

# CHS+ Pilot - Towards deduplication of due diligence requirements and enabling direct financing of L/NGOs.

HQAI now has a proof of concept that CHS+ audits can meet key due diligence requirements of strategic donors - Luxembourg, FCDO, DANIDA and ECHO.

## Background

In 2020, HQAI developed tools to 'bridge' a CHS audit with the due diligence (DD) requirements of other agencies and successfully demonstrated the value of such bridges through an European Civil Protection and Humanitarian Aid Operations (DG ECHO) audit. HQAI confirmed that the CHS audits produced 80% of the information needed to complete the DG ECHO's ex-ante Framework Partnership Agreement (FPA). The remaining 20% were easily retrievable through other means. This proved two things: first, bridging from one assessment to another by using validated audit data for more than one purpose can be a means to reduce complexity and simplify reporting, and second, 'DD passporting' can lead to significant economies of scale for the sector, concerning resources, manpower and administration.

Building up from this experience, HQAI tested the CHS+ audits further along with three of its core government donors, namely Denmark (Danida), the United Kingdom (FCDO) and Luxembourg (MFA). The vision was to test whether CHS+ audits can provide sufficient quality assurance for donors to directly finance local/national NGOs (L/NGOs).

To test the above, a national organisation - Friendship Bangladesh - was approached to participate in a CHS audit feeding into the pilot project. As a result, Friendship was certified by HQAI against the CHS for its humanitarian, development, and advocacy activities.

## Proof of concept

A proof of concept was established as a result of this pilot. For example, looking at the five pillars of the FCDO framework, HQAI and its partner donors observed that the information collected during the CHS+ audit sufficiently covered the areas of

- governance and internal control
- ability to deliver
- downstream delivery
- safeguarding.

Further, the donors highlighted that HQAI's audit methodology is evidence-based and robust, providing solid and reliable data that covers significant aspects of the DD requirements of key donors.

The first pilot provided evidence that audit data can indeed be used for more than one purpose. Such deduplication of assessments is a means to streamline processes and reduce complexity of DD reporting. Importantly, this approach could also help eliminate some of the administrative burden on L/NGOs and potentially increase their access to international funding.

## Way forward

There are subsequent elements to be considered and novel avenues to be explored going forward.

While the project continues with a second pilot in 2023 with an international NGO, this first milestone lays the foundation for donors to position themselves on the use of CHS+ audits for DD passporting, thus contributing to one of the key elements of the Grand Bargain.

[www.hqai.org](http://www.hqai.org)



Mangrove afforestation by and for the people.  
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