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
- The overview of our IDB work

WHY WE SUPPORT INCLUSIVE DIALOGUE WITH BUSINESS

Economic development in the Western Balkans – an opportunity and a risk for peace

Economic development can be a key driver of prosperity, stability and peace since it has the potential to provide citizens 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 post-war societies 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 strengthen ongoing divisions. Divisions can also be reinforced by undesired environmental or social costs of economic development, which can be exacerbated by uncoordinated action by governments and lack of broad participation while establishing regulations.

Research demonstrates that good company relationships with local stakeholders can reduce costs and enable operations in challenging environments. Unfortunately, managers in many divided societies lack awareness of these results, or do not take them seriously in the implementation of their 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 because of environmental damage or social costs, this can easily turn into a negative spiral. It can lead to increased mistrust, instability and in the worst cases violence – and to an atmosphere that does not benefit anyone.

Inclusive dialogue as a prevention and problem-solving mechanism

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. This is why we support inclusive dialogue between them since it can be a powerful tool to enable these actors 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 and overcome conflict.

In the Western Balkans, we focus our IDB support on dialogue processes regarding pressing situations (related to business operations) that have a high preventive potential and present high stakes from the perspective of social cohesion. This means that:

- if not resolved through dialogue, the issue can have negative impact on a specific group in a community and/or can lead to further social polarisation. This could for example be around an issue where company operations leave a particular social group behind or where business activity ignores (or is perceived as ignoring) grievances of a particular group in the population

- if addressed constructively, the situation would contribute to a more cohesive social fabric in divided communities or across multi-ethnic areas. This could for example by helping a company to improve hiring and inclusion policies to provide opportunities for employment and positive social interactions.

**WHAT OUR IDB SUPPORT ENTAILS**

We recognise that mutually beneficial outcomes do not always arise in view of power asymmetries between key actors and due to the context challenges mentioned above. When investing in IDB processes, our support is geared towards ensuring the quality and effectiveness of the dialogue.

We engage with our IDB partners to ensure that the dialogue:

- Is well-prepared, structured and safe – with participants understanding and agreeing to the purpose, process and forms of participation
- Is inclusive – with all affected stakeholders represented and heard
- Is well informed – with all participants having access to reliable information
- Is facilitated and/or mediated – by one or more people that are acceptable to all participants and able to ensure that the process and rules are respected
- Is conducted in good faith – with participants honouring jointly agreed ground rules and agreements
- Leads to actionable measures and sustainable results

To this end, our IDB support can include:

- Facilitation, mediation and process design advice
- Dialogue preparation, negotiation and consensus building support for dialogue participants
- Joint fact-finding research as part of a dispute resolution process
- Accompaniment of dialogue participants during implementation of reached agreement

Our support entails:

- **Direct process accompaniment from PeaceNexus**

  We want to get to know you and the environment you work in. If your proposal is selected, we will start with an in-person visit and meetings with you and all stakeholders. Moving beyond this exploration phase depends on interest of key stakeholders to actively participate and reach agreements on the identified issue(s). On the basis of this shared understanding of your context,
we will provide assistance to design the dialogue and formulate a joint partnership outline among the stakeholders, which determines PeaceNexus’ financial investment.

Once the dialogue is on track, we will stay engaged throughout, including to help you find alternative paths if the roadmap we agree on at the beginning does not work out as envisaged, and to “hold the space” for when the dialogue gets stuck momentarily. If necessary, PeaceNexus is able to play a convening role regarding ongoing bilateral meetings between dialogue events, sending event invitations, and organising dialogue logistics. However, ensuring local ownership and sustainability of the dialogue outcomes is crucial to any IDB process so identifying another convening organisation/institution is preferred and can be pursued through the dialogue itself. The exact role of PeaceNexus staff depends on the particular situation and will be jointly agreed with the stakeholders.

- **Financial contribution to cover the expenses directly related to the process**
  Our accompaniment and financial support are based on the needs identified and the action plan jointly designed after our initial visit. The financial envelope per phase of dialogue depends on the particular needs of each process but may not exceed CHF 30’000 (see also in the Overview: What is outside of the scope of PeaceNexus OD support and cannot be funded). The precise budget allocation is mutually agreed with all stakeholders after the establishment of a partnership outline that charts the path forward for the dialogue. It typically serves to cover the costs of dialogue meetings, and the fees of experts (e.g. mediators). Particular expertise or technical support can be provided to selected stakeholders if this is mutually agreed with all stakeholders.

- **Support in identifying and managing required external experts**
  In our experience, in environments characterised by low level of mutual trust, dialogues are more likely to succeed if they are accompanied by facilitators and mediators acceptable to all parties. In addition, we recognise that additional technical expertise may need to be brought in, for example to contribute to joint fact-finding missions and/or to contribute to the identification of technical solutions agreeable to all parties. PeaceNexus staff will assist you in finding the experts best suited to your needs and identifying what they need to deliver. When necessary, the support from PN may also be used to ensure that the inputs of mediators and experts are translated in your local language. The consultants accompanying your process will be accountable to all dialogue participants, while PN staff will help you engage effectively with and provide feedback to experts.

In addition, we approach all IDB partnerships with **the following core principles**

**Honesty and confidentiality:** 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. Throughout our partnership, we will value your willingness to adapt plans based on results and will welcome your feedback about our accompaniment

**Commitment over time:** 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.
Joint ownership: Ownership of the dialogue process and outcomes remain with the participants. They jointly agree on the objectives, scope, principles and structure of the dialogue.

Multipartiality: When supporting IDB processes, we strive to be supportive of all parties and to always act in the interest of the jointly agreed process. This means that our process and financial support is put towards a process rather than a single organisation.

In case you are seeking individual strengthening for you as an organisation (rather than process support for a multi-stakeholder dialogue) we invite you to apply to OD or CS support and to articulate how strengthening your organisation as a whole would make an impact on social cohesion.

INTENDED AUDIENCE

Applicants can be any civil society organisation (either working at local or national level), informal community group, government institution or business that is a stakeholder regarding a particular case of economic development involving the private sector in divided communities or across multi-ethnic areas.

Stakeholders are those directly affected by business operations or those closely connected to affected communities, including the relevant government institutions and companies. Applicants propose an issue that they believe can be addressed through a multi-stakeholder dialogue and that they intend to be an active participant in.

ELIGIBILITY CRITERIA

In order to be eligible, the applicant needs to fulfil ALL of the following criteria:

➢ Be based in one of the following countries: Albania, Bosnia & Herzegovina, Croatia, Kosovo, Montenegro, North Macedonia, Serbia, and
➢ Be a civil society organisation, informal community group, or an organisation from one of the following categories,
  o A government institution
  o A business association
  o A company
  o A network
➢ And be directly responsible for the preparation of the application and management of the process if selected (not acting as intermediary), and
➢ Confirm that their activities that will not violate the USA PATRIOT Act (18 U. S. C. §2339B).

SELECTION CRITERIA

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

Relevance of the issue for social cohesion

The issue(s) at stake needs to have a high relevance in terms of social cohesion. When looking at relevance, we gauge whether the issue is pressing and deeply impacting multiple stakeholders.
Therefore, please tell us who is impacted by the issue and how. In case the problem is causing or reinforcing polarisation in your environment, please tell us about that too. Under this criterion, we also consider whether solving the challenge at hand would bring tangible long-term benefits to the affected community and contribute to a more cohesive social fabric in divided communities or across multi-ethnic areas. We encourage you to spell out what difference it would make if the problem was solved through dialogue.

**Likelihood of positive impact**

Your application needs to show that there is a realistic chance that dialogue can resolve the identified issue and should demonstrate that different stakeholder are ready to engage in dialogue with each other, and would be willing to change their course of action based on agreements reached through dialogue.

We encourage you to explain what makes you think that other stakeholders are ready to engage and what they stand to gain from the dialogue. Since the success of dialogue hinges on strong ownership by the participants, we expect you to explain why you are well-positioned to get the key stakeholders to the dialogue process.

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 there is already an on-going dialogue, we need to understand what is preventing it from moving forward at the moment and how third party accompaniment could unlock the process.

**Frequently Asked Questions**

- The following general questions about PeaceNexus support and partnership approach are addressed in the Overview and are relevant for all three support areas:
  - What can be supported 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 we are selected, what will be the reporting requirements of PeaceNexus?

- 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.

**How will progress be measured and what if we get stuck?**

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.

**Can we apply as an international organisation?**

No, our IDB support in the Western Balkans is reserved to local stakeholders directly impacted by the issue. If you are interested in IDB support as an international organisation, please get in touch with our IDB lead and International Partnerships Manager (johannes.schreuder@peacenexus.org)