPE Global or the Supplier undergoing due diligence and together shall be called as Disclosing Parties.
- Recipient Party shall be selected Firm, conducting the due diligence.

Confidential Information shall include without limitation, the information collected by the Firm, while doing due diligence for IPE Global, the information/data supplied by IPE Global, and the information shared by Suppliers undergoing diligence (together known as information shared by Disclosing Parties). It shall also include but not limited to, all business finances, regulatory affairs, assets, inventory, discoveries, trademarks, patents, manufacturing, packaging, distribution, sales, marketing, expenses, financial statements, business relations or any other dealings, transactions, with companies, vendors, customers, employees, agents, or any such confidential information of Disclosing Parties.

E. NON-DISCLOSURE

The Recipient Party shall keep strictly confidential and shall not disclose, or cause or permit to be disclosed, to any person or entity:

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- (i) any information about the potential or actual due diligence transaction(s) undertaken under the agreement (herein called the “Transaction”)
- (ii) any confidential information as mentioned above in Point D.
- (iii) any confidential information, except to those officers, employees or other authorized agents and representatives and professional consultants of Recipient Party to whom disclosure is reasonably necessary in connection with the Transaction and who shall agree to be bound by the terms of the Confidentiality and Non-Disclosure, and except as otherwise consented to in writing by IPE Global.
- (iv) Recipient Party shall take all actions reasonably necessary to ensure that any confidential information remains strictly confidential and is not disclosed to or seen, used or obtained by any person or entity except in accordance with the terms of this ToR.

F. DELIVERABLES:

- Submission of detailed Final Report of the Due Diligence undertaken with expected Turnaround time (TAT) of 5 business days.
- Submission of supporting documents/proofs for the checks undertaken.