

PUBLIC AND PRIVATE ENGAGEMENT POLICY

Version: 0002.00

Date: March 2025

Scope: All Employees, Trustees,
Consultants and others
acting on behalf of Practical
Action or its subsidiaries

Review Date: March 2028

Approval required from:	Board of Trustees
Policy Owner:	Head of Business Development and Philanthropy
Responsible Director:	Director of Fundraising, Marketing and Communications
Approval date:	March 2025
Queries:	Contact the Policy Owner
Exceptions:	Contact the Responsible Director

1 Roles and Responsibilities

- Clarifications on the policy content should be sought from the policy owner. Any changes required to the policy will be submitted through the policy owner to the responsible director, for consideration.
- The policy owner is responsible for the review of the policy every three years.
- Exceptions from this policy require the advance written approval of the responsible director.
- The responsible director will seek formal approval of significant changes to this policy from the Practical Action Board of Trustees or their delegated representatives

2 Introduction

Our Strategic Intent to 2030 commits us to diversifying our funding base and building our profile. To do this we work with a wide range of funders, donors and other organisations in non-financial arrangements, such as media partnerships. These make up an important way of achieving added value and wider impact.

We see engagements with the public and private sectors not just as a means to build a larger, more balanced income portfolio but also to leverage funds from third parties, to help us increase our profile and influence, and to bring additional skills to bear on our work.

3 Purpose of this policy

This policy is designed to:

1. Ensure that such engagements are in keeping with our vision, mission, strategy and values of Practical Action, and;
2. minimise risk to Practical Action, and;
3. act as formal approval that Practical Action is happy, from an ethical point of view, to accept funding from this donor or organisation.

It sets out which types of organisations and individuals need to be assessed and what form that assessment will take. It sets out how these assessments are approved, who approves them, and how this links to the Delegation of Authorities, and how they are recorded.

4 Which organisations come under this policy?

5.1 In scope

This policy covers engagements with organisations and individuals (which will be referred to as organisations) where they provide donations, grant agreements and consultancy contracts or where we develop joint marketing campaigns.

Practical Action Public and Private Engagement Policy

Those that are in scope of this policy are listed below:

- Institutional donors (including governments and bi/multi-lateral donors).
- Companies (including social enterprises) and corporate foundations.
- Trusts and foundations.
- Individuals.
- Academic institutions, think tanks and other NGOs are in scope of this policy only when we are engaging with them as a funder of our work, including consultancies.

5.2 Out of scope of this policy

This policy is not intended to cover Practical Action's engagements in formal or informal networks and coalitions developed for advocacy or knowledge sharing purposes including, for example, with academic institutions, other NGOs, trade bodies such as BOND.

Nor does it cover our relationships with organisations that are suppliers of goods and services to Practical Action.

Nor does it cover community-based partnerships in Country Offices – whether these are formal or informal, or whether we are a grant funder to them or not.

In summary: programme implementation partners, companies providing goods and services to us on a commercial basis, academic institutions, think tanks and other NGOs (other than when they are providing funding to us) are out of scope.

6 Requirement to assess and approve organisations

Before we enter into an agreement with any organisation in scope of this policy, and before we expend resource to explore or develop such an engagement, the organisation must be screened and approved using an Assessment Report.

The process is designed to ensure that we are confident that an engagement will offer clear benefits to Practical Action and that, on balance, the overall potential impact of an engagement outweighs the risk.

7 Principles for assessing organisations

The starting point for the assessment is whether the organisation operates in line with:

- Our vision: A world that works better for everyone.
- Our purpose: Practical Action puts ingenious ideas to work so people in poverty can change their world.
- Our positioning: Practical Action is a change-making organisation that works in unconventional ways. We bring people together in bold collaborations, using knowledge and innovation, to build futures free from poverty and help shape a world that works better for everyone.

In particular, given that these are areas of most concern in delivering our charitable aims, we will focus on assessing the organisation's record in the areas of:

- **Environment** including environmental reporting, climate change, pollution and habitats.
- **People** including human/workers' rights and supply chain management.

We will assess each organisation on a case-by-case basis against six factors.

- Would an engagement be in line with our principles and purpose, as set out in our vision, purpose and strategy.
- Would an engagement help advance our strategy?
- Would an engagement expose us to legal, financial or dependency risks?
- What are the reputational risks and opportunities of an engagement especially in relation to the organisation's record on people and environmental issues?
- Would an engagement embody the spirit in which we carry out our work as characterised in our brand values?
- Would the impact outweigh the risk?

8 Policy for carrying out assessments

This section explains when assessments of organisations must be carried out and updated, how they are completed and who is responsible for completing them.

8.1 When assessments are carried out

- An assessment must be carried out prior to starting substantial¹ conversations with a prospective organisation.
- The assessment must be reviewed and updated every three years thereafter, for as long as we continue to work with the organisation.
- Assessments must also be updated in the event of a new risk emerging relating to any changes or the activities of an organisation we are engaged with. It is the policy owner's responsibility to ensure these are completed.

8.2 The assessment format

An Assessment Report must be completed and approved for any organisation in scope of this policy, using the approved template.

All organisations are assessed using the same template.

¹ In this context, "substantial conversations" should be taken to mean meetings, either in-person or online, which are specifically arranged to discuss partnerships, applications, funding or other forms of joint working. Conversations held informally, for example at an event, do not constitute "substantial".

There are two levels of assessment: *basic* and *extended* reflecting different levels of risk and financial value, or potential financial value, of engagement (see table on 6.3).

- The **Basic Assessment** is a short form and follows a simple “Yes/No” question methodology, which enables the reviewers to determine the level of risk associated with an organisation. If the risk is low only the Basic Assessment is needed. Where the Basic Assessment highlights a higher level of risk, or a potential value of >£500,000, then an Extended Assessment is also carried out.
- The **Extended Assessment** is used where the Basic Assessment identifies a higher level of risk and/or where the financial level of the engagement is over £500,000. The Extended Assessment requires the reviewers to provide more detailed information about the organisation being assessed and to make a recommendation as to whether the organisation be approved. It is a longer and more nuanced form.

8.3 Assessment levels for different types of engagement

Engagement type/ value £	Basic Assessment	Extended Assessment
Non-financial: media, marketing or advocacy	Yes	Only where basic assessment risk score is high
<£10,000	No	No
£10,000 - £500,000	Yes	Only where basic assessment risk score is high
£500,000+	Yes	Yes

8.4 Assessment teams - roles and responsibilities

This section of the policy explains how assessments are to be carried out, by whom and how they are approved.

The Fundraising, Marketing and Communications Director must ensure:

- That a robust and transparent assessment process is in place.
- That a methodology is in place for scoring and assessing organisations and that this takes into account the criteria in section 5. Where appropriate, this includes maintaining budget for a subscription to a relevant supplier and that this is in line with procurement and data protection policies.
- That GLT is aware of and ensures assessments are being carried out in line with this policy.

Lead Assessor - Country Directors (or equivalent, i.e. “Heads of...” at group level) are responsible for nominating a Lead Assessor. The Assessor must:

- Familiarise themselves with the Policy and the Assessment Report template.
- Undertake the **Basic Assessment** and determine whether an **Extended Assessment** is required.
- Where an **Extended Assessment** is required, convene an Assessment Team (see below) based on the location and type of prospective work with the organisation (using guidance below and this policy).
- Ensure the **Extended Assessment** is completed, agreed, makes a recommendation and is submitted for approval.
- Ensure Assessments (Basic and Extended) are saved to SharePoint.

Assessment Teams

- Must contain the Lead Assessor plus one other staff member for simple assessments, and two other staff as a minimum for extended assessments.
- The other staff are at the Lead Assessor’s discretion but overall, including the Lead Assessor, the Assessment Team for extended assessments must include representatives from:
 - A Country or Regional Office.
 - Thematic Experts (or media teams for relevant partnerships).
 - Business Development & Philanthropy Team.

9 Evaluating and approving assessments

Following an assessment, the Lead Assessor will provide a recommendation with a rationale for approval as shown on the table below.

Assessment / Risk level	Primary Authoriser	Secondary Authoriser
Basic Assessments ONLY (low risk & £10,000 - £500,000)	Line Director	Head of Business Development and Philanthropy Head of Communications (media partnerships)
Extended Assessments (£500,000 - £5m)	GLT member	Director of Fundraising, Marketing and Communications
Extended Assessments (£5m+)	CEO	Director of Fundraising, Marketing and Communications

- Recommendation options include, **approve, reject, restrict the relationship to dialogue only** (e.g. this would include instances where we are involved in a forum for joint advocacy or sharing our knowledge but are not in receipt of, or are pursuing, funds from the organisation and do not have a direct contractual relationship).

- Recommendations to approve or restrict must be clear and defensible to a range of stakeholders including, but not limited to, the people we work with and for, the board, staff and senior management, our funders and supporters and the organisation that has been assessed.
- For “Low Risk” evaluations, an option is included for approvers to request an *Extended Assessment* where they deem it necessary.
- Any engagement, agreement or resulting award must also be managed in line with other related policies and specifically the Delegated Authorities.

10 Reporting and review

- Organisations restricted to dialogue only may be reviewed after 12 months of the decision.
- The assessor must review approved engagements every three years.
- All assessments must be uploaded [HERE](#).
- We will publish the policy online on Practical Action’s public website.

11. Communication and Review

This policy is available to all employees and external stakeholders via our website [Policies and commitments - Practical Action](#). Practical Action welcomes requests for the policy in alternative formats. All employees, including new hires, are made aware of this policy and their responsibilities for promoting income growth and diversification.

This policy will be reviewed every three years, with the next review scheduled for March 2028. Any questions or comments about this policy should be directed to the Policy Owner, Head of Business Development and Philanthropy.

12. Linked Practical Action Policies and Key Reference Documents [Policies and commitments - Practical Action](#)

1. Practical Action Schedule of Delegation of Authorities (v.4 Dec 23)
2. Practical Action UK Fundraising Policy and Fundraising Compliance Handbook (*update underway*.)
3. Fundraising Regulator Code of Fundraising Practice (Oct 19) [New fundraising code published | Fundraising Regulator](#)
4. Due Diligence Processes for Potential Donations, National Audit Office (Jul 17) [Due diligence processes for potential donations](#)
5. Protecting Practical Action from Terrorist Financing (v.3 Mar 24)
6. Practical Action Environmental Policy (v.2 Feb 25)
7. Practical Action Brand Policy (v.4 May 24)
8. Modern Day Slavery Policy (v.3 Aug 24)
9. Procurement Policy (v.2 Aug 23)

Appendix :

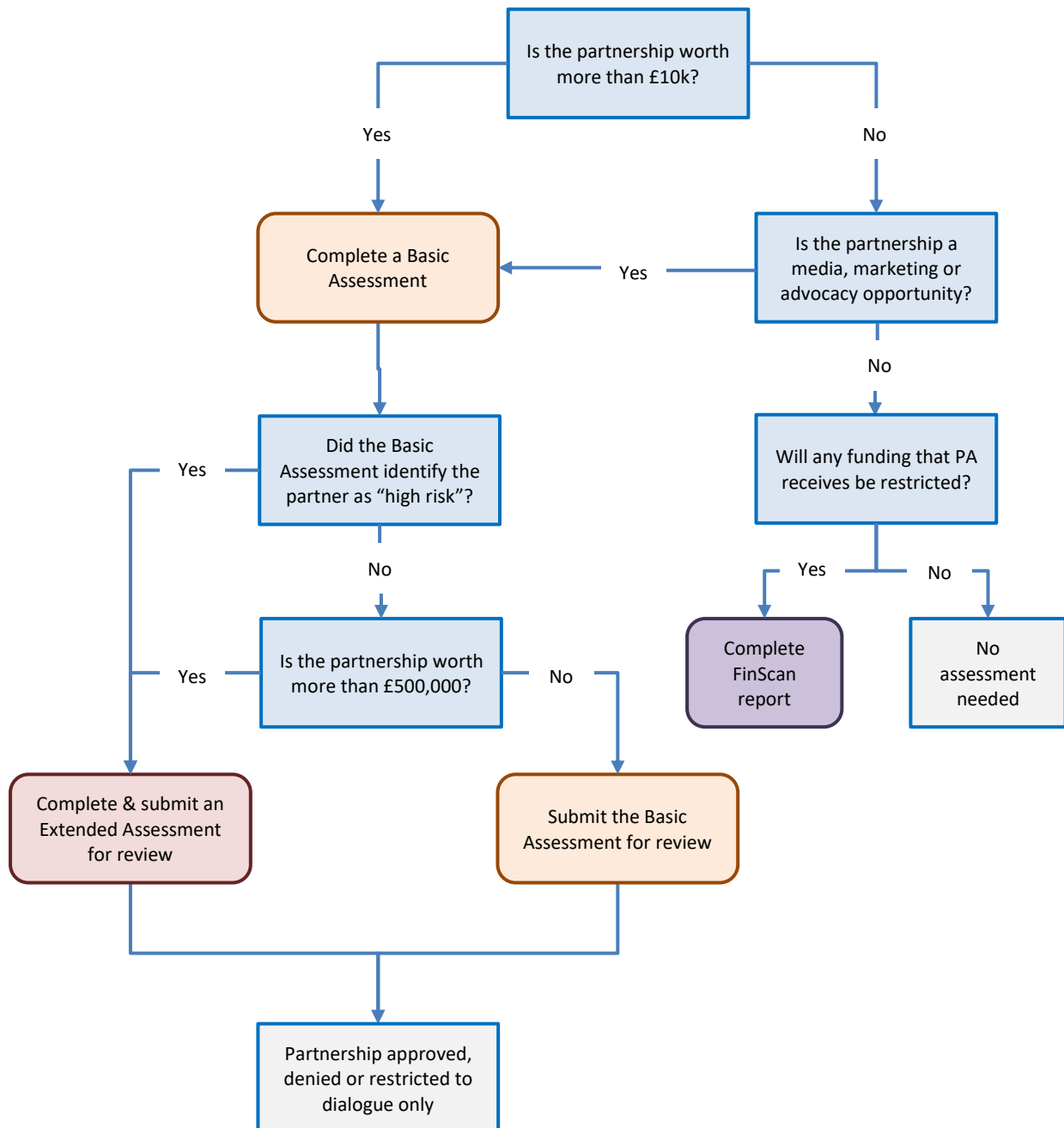
Appendix 1: Assessment Template

- Basic Assessment
- Extended Assessment
- Annual Review 1-4

Appendix 1: Assessment Template

Instructions

1. Review the policy document to understand the process
2. Agree an Assessment Team – section 6.4 of the PPE Policy
3. Download a copy of the Assessment Template (this document)
- 4. Please do not overwrite the original**
5. Follow the decision map below to understand if you need to complete just a *Basic Assessment*, or if you need to complete a *Basic Assessment* **and** an *Extended Assessment*.
6. For a **Basic Assessment**:
 - a. Complete the background information table.
 - b. Undertake whatever research is necessary to answer the Yes/No questions in the Assessment; there is guidance in the footnotes.
 - c. Complete the justification box.
 - d. Decide on a recommendation and submit for authorisation – see Section 7 of the PPE policy.
 - e. If you answer “Yes” to any of the questions in the Basic Assessment, then the partner is deemed “High Risk” and you will need to complete an *Extended Assessment* and submit this instead.
7. For an **Extended Assessment**:
 - a. Complete the background information table.
 - b. Undertake whatever research is necessary and provide full, written answers on the Assessment form; there is guidance in the footnotes.
 - c. If the potential partner or opportunity involves funding through the sale of carbon credits, then please complete the additional *Carbon Partner Assessment* form (question 3).
 - d. Add any additional comments you feel are appropriate.
 - e. Decide on a recommendation and submit for authorisation to the relevant people – see Section 7 of the PPE Policy.
8. For an Annual Review
 - a. Complete the boxes and undertake whatever research is necessary to tick option 1 or option 2.
 - b. Sign the review
 - c. If Option 2 was selected, complete and submit an *Extended Assessment*
9. Once you have completed your assessment, please upload the approved copy to:
<https://practicalaction.sharepoint.com/sites/uk/CEO/DueDiligence/Forms/AllItems.aspx>
10. Please save the completed assessment with the name of the partner you are assessing in the title. These will be needed for auditing purposes.
11. Also see the template in library for multi-annual awards that require Annual Review.



Basic Assessment

Background Information

Name of partner	
Website	
HQ address	
Size of organisation²	
Date of assessment	
Name of assessors	

Question		Answer
1	Is the potential value of the partnership worth more than £500,000?	(Yes/No)
2	If the organisation is listed on Ethical Consumer Database , do they have a score of 30 or below? ^{3,4}	(Yes/No)
3	Do they operate within a high-risk sector? ^{3,5} Or will the project be financed by carbon credits?	(Yes/No)
4	Are there any financial, governance, environmental, labour, or human rights controversies related to this organisation that present a reputational risk to Practical Action? ^{3,6}	(Yes/No)
5	Are there any financial, governance, environmental, labour, or human rights controversies related to any associated organisations or individuals that present a reputational risk to Practical Action? ^{3,7}	(Yes/No)
If the answer to Qs 1-5 is “No” please go to Q6 below. If the answer to any of Qs 1-5 is “Yes” please complete an <i>Extended Assessment</i> .		

Guidance

² Global staffing and turnover if available

³ Contact the BDS team for login details or support.

⁴ Where the organisation is a foundation that includes a corporate name, the assessment should be completed jointly on both the parent company and the foundation.

⁵ High risk sectors would include but would not be limited to: oil, pornography, gambling, arms manufacturing, tobacco, mining and extractive industries etc.

⁶ Risks need to be current and relevant; the reviewers should consider if *globally*, we would be happy to be associated with the partner, e.g. appearing alongside their name in national press?

⁷ Associated organisations can include: subsidiaries, parent companies or joint ventures. Associated individuals can include senior staff, board members/trustees, founders, funders.

6	Submit the partner to FinScan for checking. Did the partner get flagged as a concern? ^{3,8}	(Yes/No)
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If the answer to any of the *Basic Assessment* questions (1-6) is “Yes”, then the partner is deemed “High Risk” and you must complete and submit an *Extended Assessment*

Justification – if you have answered “No” to all the questions in the table above, please use this space to explain your assessment.

Recommendation (please tick one of the boxes; where the Assessment Team cannot agree on a recommendation, please use the box below to indicate which assessor supports which recommendation and use the Justification box above to explain the different opinions).

Approve partner	
Restrict the relationship to dialogue only	
Reject engagement	

Sign off (please tick one of the boxes before signing)

Approved		Restrict to dialogue		Reject		Request Extended Assessment	
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Primary authoriser	Signature	Date
Secondary authoriser	Signature	Date

⁸ Depending on the partner, this could include owners, funders, board members, trustees, or senior management. Please submit FinScan screening requests in accordance with your local procedures.

Extended Assessment

Background Information

Name of partner	
Website	
HQ address	
Size of organisation⁹	
Date of assessment	
Name of assessors	

1. Are there any significant linked organisations, including parent company, subsidiaries and joint ventures?
2. What is the potential value of the partnership?
3. What is the source of the funds?
4. Will the project be funded, all or in part, through the sale of carbon credits to the partner or other third party? If yes, please: <ul style="list-style-type: none"> a. Complete the separate <i>Carbon Partner Assessment</i> form and detail the findings in the box below. b. Provide details of who will ultimately buy the credits. c. Provide details of any third-party financial investors in the project.
5. What sector (or sectors) does the partner organisation operate within? ⁹

Guidance

⁹ Global staffing and turnover if available
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Big change starts small

6. If the partner (or their parent company) is listed on the Ethical Consumer Database , what is their score? ¹⁰
7. Provide details of any reputational risks identified, either from the ethical consumer database or your own research, related to the partner organisation (or significant linked organisations, e.g. parent company), include dates and sources. These could include financial, legal, governance, environmental, labour, or human rights issues ⁹ and should cover both global and local reputational risks.
8. Provide details of any reputational risks identified related to any key individuals associated with the partner organisation? ¹¹ These risks could include financial, legal, governance, environmental, labour, or human rights issues and should cover both global and local reputational risks.
9. Describe how the organisation operates in line with Practical Action's vision and strategic ambition.
10. Does the overall potential impact of the partnership outweigh the risk? We have an obligation to maximise our resources and need clear defensible reasons to turn down a partnership that could further our strategy. So, what is the opportunity cost of not pursuing the proposed partnership?
If the recommendation is to "Approve" the partnership please complete Q11. If the recommendation is to "Reject" the partnership, please ignore Q11 and move to the next section "Assessors' Comments".
11. Submit the partner to FinScan for checking ¹² . Did the partner get flagged as a concern?

Guidance

¹⁰ Where the organisation is a foundation that includes a corporate name, the assessment should be completed on the parent company and the foundation.

¹¹ Depending on the partner, this could include owners, funders, board members, trustees, or senior management

¹² Depending on the partner, this could include owners, funders, board members, trustees, or senior management. Please submit FinScan screening requests in accordance with your local procedures.

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Assessors' comments - please use this space to highlight anything that you feel needs further explanation from your answers in the *Extended Assessment*.

Recommendation (please tick one of the boxes where the Assessment Team cannot agree on a recommendation, please use the box below to indicate which assessor supports which recommendation and use the Justification box above to explain the different opinions).

Approve partner	
Restrict the relationship to dialogue only	
Reject engagement	

Sign off (please tick one of the boxes before signing)

Approved		Restrict to dialogue		Reject		Request Further Assessment	
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Primary authoriser	Signature	Date
Secondary authoriser	Signature	Date

Annual Review # 1

Partner name		
Financial Year		
	Place x in one box only	Comments
<u>Option 1</u> No material changes¹³ - recommendation to continue to engage as at present		
<u>Option 2</u> Material changes¹⁴ - convene review team and seek new approval		
Review completed by		
Review signed by		
Date		

Guidance

¹³ Non-material changes could include new staff at partner, increase in amount of award etc

¹⁴ Material changes could include now answering “yes” to any answer on the *Basic Assessment*, or new ownership, etc.

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Big change starts small

Annual Review # 2

Partner name		
Financial Year		
	Place x in one box only	Comments
<u>Option 1</u> No material changes¹⁵ - recommendation to continue to engage as at present		
<u>Option 2</u> Material changes¹⁶ - convene review team and seek new approval		
Review completed by		
Review signed by		
Date		

Guidance

¹⁵ Non-material changes could include new staff at partner, increase in amount of award etc

¹⁶ Material changes could include now answering “yes” to any answer on the *Basic Assessment*, or new ownership, etc.

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Big change starts small

Annual Review # 3

Partner name		
Financial Year		
	Place x in one box only	Comments
<u>Option 1</u> No material changes¹⁷ - recommendation to continue to engage as at present		
<u>Option 2</u> Material changes¹⁸ - convene review team and seek new approval		
Review completed by		
Review signed by		
Date		

Guidance

¹⁷ Non-material changes could include new staff at partner, increase in amount of award etc

¹⁸ Material changes could include now answering “yes” to any answer on the *Basic Assessment*, or new ownership, etc.

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Big change starts small

Annual Review # 4

Partner name		
Financial Year		
	Place x in one box only	Comments
<u>Option 1</u> No material changes¹⁹ - recommendation to continue to engage as at present		
<u>Option 2</u> Material changes²⁰ - convene review team and seek new approval		
Review completed by		
Review signed by		
Date		

Guidance

¹⁹ Non-material changes could include new staff at partner, increase in amount of award etc

²⁰ Material changes could include now answering “yes” to any answer on the *Basic Assessment*, or new ownership, etc.

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Big change starts small