



Lot 3 – Inclusive Dialogue with Business (IDB) Concept Note & Frequently Asked Questions

If you are interested in applying for our Inclusive Dialogue with Business support, please make sure to consult the following documents in addition to this concept note:

- **Our call overview for applicants**
- **Our Inclusive Dialogue with Business application form**

RATIONALE FOR SUPPORT

Economic development and peace – an opportunity and a risk

Economic development can be a key driver of prosperity, stability and peace in fragile contexts; it has the potential to provide the populations of these regions with jobs, services, infrastructure and opportunities. It can also provide both national and local governments with much needed revenue, allowing them to strengthen their capacities and services. However, in fragile contexts there is also a risk that economic activity exacerbates social tensions and that it reinforces factors, such as corruption or the marginalisation of some groups, which have led to fragility in the first place.

Corporate sustainability experts recognise the need for businesses to generate a *social licence to operate* in addition to the formal one provided by authorities. Research demonstrates that good company relationships with local stakeholders can reduce costs and enable operations in challenging environments. Unfortunately, managers in many fragile contexts lack awareness of these results, or do not take them seriously in their implementation of projects.

Where companies treat local communities as a risk to manage, or where local communities experience that they do not benefit from economic development or that it affects them in a negative way, this can easily turn into a negative spiral. It can lead to increased mistrust, instability and in the worst cases violence – and to an environment that does not benefit anyone. Therefore, citizens, governments and businesses all have a stake in promoting economic development that is well managed and realises its potential to build social and economic resilience.

Inclusive dialogue as a prevention and problem-solving mechanism

Inclusive dialogue creates opportunities for local communities, government authorities and business stakeholders to engage with each other to address issues of common concern and build trust. Dialogue enables stakeholders to express their expectations and concerns and develop a better understanding of each other. It also creates an environment in which misunderstandings or problems can be identified at an early stage, and can be addressed by developing a shared understanding of the facts and exploring solutions that are acceptable to all. In this way, dialogue can serve as a powerful tool to prevent conflict.

At PeaceNexus, we believe that for dialogue to be an effective tool, the quality of the dialogue is critically important. It should:

- Be well-prepared, structured and safe – with participants understanding and agreeing to the purpose, process and ways of participation
- Be inclusive – with all affected stakeholders represented and heard
- Be well informed – with all participants having access to reliable information
- Be facilitated – by one or more people that are acceptable to all participants and able to ensure that the process and rules are respected
- Be responsible – with participants engaging in good faith and honouring agreements.

For concrete examples of what our IDB support can help you achieve in practice, please find summaries of our previous and current IDB partnerships under these links:

[Mining Guidebook for the Mining Industry in Kyrgyzstan](#)

[Compliance Advisory Ombudsman](#)

[Inclusive Business Development in Kayin State, Myanmar](#)

INTENDED AUDIENCE

In the framework of this call, our Inclusive Dialogue with Business support is exclusively targeted at non-governmental and non-profit organisations. However, we acknowledge that other actors such as government units, multilateral organisations or business actors can be well-positioned to initiate inclusive dialogue or can be in need of support to engage more effectively. **If you represent such an actor and wish to request our support, please do not apply through our Call but contact lisa.ibscher@peacenexus.org**

The IDB support offered through this lot is for civil society organisations – both those directly affected by economic development and those closely connected to affected communities – that want to strengthen their capacity to convene or participate in Inclusive Dialogue with Business

Since we are aware that policy frameworks (for example, existing grievance or alternative dispute resolution (ADR) mechanisms and legislation concerning environment, labour and taxation) inform both the quality of agreements that can be reached through dialogue, and their implementation, this lot is also directed to civil society organisations that are well-positioned to produce learning and recommendations to influence policy in the field of Inclusive Dialogue with Business

Therefore, through this call PeaceNexus provides IDB support in two areas:

1) Support for strengthening preventive and problem-solving dialogue to :

- **Civil society organisations** (either working at local or national level) that are well-positioned to be **conveners or hosts** (those who invite the participants and prepare the talks) and/or **facilitators** (those who manage the talks) of inclusive dialogue around a particular case of economic development involving the private sector. Applicants can request support that will help them play this role effectively (including for process design, to support their facilitation or mediation capacities, and for costs directly related to the dialogue process).
 - ⇒ This type of support is only available within our focus regions/countries (see list in the [eligibility criteria](#));

- **Community organisations** that are *participants* in a particular dialogue process involving business stakeholders and hosted by others (including talks hosted by government or business), can request support in order to engage more effectively, including through advice on how to build coalitions with other stakeholders and strengthen their negotiation skills.
 - ⇒ This type of support is only available within our focus regions/countries (see list in the [eligibility criteria](#));

2) Support for learning and influencing actions to :

- **Civil society organisations** (working at national or international level) that have been closely involved in dialogue processes with business actors and have an ambition to produce learning and recommendations from these cases to influence policy in a particular context (i.e. our focus regions, see list in the [eligibility criteria](#)), or to improve the practice in the field of Inclusive Dialogue with Business. Our support can include the development of practice papers that are informed by such dialogues and will result in the development of the field of Inclusive Dialogue with Business. It can also include research and writing assistance to capture case study learning and support targeted outreach and influencing strategies.
 - ⇒ This type of support available to national, regional or international NGOs that have experience with Inclusive Dialogue with Business processes in our focus regions/countries and to international NGOs conducting operational work in more than 5 countries.

ELIGIBILITY CRITERIA

➤ In 2018, we welcome applications from:

- ⇒ Non-governmental and non-profit local, national and regional organisations registered in our focus regions/countries
 - The Western Balkans: Albania, Bosnia & Herzegovina, Kosovo, Croatia, Macedonia, Montenegro, Serbia
 - Central Asia: Kyrgyzstan, Tajikistan, Kazakhstan, Uzbekistan
 - West Africa: Burkina Faso, Niger, Senegal
 - Myanmar
- ⇒ Non-governmental and non-profit international organisations conducting operational work in at least 5 countries (including outside our focus regions).

➤ Applying organisations need to have a bank account and publish annual financial reports.

- You will also need to confirm in your application that you are not already receiving a grant from PeaceNexus Foundation. Due to legal constraints, we can only support activities that will not violate the [USA PATRIOT Act](#) (18 U. S. C. §2339B)

SELECTION CRITERIA

Eligible applications are assessed on the basis of three selection criteria:

Relevance: Peacebuilding relevance of the issue

We focus our support to dialogue processes in situations (related to economic development with private sector involvement) that have high preventive potential. This means that – if not resolved through dialogue – the issue may have a negative impact on many people, or may affect people in a profound way, for example by threatening the livelihoods of vulnerable groups or by setting a precedent which is problematic for long-term reconciliation and peace. In your application, we encourage you to cover these risks and explain the possible outcome of a successful dialogue.

For learning and influencing actions, we prioritise industries and sectors that have a history of social tension and conflict that could be addressed through dialogue and better policy. Hence, in your application please explain the urgency and risks of a particular situation/a particular field of work. This will enable us to understand the potential positive impact of the suggested change.

Change potential: Suitability of dialogue for change

Since we support collaborative approaches, your application needs to show that there is a realistic chance that dialogue can resolve an issue, and that it is a suitable tool to prevent potential grievances and conflict. Key indicators are the readiness of different stakeholder groups to engage in dialogue with each other, and their willingness to change their course of action based on agreements reached through dialogue. For applicants looking to convene or participate in a dialogue, we therefore encourage you to explain what is at stake for different stakeholders and what they stand to gain from the dialogue.

For learning and influencing actions, we need to understand how the envisaged learning/recommendations, which can focus on a successful or failed dialogue process, may further develop practice in the field of Inclusive Dialogue with Business or may influence policy.

From all applicants we need to get a clear sense of what difference our support would make. We are interested in your frank description of the current situation and your ideas about what success would look like. We do not require a fully developed project plan and value your willingness to adapt plans based on results and feedback.

Convincing positioning of the applicant

Organisations applying for Inclusive Dialogue with Business support need to be well-positioned to act as a convener and possibly facilitator of the dialogue process for which they apply for. We do not expect all the preparation for a dialogue to be in place already, but we encourage you to explain what has already been done and what will require more effort. If there is no contact with certain stakeholder groups yet, we need to understand how you are planning to convince them to get involved. If previous attempts of dialogue have failed, we want to understand what has changed and why you believe that dialogue could work in the future.

If you are applying as a participant in an on-going dialogue, we need to understand why you are part of it and what prevents you from engaging more effectively at the moment.

If you are applying for learning and influencing actions we need to understand your role in the dialogue(s) you want to draw on, and how you are positioned to influence policy or practice.

WHAT OUR IDB SUPPORT ENTAILS

The principles underpinning PeaceNexus support are outlined in the Overview (see: [what does PeaceNexus support entail?](#)). More specifically, when it comes to Inclusive Dialogue with Business, PeaceNexus supports processes by:

- Accompanying the process by supporting the process design and by providing feedback and advice (including on research, facilitation and mediation) at critical junctures and;
- Offering a financial contribution to cover the expenses directly related to the process, typically including costs of experts and facilitators (see also in the Overview: [What is outside of the scope of PeaceNexus support and cannot be funded?](#))

Our accompaniment and financial support are based on the needs identified and the action plan jointly designed after our initial visit. In contrast to the grants offered through Lot 1 (organisational development) and 2 (inclusive dialogue with business), a part of Inclusive Dialogue with Business grants (not more than 40%) can be used towards staff time which is, for example, required for conceptual development, outreach, coalition building and logistical support. At least 60% of the grant needs to be invested directly in the preparation and implementation of dialogue processes. It can be spent, for example, on logistics (travel, rent of venues, food), external facilitation and expertise. We have a large network of facilitators and experts, and we assist in identifying and contracting the most suitable ones. The financial envelope depends on the content of the proposal and can range from CHF 5'000 for capacity building of key participants to CHF 10'000 for learning or policy development projects up to CHF 30'000 for the preparation, convening and implementation of inclusive dialogues.

If your proposal is selected by our Governing Board, we will start our collaboration with a visit: we want to get to know you and the environment you are working in. A shared understanding of your context and of your initiative will allow us to accompany you throughout the dialogue, and to help you find alternative paths if the roadmap we agree on at the beginning does not work out as envisaged. This initial roadmap plan forms the basis of the Grant Offer Letter, which is the contractual basis of PeaceNexus' financial investment. We will also agree on how we will communicate and collaborate. Since honest and open sharing of information between us is essential for success, we act under strict confidentiality and only share information with others with your approval.

If the process you are involved in has delivered some results but requires more time and effort, we may extend our commitment over several years.

Frequently Asked Questions

➤ **The following general questions about PeaceNexus support and partnership approach are addressed in the Overview and are relevant for all three lots:**

- What is this grant call about?
- What are the eligibility criteria?
- What are the selection criteria?
- What is the financial allocation under this call?
- What does PeaceNexus support entail?
- What is outside the scope of PeaceNexus support and cannot be funded?
- What is the application and selection process?
- If selected, what will the partnership with PeaceNexus look like and how long will the support last?

➤ **In addition, please read carefully the following frequently asked questions about Inclusive Dialogue with Business**

[What if the dialogue we want to work on has not been established yet?](#)

You can still apply. We are ready to support you in the preparation phase, which is often complicated and labour-intensive – but is also key to success. We are aware that dialogue processes are fluid and uncertain – they may break down or gain momentum unexpectedly. While many factors for success may not be in your control, we need to be sure that you understand the potential, the obstacles, the actors and your own position, and that you are willing and well-equipped to give it a try.

[What if we are a community-based organisation with no formal registration?](#)

You can still apply, please just explain the informal character of your initiative and what prevents you from setting up an actual organisation. Also, please point us to an organisation/company/government entity that can vouch for you by confirming your existence and relevance. When working with informal groups, we contract consultants and pay for services (for example logistics related to training) directly.

[How will progress be measured?](#)

We consider any step that moves you away from the challenges identified and towards the success scenario progress. We are aware that dialogue processes may face stalemates and setbacks. But as long as key participants stay engaged and are ready to discuss and negotiate key challenges, we are ready to stay engaged, even if achieving concrete results takes more time than anticipated.

[What if the learning and influencing actions we want to conduct are not in PN's focus regions?](#)

That is fine with us if the action addresses global policy and learning, or if it draws on exemplary cases that are also relevant for other contexts. However, we are not able to engage on local, national or regional policy outside of our focus areas.