



## **DF Due Diligence Report 2024**

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## 1. Introduction

The Development Fund (DF) is a Norwegian foundation (stiftelse) committed to long-term development cooperation focused on poverty reduction, rural development, food security and sustainable agriculture in countries across Africa, Central America and Asia. In line with the **Norwegian Transparency Act (Åpenhetsloven)**, this report outlines our due diligence processes to identify, prevent, and mitigate actual and potential adverse impacts on fundamental human rights and decent working conditions throughout our operations and value chains.

This report is published annually and updated when significant changes occur in our practices or risk exposure.

Transparency obligation under the Norwegian Transparency Act:

DF complies with the information requirements outlined in Section 6 of the Norwegian Transparency Act. This means that any individual has the right to request information about how DF manages actual and potential negative impacts on fundamental human rights and decent working conditions.

Requests can be sent to: [post@utviklingsfondet.no](mailto:post@utviklingsfondet.no)

DF is committed to responding to such requests within three weeks of receipt.

This report is made publicly available at: [https://uf-production.frb.io/assets/05-Om-oss/DF\\_aktsomhetsvurdering.pdf](https://uf-production.frb.io/assets/05-Om-oss/DF_aktsomhetsvurdering.pdf)

## 2. Governance and Organisational Structure

As a Norwegian foundation, DF's Head Office is situated in Oslo with Country Offices present in Ethiopia, Somalia and Malawi, registered as separate legal entities. We have programme operations in 9 countries where some programmes are overseen by the DF Head Office.

Our work is guided by the principles of transparency, accountability, participation, and sustainability. The Development Fund's due diligence responsibilities are anchored at multiple levels:

- **DF Board:** Ultimate oversight of the organisation's ethical conduct and strategic risks.
- **Senior Management Team:** Operational responsibility for risk-based decision-making, financial oversight, and partner relations.
- **Thematic and Country Advisors:** Conduct continuous assessments of context-specific risks and ensure compliance with human rights and labour standards.
- **Partners:** NGOs, cooperatives, and community-based organisations in Africa, Central America and Asia implement local activities with capacity support and oversight from the Development Fund.

## 3. Policies and Guidelines Supporting Due Diligence

DF works to combat hunger and poverty. Our vision is a sustainable and just world. Together with our partners, we contribute to strengthening smallholder farmers when climate change leads to extreme weather and more difficult cultivation conditions. As such, compliance with human rights and environmental sustainability is at the core of what we do. DF manages adverse impacts by ensuring

that our policies and procedures are effective and fit for purpose and that our staff and partners are equipped to apply said documents in practise as relevant.

DF integrates due diligence across the organisation via the following key policies and tools:

- **Code of Ethics:** Establishes the norms and values that guide all employees, safeguarding against misuse of authority in any way.
- **Partnership Policy:** Defines criteria and expectations for ethical and equitable partnerships, including zero tolerance for human rights violations.
- **Risk Policy:** Provides a policy and guidelines on how risk management should be practiced in the organisation.
- **Gender Policy:** Promotes gender equality and protection from sexual exploitation, abuse, and harassment (SEAH).
- **Global Finance Manual:** Includes anti-corruption measures, financial accountability standards and partner audits.
- **Global Procurement Manual:** Ensures fair and ethical sourcing practices, with attention to labour rights and environmental impacts.
- **Human Resource Handbook:** Sets forth employment standards and minimum requirements as well as rules for compensation and benefits.
- **Security and Crisis Management Policy:** A policy which explains how we prioritise the safety and security of our staff related to awareness, mitigation and response.
- **Institutional Partner Assessment Toolkit:** A risk-based tool used to assess organisational, financial, and governance capacity of implementing partners.
- **Partner monitoring toolkit:** A risk-based approach ensuring regular and substantive monitoring of DF partners related to programme implementation and financial management.

#### 4. Risk Management: Identification and Assessment

DF has a risk management and reporting system which identifies, assesses, responds and reports on all risks affecting DF operations. DF's risk management system is in place at organisational as well as programme level. The primary areas of risk as defined by the Norwegian Transparency Act include: risks of corruption, sexual exploitation and abuse or other breaches of human rights. Mitigation measures are put in place to reduce the risks, and the risks are continually monitored at the adequate level in the organisation.

##### a. Mismanagement of funds and corruption

- **Partner breach of contractual obligations** resulting in disruption to programmes

##### b. Human Rights Risks

- **Labour rights violations** in agricultural supply chains (e.g., informal labour, lack of contracts or social protections)
- **Gender-based violence or discrimination** in rural project areas
- **Lack of access to grievance mechanisms** for local communities and workers

##### c. Environmental and Land Rights Risks

- **Land tenure insecurity**, particularly for women and indigenous communities
- **Environmental degradation** caused by third-party suppliers or poorly managed agricultural inputs

#### **d. Decent Working Conditions**

- **Unsafe working conditions** for partner field staff or community workers
- **Lack of worker representation** or collective bargaining capacity in some contexts
- **Irregular payment or unfair wages** in low-income project regions

#### **5. Mitigation and Prevention Measures**

The Development Fund undertakes a variety of measures to prevent and mitigate adverse impacts, including:

- **Thorough partner vetting:** All partners must complete our institutional assessment, including safeguarding and human rights screening. In addition, DF conducts annual partner assessments in accordance with a standardised compliance scheme related to our programmes and financial management.
- **Contractual safeguards:** All partnership agreements include clauses on ethical conduct, PSEA and anti-corruption.
- **Capacity building:** We offer ongoing training to our staff as well as partners on, inter alia, human rights, gender equality, financial integrity/anti-corruption and community accountability.
- **Grievance mechanisms:** We request that our partners have established mechanisms for the communities that we serve. In addition, we have an established mechanism whereby all DF programme participants are welcome to submit grievances to us, anonymously if requested.
- **Monitoring and Evaluation:** Periodic project reviews and annual external audits help identify and address emerging risks.

#### **Supplier due diligence – Cleaning services:**

DF shares cleaning service providers with Rainforest Foundation Norway (RFN). RFN conducted a due diligence assessment of the cleaning supplier in 2023 in accordance with the Norwegian Transparency Act.

The supplier holds valid approval from the Norwegian Labour Inspection Authority, has collective agreements in place, and conducts annual employee surveys. No breaches of labour standards or human rights were identified during the 2023 assessment.

DF has reviewed the findings and confirms that the supplier and contractual arrangements remain unchanged in 2024. DF therefore relies on RFN's due diligence assessment while continuing to monitor the supplier's compliance with decent work standards and national labour law.

#### **Remediation and follow-up in case of adverse impacts:**

If DF identifies actual negative impacts or breaches related to human rights and/or decent working conditions, we will:

- Take immediate action to stop or limit the harm,
- Cooperate with affected stakeholders to ensure an appropriate resolution,
- Consider financial compensation, support, or other forms of remedy where relevant,

- Document the incident and the measures taken,
- Review and improve internal procedures to prevent recurrence.

This process applies both to DF's own operations and to activities involving partners or suppliers.

## 6. Findings and Results

The most recent review cycle (2024) resulted in the following:

- **5 institutional partner assessments** conducted before entering into new contractual agreements.
- **DF's standard training on code of ethics, anti-corruption and procurement** conducted with all DF staff (Head Office and Country Offices) as well as key partner staff in our countries of operation.
- **Comprehensive training on standardised partner monitoring tools and procedures** rolled out by DF Head Office to all country programmes.
- **DF Head Office financial monitoring missions** covering all DF country programmes with established Country Offices conducted.
- **Programme and finance partner field monitoring** conducted of key partners in all DF countries of operations.
- **Three cases of possible mismanagement of funds identified, reported and managed.** None of the cases were concluded by the end of 2024.
- **Zero cases** of child labour, forced labour, or human rights violations involving our partners or suppliers reported.

## 7. Future Priorities

Our focus for the next cycle includes:

- Maintain a strong focus on **regular and standardised partner monitoring** related to programme results and financial management.
- **Further strengthening due diligence capacity** among local partners through regular training and dialogue.
- **Integrating climate, environmental and human rights risks** more systematically in our partner assessments.

## 8. Public disclosure and accountability

Public disclosure and accountability:

This report constitutes DF's annual due diligence assessment in accordance with Section 5 of the Norwegian Transparency Act.

The report has been approved by Executive Director and will be published on DF's official website.

Date of approval: 31.10.2025

Responsible person: Tinna Iuel, Head of Finance and Administration  
Contact: [tinna@utviklingsfondet.no](mailto:tinna@utviklingsfondet.no), +4795246503

## **9. Scope of the assessment:**

This report covers DF's own operations, as well as activities of suppliers and partners in the value chain, including offices in Norway, Ethiopia, Somalia, and Malawi, and programmes in other countries. The assessment includes identification, management, and follow-up of actual and potential negative impacts.