



A GLOBAL NGO NETWORK  
FOR PRINCIPLED AND EFFECTIVE  
HUMANITARIAN ACTION



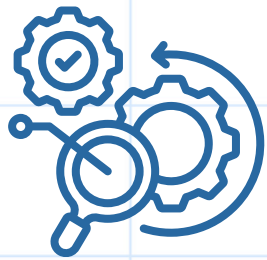
November 2025

# Due Diligence Community of Practice

## TERMINOLOGY

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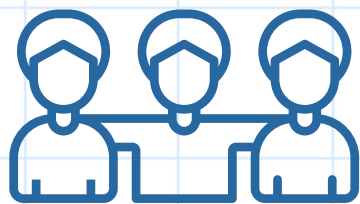
## Due Diligence:

Refers to the process of conducting **compliance checks** and **verifying information** about an organisation to ensure they meet requirements, and to identify potential risks.



## Capacity Assessment:

The process of **assessing** organisational capacity, either in general or a specific technical area. An optional process, usually conducted for **programme planning** or **capacity strengthening** purposes.



## Harmonisation:

Where two or more organisations develop a **unified approach** to due diligence, agreeing to use the same tool for assessments, but continue to conduct the assessment independently.



## Standardisation:

Where an organisation assesses a partner or potential partner against a **pre-determined external standard** rather than against an (individual or harmonised) due diligence tool.





## Certification:

The process of an organisation being assessed and receiving a recognised certification that demonstrates **compliance** in certain areas or **with a set of standards**.



## Passporting:

Where an organisation agrees to **accept a due diligence or capacity assessment** (in whole or in part) carried out on an existing or potential partner by another organisation or certification body in lieu of carrying out their own.



## Risk Management:

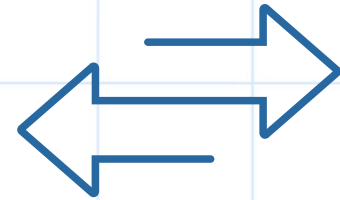
The **identification and analysis of risks** and the establishment of measures to address them.





## Risk Sharing:

To assess and **reasonably share** the **burden** of preventative and reactive measures including reasonably sharing the **responsibility** of materialising risks.



## Risk Transfer:

A form of risk treatment where risks are **passed from one entity to the other**.



## Compliance:

Umbrella term for **actions** taken to ensure all programmes are carried out **in line** with donor and legal **rules and guidelines**.