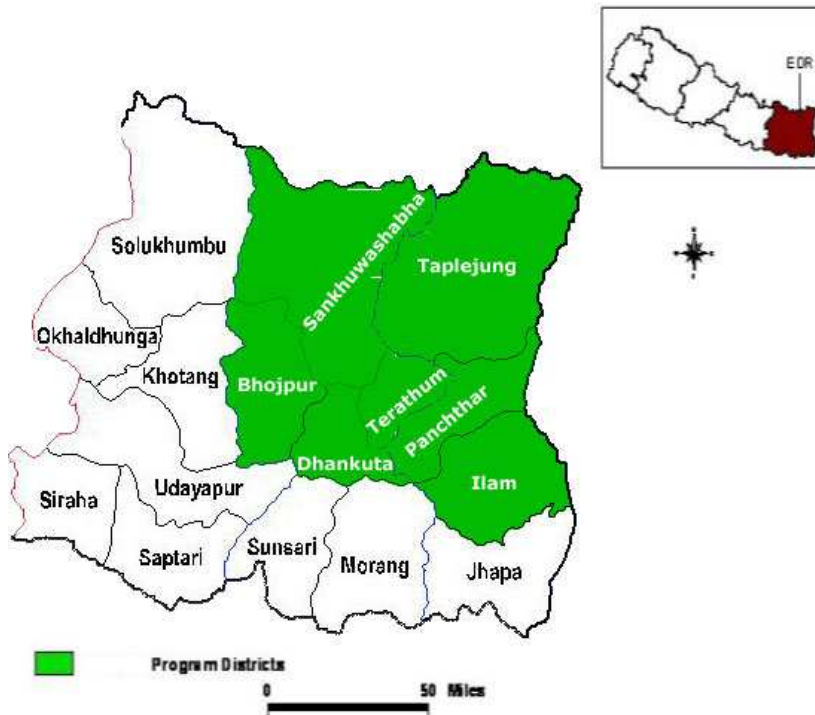


Advocacy Challenge Fund Guidelines

UNNATI Inclusive Growth Programme Advocacy for Rights and Good Corporate Governance



Acronyms and Abbreviations

ACF	Advocacy Challenge Fund
CI	Consumers International
CSR	Corporate Social Responsibility
DANIDA	Danish International Development Agency
DCLCCs	District Child Labour Coordination Committees
DFID	Department for International Development – United Kingdom
EU	European Union
HRCA	Human Rights Compliance Assessment – Danish Institute for Human Rights
ICT	Information Communication Technology
IDPs	Internally Displaced Persons
IPEC	International Programme on the Elimination of Child Labour
ILO	International Labour Organization
NGOs	Non-Governmental Organizations
OECD	Organization for Economic Co-operation and Development
PAN	Permanent Account Number – Government of Nepal
PSOs	Private Sector Organizations
UN	United Nations
VAT	Value Added Tax of Government of Nepal
WTO	World Trade Organization

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1. Introduction

The Advocacy Challenge Fund (ACF) was established under the Danish International Development Agency (DANIDA) funded UNNATI- Inclusive Growth Programme in Nepal. The Advocacy Fund will provide substantial funds for supporting interventions in relation to developing the prioritized value chain- orthodox tea, ginger, dairy and cardamom in the **seven eastern hill¹ districts**- at national and even outside Nepal, in relation to export initiatives. The Fund is capitalised by DANIDA and is managed by International Labour Organization (ILO); the Fund will be operational from April 2016- June 2018.

UNNATI was designed to contribute to the objectives and policies based on the Governments Three Year Plan 2010/11-2012/13. The key priority under the programme is to **strengthen market based growth with a focus on reducing poverty and improving the living standards**. The core of the programme focuses on agriculture sector, given its importance providing livelihood to three fourths of the population and accounting for about one third of the gross domestic product. The programme seeks to address issues with market linkages and value additions that offers opportunities to address other constraints, such as introduction to new technologies and innovations, access to financial services and improving quality systems and standards, in the private sector development in Nepal. The programme has been designed to address these issues at the micro-meso -and macro- level through three mutually reinforcing components: i) value chain component ii) infrastructure component and iii) enabling environment component.

The ACF was established under component three, **Enabling Environment Component**, sub component (3.2) **Advocacy for Rights and Good Corporate Governance** of the UNNATI programme. The immediate objective of the sub component is *improved advocacy for responsible business including the rights and good corporate governance*. The Advocacy Fund will provide advocacy support to the following in relation to the prioritized value chains in seven proposed districts:

- **Building capabilities for advocacy and dialogue:** Selected private sector organisations (business associations, commodity associations, labour unions, value chain actors/working group and civil society organisations) in target districts and beyond that are actively engaged in advocating the interests of their members.
- **Promoting sustainability:** Selected private sector organisations become financially, managerially and technically sustainable and are able provide services to their members.
- **Promoting broad public awareness** of the importance of responsible business including rights and corporate governance issues.

¹ Bhojpur, Dhankuta, Ilam, Panchthar, Sankhuwasabha, Taplejung, and Terhathum,

The ACF will make the first call for concepts notes based on the guidelines provided. Those applicants that will be selected will be asked to submit a detailed proposal thereafter.

2. What is an Advocacy Challenge Fund?

The Advocacy Challenge Fund (ACF) is an open, competitive and demand-driven financing mechanism that allocates grant funding to meet specific goals of project. Private sector organizations are invited to apply for funds by submitting their innovative concept notes at a particular time. These concept notes have to comply with rules (eligibility and selection criteria) and demonstrate contribution towards improving the enabling environment for the value chain development, pursue responsible business initiatives or to meet the UNNATI programme objectives.

The concept notes that will be selected based on assessment criteria will be asked to submit a detail proposal thereafter. A selection committee then awards grants to those projects that best meet the aims of the fund.

3. What are the objectives and expected outcomes of the Advocacy Challenge Fund?

The immediate objective is *"improved advocacy for responsible business development including rights and good cooperate governance"*. The Fund is a means to support private sector organisations (PSOs) and other organisations interested in private sector development, of the four value chains, to conduct evidence based advocacy and lobbyism activities and to support initiatives addressing rights and responsible business issues including the Global Compact principles, corporate governance and inclusive economic development related human rights issues².

The objectives of the fund are threefold:

- i. To help private sector organisations identify policy and planning issues, to develop policy positions and promote policy proposals to the relevant authorities in order to influence the policy and to monitor implementation when agreement has been achieved.
- ii. To help private sector organisations to build their organisational, governance and management capacity which will ultimately enable them to undertake effective advocacy activities and develop and implement strategies to become financially self-sufficient.
- iii. Promoting broad public awareness of the importance of responsible business including rights and corporate governance issues.

The expected outcomes of the Fund are:

When completed, the Fund is expected to have contributed to socially balance economic development in the seven programme districts and beyond especially in areas relating to the supported value chains.

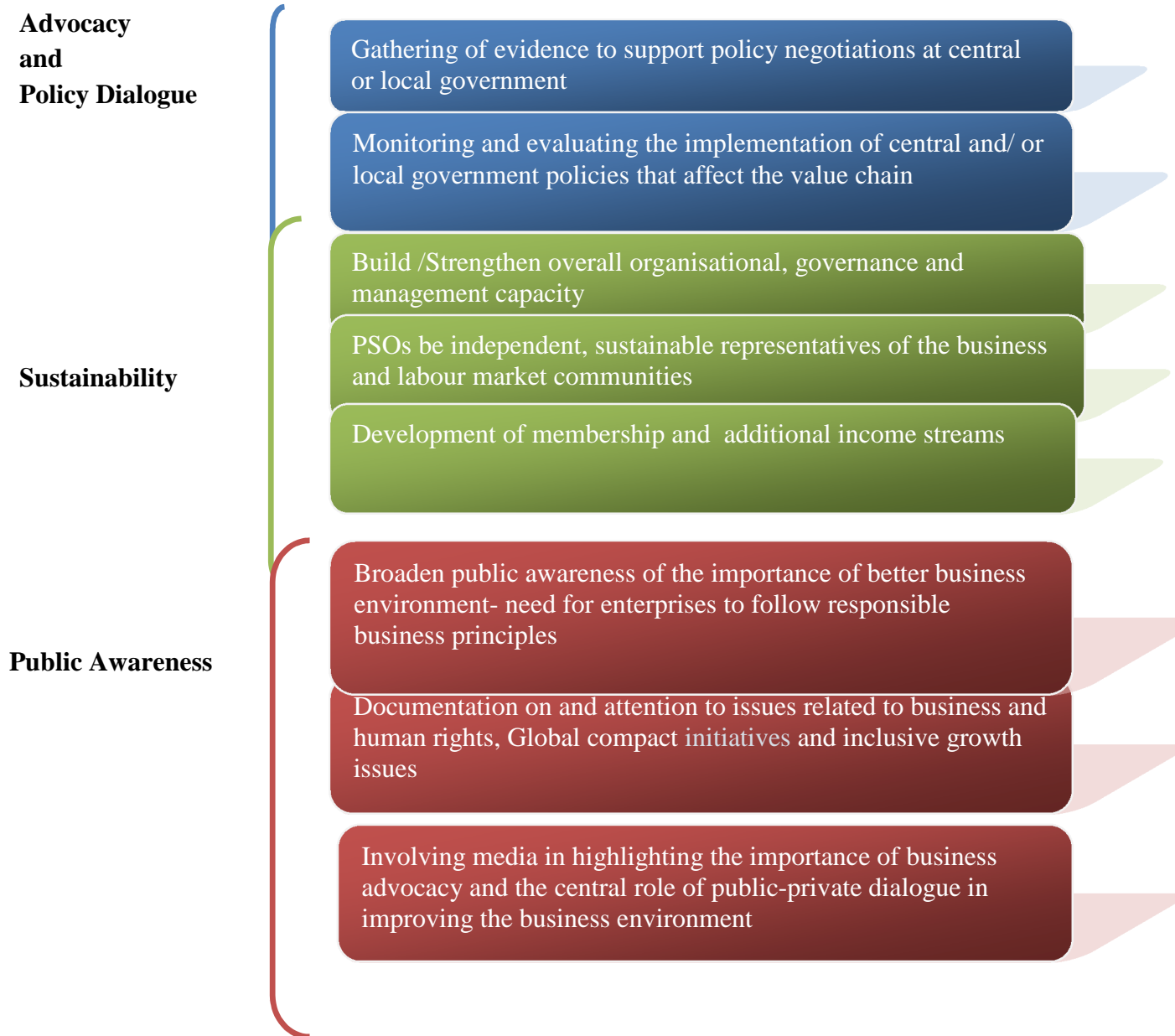
²Please see Annex 1-3 for further details

Specific end of intervention outcomes are:

- Policies and plans at national, regional and district levels reflect economic potentials with focus on value chains and infrastructure development.
- The supported private sector organisations have clear ideas about the needs and interests of their members and are capable of articulating these.
- Members of supported private sector organisations express satisfaction with the services provided by their organisations.
- Improved seriousness of the advocacy activities of the private sector through improved documentation of the effects of the proposed changes.
- Business-related human rights issues are placed on the policy agenda and media is writing articles on responsible business.
- Private business has initiated the Global Compact principles, responsible business, fundamental labour rights principles, and business and human rights initiatives.

4. Windows and challenges

Advocacy Challenge Fund will provide funds within three separate windows that will seek to build capabilities for advocacy and dialogue, promote sustainability of the PSOs and promote broad public awareness of the importance of responsible business with the related value chains and infrastructure components of UNNATI programme. The window and its challenges are described in the following diagram:



The table below gives details on - the types of initiatives that may be funded; type of assistance that will be provided by the Advocacy Fund Manager³; and the eligible organisations within each window. Eligible organisations are invited to apply for the Advocacy Fund if they have an innovative and sustainable idea that will address a least one of the above mentioned challenges within each window. **Applicants must note that the sustainability window will only be provided alongside funding for advocacy and dialogue window and will not be provided independently.**

Windows	Examples of initiatives that may be funded	Assistance to be provided by the Fund Manager	Eligible Applicants
Advocacy and Policy Dialogue	<p>Surveys, research and studies to gather evidence and support of policy negotiations</p> <p>Advocacy for social change⁴ to the structural causes</p> <p>Monitoring and assessing the implementation of central or local government policies to provide policy feedback</p> <p>Seminars, workshops and meetings to facilitate policy dialogue with relevant central and/or local authorities and PSOs</p> <p>Mass communications to engage key people and motivate others to act.</p>	<p>Training, mentor support and information services to PSOs</p> <p>Raise the voice, widen the scope of inclusion and address the interests of large section of informal private sector along the value chains</p> <p>Establish new forum/body which carries out policy advocacy for its members. Capacity building private sector organization to raise their organization voices at the higher level</p> <p>membership organizations on collective issues and interests backed-up with documentation and evidence for policy dialogue</p> <p>Develop an internal communications strategy to address gap identified with the involvement of Chamber's executive board members of the organizations.</p> <p>Set-up knowledge management and communication centres within the private sector organizations for database and information services.</p>	<p>Private Sector Organizations (PSOs) Association</p> <p>Business Associations</p> <p>Commodity Associations</p> <p>Labour Unions</p> <p>Civil Organization</p>

³ i.e. ILO Office in Nepal

⁴ Social change in terms of change in relationships, organization, culture, institution, structure and functioning.

		<p>Link private sector organizations, the sector working groups and other identified policy research organizations to policy research institutions, academic institutions involved or consulted in national policy development process and their networks.</p> <p>Organize annual dialogues, cross learning and sharing meeting/workshop on social rights, corporate governance to foster a culture and practice of good governance.</p> <p>Work for securing equality and rights of women.</p>	
<p>Sustainability</p>	<p>Build/improve organizational, governance and management capacity to be able to undertake advocacy activities</p> <p>Development of Business Plans</p> <p>Development of additional income streams through income generating activities</p> <p>Develop communication skills and platforms</p> <p>Respond to vulnerability and needs through rights-based approaches to service delivery</p> <p>Building broader alliances.</p>	<p>Undertake detailed assessment of the organisations potential financial sustainability, develop a detailed business plan; seed funds to establish working capital to develop new income streams</p> <p>Build deeper connection: linking value chain actors and movements across the global chain issues, connecting locally, nationally and globally.</p> <p>Build capacity for reactive engagement in policy advocacy, systematic and periodic member issue collection, documentation, discussion and formulations contributing to sustainability dimension.</p>	

	Support and strengthening organizations and movements.		
Public Awareness	<p>Build critical public awareness and importance of better business environment and follow responsible business practices.</p> <p>Provide documentation on and call attention related to 'business and human rights ', Global Compact initiatives, inclusive growth rights issues.</p> <p>Involving/ engaging the media in dialogue and advocacy efforts</p> <p>Awareness program to introduce principles of decent work, right and benefits.</p> <p>Organize and mobilize for collective action, supporting and strengthening organizations and movements.</p> <p>Use communications to raise the visibility of an issue.</p> <p>Emphasis on accountability: making sure that more explicitly show the impact of work</p>	<p>Help work closely with the media and new media to support in the applicants efforts to make the media engaged more effectively in dialogue and advocacy effort (include conducting analytical reporting, sending specialists and experts to engage in media platform through publication or opinion columns, talk shows and debates on television and radio)</p> <p>Training programme for business journalists</p> <p>Aware on current labour laws and regulations and provision under the law to foster greater mutual understanding and of rights issues related to inclusive growth including non-discrimination, transparency, and equal access to decision-making, resources and opportunities.</p> <p>Awareness of private sector organizations on unacceptable forms of labour including child labour, forced and compulsory labour, discrimination in employment and occupation, freedom of association and the effective recognition of right to collective</p>	<p>NGOs</p> <p>Research Institutions</p> <p>Large business associations</p> <p>Trade Unions</p> <p>Media houses/business journalists</p>

		<p>bargaining, human rights, environment responsibility, combating all forms of corruption.</p> <p>Production of Information Communication Technology (ICT) in Nepali language to introduce rights based approaches and Global Compact.</p> <p>Aware on principles of Global Compact demonstrating to the private sector organization the value of being signatory to the Global Compact in terms of improved brand image and visibility, and potential for increased sales.</p>	
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5. What are the terms and conditions of the Fund?

How much funding can Fund provide?

The maximum amount provided by the fund is USD 100,000 and minimum amount USD 10,000 per applicant i.e. regardless of the number of windows the applicant is applying for the budget should not exceed USD 100,000.

What is the time frame?

All projects must start not later than 15 days after receiving the grant. The maximum project duration is 11 months.

What will it not Fund?

- The sustainability window support will only be provided alongside funding for advocacy projects, and will not be provided independently of advocacy.
- Small organizations with substantially small outreach will be not be supported.
- The fund will not support projects that have an unmitigated negative environmental impact.
- The issues related to Value Chain Fund and Access to Finance Fund of UNNATI programme.

6. Selection criteria

A formal, centralized or local service provider/private sector development organizations should be evaluated on the strength of its capacity, organizational structure, leadership, management, the quality of its portfolio and services, its access to financial resources and the strength of its internal control system and transparency.

a) Administrative compliance

It confirms that a concept note/proposal has been submitted within the deadline set; the concept note/proposal has the template specified by Advocacy Fund Manager, is complete and meets all the requirements set in the respective Call, all requested documents are attached.

b) Eligibility Criteria

These criteria examine whether the concept note/proposal fulfils the minimum requirements for being eligible for funding by the Advocacy Challenge Fund. Concept note/proposals which do not fulfil the eligibility criteria will be rejected. To be eligible to apply for the funding, the organisation (the lead applicant in case of a consortium or partnership), must:

- Be a registered/renewed firm, organization or company operating in Nepal, in compliance with relevant licensing, taxation, and other relevant regulations in Nepal.
- Be able to show at least the two years audit accounts

- Be able to demonstrate its capacity and the expertise to undertake the project
- Be legally registered as one of the following:
 - Private Sector Organization
 - Business Association
 - Commodity Association
 - Cooperative/Association/Federation
 - Farmers Association
 - Labour Union
 - Civil Society Organization
 - Research Institution
 - NGO
 - Media houses

Applicants that do not fully comply with the eligibility criteria will not be considered for assessment.

c) Assessment criteria

The assessment of concept note/proposal will only apply to projects that have successfully fulfil the administrative compliance and eligibility criteria. The following standard set of assessment criteria evaluates the key elements of the concept note and full proposal:

- 1) Content-related criteria (relevance of the proposal, quality of results/sustainability, innovation),
- 2) Implementation-related criteria (quality of partnership, quality of management, quality of methodological approach and budget).

1) Content-related criteria:

a. Relevance of the concept note/proposal:

- i. Are the objectives and expected results of the project addressing specific problems, issues, and opportunities (related to evidence of a focus of your proposed activities that tackle rights and responsible business issues including Global Compact Principles, corporate governance and inclusive development related human rights issue)?
- ii. Does the project take into account one or more horizontal issues of the project (sustainable development, positive environmental impact, equal opportunities and non-discrimination, fair competition)?
- iii. To which extent are there synergies or complementarities with other components and/or national, regional and local level within this particular issues?

b. Quality of results/Sustainability:

- i. Are the results specific, measurable, achievable, realistic-time based?
- ii. To what extent does the concept note/proposal capitalize previous experience?

- iii. To what extent do the project results provide added value for the project?
 - iv. Does the concept note/proposal have the concrete and realistic possibility to have a follow-up and/or to be sustainable after the end of the ACF contribution?
 - v. Is the concept note/proposal's strategy for communication and dissemination of results well-structured and efficient?
- c. Innovation:
- i. To what extent does the concept note/proposal clearly demonstrate innovative character?

2) Implementation-related criteria:

- a. Quality of the partnership (appropriate synthesis and organizational arrangements):
 - i. To what extent does the lead partner demonstrate the capacity to coordinate the capacity to coordinate, manage, control and monitor the overall implementation?
 - ii. Is the professional capacity (structure and experience) of the partners sufficient to implement the project activities undertaken successfully?
 - iii. Is the institutional status of the partnership relevant to the activities to be implemented? (in terms of responsibility/authority)
- b. Quality of management:
 - i. To what extent is appropriate project management clearly demonstrated?
 - ii. To what extent are the specific roles (actions and responsibilities) clearly and appropriately distributed among the Lead Partner and the partners?
- c. Quality of methodological approach concerning the content of the project:
 - i. To what extent is there coherence among the identified project objectives, expected outputs and results and activities to achieve them?
 - ii. How mature is the project (in which stage of completion are the administrative procedures that allow the realization of the project?)
- d. Budget:
 - i. Is the budget logically planned and distributed among the partners and in accordance with the activities?
 - ii. Is the estimated expenditure of the activities justified/explained?
 - iii. How reasonable and realistic is the overall budget of the proposal submitted?

The short-listed applicants will be asked to develop and submit a full proposal.

d) Due diligence process

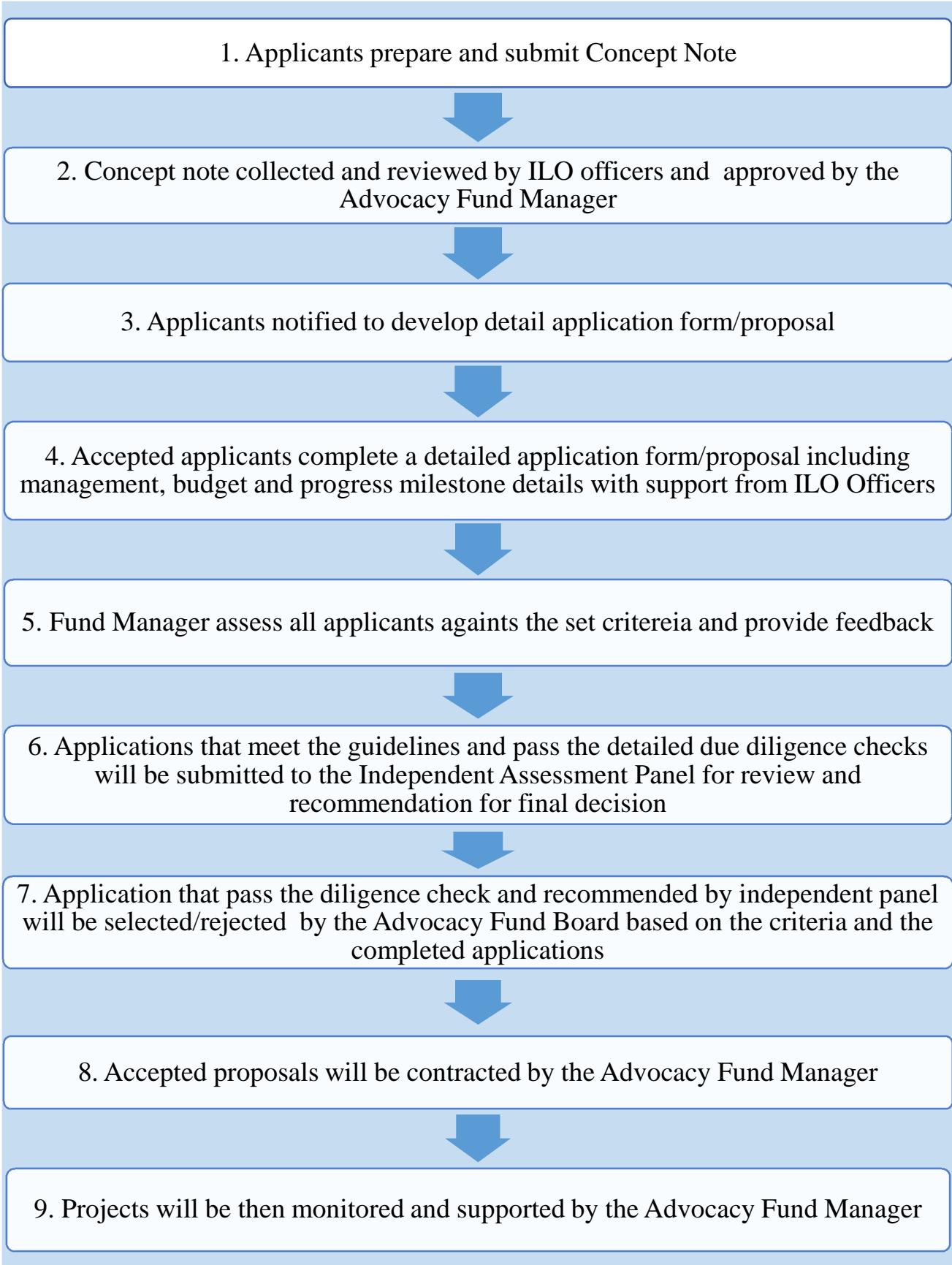
Due diligence process will be conducted on all selected applicants that have submitted the full proposals. The Advocacy Fund Manager may request additional information and conduct a field visit to the applicant's headquarters and project site.

7. What is the application and selection procedure?

- I. Applicants will **prepare a concept note** to show that they have a project proposal that will contribute towards improving the enabling environment for the value chain development, pursue responsible business initiatives or meet the UNNATI objectives. The concept note should describe the issues to be addressed, possible outcomes and successful advocacy, proposed activities and ensure that the organization is eligible⁵
- II. The responsible ILO Officers will **collect and screen the concept notes** to ensure they meet the basic objectives before handing it to the Advocacy Fund Manager for appraisal.
- III. The Advocacy Fund Manager will evaluate and **select the applicants that meet the criteria** set.
- IV. Approved applicants will need to **complete a detailed application** form that provides detailed information on: (i) project management (ii) budget details (iii) work-plan (progress milestones.); and log frame.
- V. Advocacy Fund Manager will assess the applications against the set criteria and provide feedback. Those that do meet the guidelines will be subject to a detailed due diligence check before application is submitted to the Independent Panel.
- VI. Independent panel will **assess the applications against the set criteria** and recommend to the Advocacy Challenge Fund Board for final decision.⁶
- VII. Application that pass the **diligence check** and recommended by independent panel will be selected/rejected by the Advocacy Fund Board based on the criteria and the completed applications.
- VIII. Successful projects will be then monitored and supported by the Advocacy Fund Manager.
- IX. Unsuccessful proposals number and status will also be submitted to the Advocacy Fund Board and Donor agency.

⁵ To ensure sufficient and quality applicants the Advocacy Development Officers or consultants will assist in preparing proposals.

⁶ Representative from Ministry of Agriculture Development (MoAD)-Chairperson, Denmark Embassy and Value Chain Component, and ILO will facilitate as secretariat for ACF.



1. Challenge Fund management?

Funds will be managed in compliance to ILO Financial Management and Procurement guidelines, which follow internationally recognized accounting and auditing principles. When an application is approved, the Advocacy Fund Manager will disburse funds to the concerned organization or service provider. The Advocacy Fund Manager will monitor that funds are utilized by the organization/service provider that has received the support, whereas the concerned organization/service provider will be responsible for managing the grant funds. The Advocacy Fund Manager will prepare detailed budgets to be approved by the Management and Coordination Committee after recommendation from the Advocacy Fund Board.

2. How are the grants disbursed?

Advocacy Fund to be implemented by an Advocacy Fund Manager, funds will be transferred directly from the Embassy of Denmark to accounts to the Advocacy Fund Manager, i.e. ILO Account. When an application is approved, the Advocacy Fund Manager will disburse funds to the concerned organization or service provider. The Advocacy Fund Manager will monitor that funds are utilized by the organization/service provider that has received the support, whereas the concerned organization/service provider will be responsible for managing the funds.

3. Submitting the concept note:

- Concept note for the Advocacy Fund will be accepted between 20 May 2016 and 20 June 2016. Review will be started as soon as the applications have been received.
- Applicants are required to submit the concept note in a soft copy (the main form should be in MS Word format) via email to acf@ilo.org, or online application through ACF website and/or a signed and sealed hard copy to the ILO office.
- Applicants should submit their concept note (in ENGLISH or NEPALI language and typed on standard A4 paper-single-spaced, 12 points font *Times New Roman for English* and *Preeti for Nepali*) along with supporting documents.

For further inquiries please send an email to: acf@ilo.org

For other inquiries please refer to the Advocacy Fund website:

www.advocacychallengefund.org

4. Second Call: Submission of detailed Advocacy Fund Application

- Selected applicants will be asked to submit the detailed Advocacy Fund Application between 20 May 2016 and 20 June 2016.
- Applicants are requested to submit their applications in soft copy (MS Word format with necessary attachments) to acf@ilo.org and in a signed and sealed hard copy to the ILO Kathmandu office.
- Applicants should submit the following documents with the application:
 - copy of the organisation's registration document, constitution and/or by-laws of the organization and a copy of renewed firm, organization or company registration certificate

- copy of each of the implementing partners' registration certification and any other relevant documents
- copy of VAT or PAN registration certificate
- copy of the last year of audit reports
- copy Tax clearance certificate of fiscal year
- copy of annual (or other) reports of the organization for the past two years, with financial statements and a list of financial sources

Annex 1: Human rights and business sector development in Nepal

Global Compact

In the Global Compact context the approach to human rights and business is two-pronged and focused around practical business applicability. With a focus on businesses signing up voluntarily it is imperative to focus on awareness raising on (i) what human rights are and how they are relevant for business and (ii) what businesses can do within both their own operations and more broadly in their sphere of influence to respect and support human rights. This should include how to avoid being complicit in human rights abuse. There is a strong emphasis on doing business (risk management, productivity improvements, employee morale and retention, brand differentiation, new customers and markets, etc.), especially in the medium to longer term, in addition to the fact that respecting and supporting human rights is the right thing to do. The Global Compact also emphasizes the importance of adopting a systematic management approach to addressing human rights rather than philanthropic efforts alone.

The Global Compact can help to identify practical solutions to human rights dilemmas that companies face, e.g. in dilemmas when defining the right approach to discovering the use of child labour in the extended supply chain, on how to avoid gender discrimination or properly recognize freedom of association in countries where trade unions may be restricted. This could be through exercising “due diligence” to identify and manage human rights risk, thus helping businesses respect human rights, including avoiding complicity in human rights abuse.

Although human rights are universal, it is still widely perceived that human rights are not relevant everywhere, thus the Global Compact collects examples and case studies as evidence of human rights implementation from around the world and across all sectors to help demonstrate the relevance of human rights for businesses globally and locally. The Global Compact also emphasizes coherence and collaborates with a wide range of partners with a view to making the domain of business and human rights more accessible and less confusing especially for businesses new to the issues.

Decent Work agenda

The Decent Work concept was formulated by the ILO’s constituents – governments and employers and workers – as a means to identify the organizations’ major priorities. It is based on the understanding that work is a source of personal dignity, family stability, peace in the community, democracies that deliver for people, and economic growth that expands opportunities for productive jobs and enterprise development. Decent Work reflects priorities on the social, economic and political agenda of countries and related to the international system. The ILO works to develop decent work-oriented approaches to economic and social policy in partnership with the principal institutions and actors of the multilateral system and the global economy. The ILO has four strategic objectives for pursuing the agenda, with gender equality as a crosscutting objective:

Creating Jobs – an economy that generates opportunities for investment, entrepreneurship, skills development, job creation and sustainable livelihoods.

Guaranteeing rights at work – to obtain recognition and respect for the rights of workers. All workers, and in particular disadvantaged or poor workers, need representation, participation, and laws that work for their interests.

Extending social protection – to promote both inclusion and productivity by ensuring that women and men enjoy working conditions that are safe, allow adequate free time and rest, take into account family and social values, provide for adequate compensation in case of lost or reduced income and permit access to adequate healthcare.

Promoting social dialogue – Involving strong and independent workers' and employers' organizations is central to increasing productivity, avoiding disputes at work, and building cohesive societies.

Consumer rights

Consumers International (CI) has recently finalized a programme under the EC-Nepal and WTO funded assistance programme, 'Making the Consumer Movement a Viable Market Force' from September 2011 to March 2012. Main recommendations of the published report on 'Understanding Provisions of Consumer Protection in Nepal', focus on information gaps, consumer education and awareness programs as well as legal provisions for consumers 'right to file cases in a recommended separate fast track court system along with national level monitoring and investigating systems.

Land rights

The issue of land rights, land reform and land redistribution was at the centre of political attention in Nepal following peace in 2006, when the first elected and Maoist-led Government of the newly formed Republic declared that a New Nepal cannot be built without land reform. While the High Level Commission on Land was formed by the Government in 2008, land rights now feature lower on the political agenda, in light of the constitutional crisis in the country. According to a recent study by the Internal Displacement Monitoring Centre land seized during the conflict has not been returned in all districts. Problems have mainly been reported in areas of Central and Far-Western Terai which were far more affected by land seizures during the conflict. The study concludes that most of the land that remains unreturned appears to concern the larger land holdings while most land that has been returned consist of small plots belonging to non-politically active IDPs. The more land IDPs owned, and the more active they were in non-Maoist political parties, the less likely it is that they have recovered ownership.

Land reforms promised since 2006 have failed to materialize. Thus marginalized and landless groups have been unable to improve access to land. Land reforms undertaken in Nepal since the late 1950s to abolish feudalism and foster economic transformation have generally failed to reduce landlessness and insecurity of tenures, which have been in many regions the main cause of poverty and food insecurity and a root cause of the conflict. These reforms, together with the abolition of customary land rights, have led the state to become the largest landowner according to a DFID study from 2008. In 2010, the High Level Land Reform Commission reported that some 1.4 million people in Nepal were landless and that they needed some

421,770 hectares of land. The Commission recommended distributing some 492,851 state-owned hectares to the landless as it was not being productively cultivated. In 2010, the Carter Centre reported that in several districts inaccuracy of official records was an obstacle to returning land. Furthermore, many land owners never reported their land as seized, believing that no help would come from the state. In 2011, the UN noted the absence of any coherent state policy on the return of seized land. Decisions remain ad hoc and are made by local leaders. When land has been returned to the displaced it has generally been the result of individual negotiations at the local level that have not formally involved the state. Sometimes the owner of the land has been asked to make a donation to have it returned. Attend observed in 2011 in some Terai and far-western districts is that some landowners who are afraid to return, or whose land is now occupied by tenant farmers, have sold their land to local brokers at around half the market rate. In January 2012, the Maoist-led government decided to validate all property transactions and registrations made during the conflict, thereby further complicating the issue.

Child labour

In 1995 the Government of Nepal launched a national programme to eliminate child labour in cooperation with the ILO's International Programme on the Elimination of Child Labour (IPEC), and the Ministry of Labour formed a National Steering Committee to work on the nature and scope of national IPEC activities. Since then a legislative framework has been formulated and strategic alliances and forum for coordination created in collaboration with IPEC's partners.

In line with the experience of IPEC at the global level, IPEC Nepal has moved from targeted action through a sector-based approach to targeting all forms of child labour through an area based approach. At policy level IPEC has been integrated in Nepal's Poverty Reduction Strategy Paper (PRSP), the Tenth Plan, and the Nepal Master Plan on Child Labour, which are based on decentralization as a fundamental strategy. District Child Labour Coordination Committees (DCLCCs) have been formed in 18 districts under the District Development Committees. Their aim is to represent a broad range of community interests, including policymakers, employers, trade unions, service clubs, local NGOs, women's groups, and youth groups.

More than 100 Action and Mini-programmes have been implemented. 12,000 working children, including child bonded labourers, have received educational support and their families provided with alternative economic opportunities. Partnerships include government agencies, employers' and workers' organizations, the UN system, the donor community and civil society groups.

Annex 2: The Concept of Corporate Governance/Global Compact

Corporate governance refers to the way private businesses oversee the running of their company at management level, and how board members are held accountable to shareowners and the company. This has implications for company behavior not only to shareowners but also to employees, customers, those financing the company, and other stakeholders, including the communities in which the business operates. Research evidence underlines the importance of a value dimension to corporate governance, where responsible management of environmental, social and governance issues is seen to correlate strongly with the presence of a business ethos and environment that builds both a company's integrity within society and the trust of its shareowners.

The OECD Principles of Corporate Governance

First published in 1999, the OECD Principles assist governments in improving the legal, institutional and regulatory framework that underpins corporate governance and ultimately helps preserve financial and economic stability. The Principles provide practical guidance for corporate governance best practices, including protection of shareowner rights and board responsibilities, to stock exchanges, investors, corporations, and others. Updated in 2004, following a spate of corporate scandals, the Principles now contain even stronger recognition of the importance of stakeholders in corporate governance as well as emphasizing the need for timely, accurate, and transparent disclosure mechanisms and communication.

The Human Rights Compliance Assessment, HRCA

Developed by the Human Rights & Business Department of the Danish Institute for Human Rights, the HRCA is a comprehensive tool designed to detect human rights risks in company operations. It covers all internationally recognized human rights and their impact on all stakeholders, including employees, local communities, customers and host governments. The tool incorporates a database of 195 questions and 947 indicators, each measuring the implementation of human rights in company policies and procedures. The database incorporates the Universal Declaration of Human Rights and more than 80 human rights treaties and International Labour Organization conventions.

The tool is available online to subscribers, and the Web interface allows companies to develop a tailored assessment tool from the database by screening out questions based on country risk and features of the company operation. Companies answer the relevant questions and receive a final report identifying areas of compliance and non-compliance in their operations. Numeric scores allow companies to track their performance from year to year.

The HRCA can be used in a number of different forms depending on company profile and needs. HRCA tools include:

Other full HRCA database, which allows companies to build a checklist according to their size, activities and countries of operation.

- The HRCA Quick Check, a free, condensed version of the full tool
- The Dalit Discrimination Check, covering caste discrimination in South Asia
- The South Africa HRCA
- The China Business and Social Sustainability Check
- The Danish Institute for Human Rights also develops tailored checklists for companies and industries.

UN Global Compact principles

A key concern of the component is private business compliance with the Global Compact principles and fundamental corporate governance values. The ten Global Compact principles enjoy universal consensus and are derived from: i) The Universal Declaration of Human Rights; ii) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work; iii) The Rio Declaration on Environment and Development; and iv) The United Nations Convention Against Corruption

The 10 principles:

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

It is the UN's voluntary corporate citizenship initiative in the areas of human rights, labour conditions, the environment and anti-corruption. It is a multi-stakeholder learning and dialogue initiative that brings together, in one coherent package, core values that governments all over the world have endorsed and asks business to embrace and support them. The UN Global

Compact is intended as a mutually reinforcing complement to, and not a substitute for, other approaches, including regulatory ones.

Around 6,400 business participants in over 130 countries are currently engaged. Roughly 40 % of business participants are small and medium-size enterprises. One of the things that make the Global Compact unique is that more than half of its business participants come from developing and emerging economies.

More information:

<http://www.humanrightsbusiness.org>

<http://www.oecd.org/corporate>

<http://www.unglobalcompact.org>

Annex 3: The concept of Responsible Business

From CSR to Responsible Business

The definition of CSR

Over the last few years, the concept of CSR has undergone an important development. As late as 2010, the EU defined CSR as “the voluntary integration of social and environmental considerations into business operations”. Today the EU’s definition of the concept has changed. CSR is the “responsibility of an organization for its impact on society.”

The main drive behind this shift in the thinking on CSR has come from the UN Guiding Principles on Business and Human Rights, adopted unanimously by the UN’s Council on Human Rights in June 2011. According to the Guiding Principles, the well-known duty of the state to protect human rights is supplemented by the corporate duty to respect those same rights. Companies have a duty to show due diligence⁷ to avoid that they have an adverse impact on human rights – not a selected few, but all human rights, civil and political as well as economic and social. Those human rights risks that the companies identify must be prevented and mitigated if they have occurred. Victims must have access to a grievance mechanism, and if justified receive restitution or compensation from the company for the adverse impacts which they have suffered from.

The Guiding Principles, formerly known as “the Ruggie Framework”, were basically developed by the UN on the acknowledgment that the private sector has a huge impact on people’s lives and that many member states have failed to provide adequate protection of human rights not only in the public domain, but also in regard to the wide-ranging effects of business operations in the private sector. The corporate duty to respect is an attempt to address this shortfall in protection by shifting some of the burden on to the primary operators in the private sector, the enterprises.

Apart from changing the EU’s definition of CSR, the development of Guiding Principles had a profound effect on the first global CSR standard, ISO 26000, which was adopted in October 2010. Also in this standard the core of the definition is the recognition that the social responsibility of enterprises is a direct consequence of the impact business operations have on society. In accordance with this shift there is a clear tendency in a number of countries around the globe towards more demanding business legislation aimed at the social impact of business operations. In the realm of compulsory public reporting by enterprises, the latest development in Europe is the Commission’s proposal in April 2013 for a European directive requiring the 15,000 largest European enterprises to report annually on their activities within CSR, including

⁷Due diligence means having a management system in place, which is based on: a policy commitment to avoid adverse impacts on human rights; to identifying risks for adverse impacts; mitigating actual adverse impacts and account for steps taken for adverse impacts. Finally victims need to have grievance mechanisms that they can use.

anti-corruption and product safety. The reporting has to be done against specific indicators for responsibility within human rights, labour rights, and all the other main CSR issues. The proposal is actively supported by Denmark even though it goes further than the national Danish legislation that has inspired it, the 2009 and 2012 laws which instituted annual CSR reporting as a compulsory element in the public annual financial statements of the 1,100 largest Danish companies.

When one has to transfer the concept of an individual company's CSR to the sector or macro levels of society in emerging markets and developing countries, it makes more sense to talk about the social and environmental framework conditions for companies operating in the particular market. These framework conditions are set not only by the government through its legislation and the enforcement or lack of enforcement thereof, but also by the enterprises themselves as they compete in the market. In the context of business responsibility the question is at what level of social and environmental protection the single enterprise and its competitors choose to compete – or, in other words, what social and environmental framework conditions they decide to operate under.

When this level is alarmingly low, problems arise for the enterprise, the sector and in the last event the country, both the home country of the international enterprise and its host country. This is what has recently happened within the garments and textile industry in Bangladesh, where factory fires and lastly the collapse in April 2013 of this year of the factory in Savar killed up to 2,000 workers. The international outcry against the negligence of management and the exploitation of the Bangladeshi workforce as well as the violent demonstrations in the country itself has forced the international textile industry to take comprehensive measures to address the problems. In Denmark the Ministers for Development Cooperation and Trade and Investment took the initiative on May 17, 2013 to form a partnership with the Danish textile industry to take concrete action on the ground in Bangladesh together with international partners. The partnership is directly based on the notions of state duty to protect and corporate duty to respect from the Guiding Principles.

The concept of responsible business: How much does it cover?

The international trend towards more direct involvement of governments concerning the responsibility of business operations calls for further concept development. It makes less and less sense to use CSR in its traditional meaning with a focus on the individual enterprise and its voluntary action to make a special effort in labour rights, the environment, etc. It would be both more correct and more practical to work with the notion of responsible business, meaning business being aware of the impacts its operations have on society – and being ready to address them.

The notion of “impact on society” implies that it is obvious that such impacts can be diverse. In the West, CSR is constantly expanding and now includes phenomena such as tax evasion, animal welfare, the carbon footprint, and product safety in a very wide sense. Thus, CSR in the West now goes beyond the four subject areas of the UN Global Compact: human rights, labour rights, the environment and anti-corruption. The way this expansion takes place is mainly

through the media or NGOs raising the issues, and politicians or public opinion-makers reacting to them. In essence any business operation raising ethical dilemmas is covered by CSR as it is understood in the West. However, in the context of emerging markets and developing countries, this may be raising the bar a bit too high. One risks making the best the enemy of the good. In many developing countries, CSR is generally still understood as philanthropy or giving back to society. Helping local businesses understand that they have a responsibility to address even the core issues covered by the UN Global Compact is often a huge task in itself. This does not necessarily change just because the Global Compact issues are covered by e.g. national laws on labour, occupational health and safety, and the environment. Because more often than not, these laws are not enforced, and if they are, they are used as a pretext by public authorities to illicit corruption.

Therefore, for the purpose of working with the emerging markets and developing countries it would be unwise to include any action a business could take, which would raise ethical dilemmas, in the concept of responsible business. It would be seen as one more way for the West to impose conditions on aid, trade and foreign direct investments, laying down obstacles for social and economic development in the country. Rather the point of departure for the concept should be those norms universally agreed through the UN: The human rights and labour rights conventions, the environmental standards laid down in Rio and at later UN Summits and anti-corruption based on the Unconventional – in other words, the UN Global Compact in addition to the new UN Guiding Principles.

The Human Rights Based Approach principles of transparency, accountability, inclusion/participation and non-discrimination are included in the concept of responsible business. On the compliance side, this goes for the approach taken by the UN Guiding Principles as well as for that of the UN Global Compact. However, this does not subtract from the need for program objectives and outputs to integrate the principles already in the preparatory phase.

From compliance to contribution in responsible business

The UN Guiding Principles have reinforced the tendency created by the UN Global Compact to regard CSR as almost exclusively compliance with the UN norms. The notion that enterprises also contribute to society through their economic activity and job creation sometimes almost gets lost in the international CSR discourse. Likewise the fact that there are different ways to contribute to the economy: Some enterprises create a large number of jobs as they grow, others do not, and some manage to create jobs for the poor, raising their disposable income. Some play a crucial role in the value chain in which they operate, essentially maintaining economic activity and guaranteeing jobs as long as they operate effectively – others play a negligible role in the overall economy of the value chain. If responsible business is to work as an effective concept in Danish development cooperation as well as trade promotion and private investments, it is clearly insufficient to restrict oneself to compliance. The UN Global Compact realized this very early on and already in 2002 added a social and economic development dimension to its compliance norms. This dimension is fully voluntary and is not part of the annual reporting commitment an enterprise undertakes by joining the UN

Global Compact. But it makes the point that businesses also have positive impacts on society – and through creating inclusive growth and value chains with a large number of jobs for previously unemployed or badly employed people, businesses can enhance this positive impact.

The program for responsible business in Nepal aims to make use of responsible business as a concept integrated in the inclusive growth programme. Instead of adding the responsibility dimension to the economic development later on, the programme tries to combine the two dimensions from the outset, viz the responsibility dimension and the growth and development dimension.

In conclusion, “responsible business” in this programme is to be understood as:

- The *compliance* with the norms of the UN Global Compact and the UN Guiding Principles
- The *contribution* to inclusive growth through sustainable value chain development

**Advocacy Challenge Fund
Concept Note**

Please, complete:

Name of Applicant Organisation:

Project Proposal Title:

Proposed Window(s) of Application: **Advocacy and Dialogue**
 Sustainability
 Public Awareness

Proposed Value Chain:

Proposed Implementation District(s):

What is a Concept Note?

The Concept Note is the first part of the application process to the Advocacy Challenge Fund. Applicants wanting to compete in the Advocacy Fund must initially complete a concept note. The Concept Note allows applicants to briefly present how ideas respond to one of the challenges set by the Advocacy Fund. A Concept Note is a brief outline of your proposed project. It is designed to provide the Advocacy Fund management team, which makes all the decisions on the grants, with an overview of your proposed project. Those applicants that are successful at this stage will pass to the second stage of the competition where the Fund will ask applicants to submit a detailed application in the format provided by the Advocacy Fund Managers.

What are the challenges that needs to be addressed?

Your proposal will need to address one of the following challenges to be eligible to be considered for this round of the competition:

- Introduce initiatives to help build the capabilities of PSOs in order for them to identify policy and planning issues, develop policy positions and promote policy proposals to relevant authorities and be actively engaged in advocating the interests of their members
- Strengthen PSOs organizational, governance and management capacity in order to enable them to undertake effectively advocacy activities and develop and implement strategies to become financially self-sufficient.
- Initiatives to promote public awareness of the importance of responsible business including the rights and corporate governance issues

What format should be followed?

You can add in your information by typing in the information in the boxes below each question. The form can be completed in English or Nepali. The **form should not exceed 8 pages in length.**

What is the deadline for submission of the concept note?

The deadline for receipt of your application for this stage is no later than **XX XX 2016**. Any application received after this date and time will not be accepted

It is recommended that the concept note form is developed after reading the Advocacy Fund Guidelines properly. We advise that you discuss your planned submission with the Fund managers well in advance of finalising your Concept Note and in advance of the deadline to ensure that the ideas are presented correctly and are complete.

1. Project Title:

Title of the project:

2. Lead organization (Name and type of organsiation)

Name:

Type of organization: (PSOs, labour organization, NGO, Research Institution, Think Tanks, Media Houses etc.)

3. Key contact person for submission

Name :

Address:

Telephone:

Fax:

Email:

4. Partner Organisation(s) if any

- a)
- b)
- c)

5. How does the proposed project address the challenge?

[Proposed window and challenge seeking to address and how does do you propose to do so?]

6. Objectives of you proposed project?

[Explain why you would want to implement this idea? If implemented how would you determine that it is successful?]

7. Activities and Approach of the Project:

8. Approach of the Project:

9. Target group:

10. Timeframes for activities:

11. Expected Outcomes:
<i>[Measurable outcomes that, collectively, will help measure progress toward accomplishing the project goals]</i>
12. Estimated Budget:
[Please fill in the budget sheet provided below]

Budget Sheet

Summary Budget:

Name of Service Provider:

Period cover:

Currency: (NPR)

Overall Budget Cost	
Cost Category	COST (NPR)
A. Operational Cost	
1. Salaries, benefit and allowances	
2. Travel	
3. Equipment	
4. Other Direct cost	
5. Sub-total (1) Operational Costs	
B. Activities Cost	
1. Activities	
2. Consultations (if needed)	
3. Sub-total (2) Activities costs	
C. Total Budget	
Total project Cost	

By signing this form our organization and consortium partners accept the following terms and conditions:

- We accept that we are bound by the process and rules of the competition that have been highlighted in the application guide and shall accept the outcome of the process without any deviation or reservation.
- We shall bear any and all costs related to the preparation and/or submission of the proposal, regardless of whether its proposal is selected or not.
- We accept that ILO Advocacy Challenge Fund’s determination of our responsiveness to a challenge fund window is to be based solely on the contents of the written application forms.
- We accept that information relating to the examination, evaluation, and recommendation of contract award shall not be disclosed to us or any other persons not officially concerned with such processes.

Signature:
.....

Name:

Date:

Please do not forget to attach a photocopy of your Registration Certificate



**Advocacy Challenge Fund
Proposal Application Form**

PLEASE READ THE FOLLOWING:

- The Advocacy Fund Guidelines provided before completing this form.
- Please complete the checklist provided before submitting your application to ensure the necessary documents have been attached as annex.

This Application Form has four sections; you should complete all of these:

1. Your organization's details
2. Description of your projects proposal
3. Project Finance
4. Description of your organization's relevant experience

APPLICATION CHECKLIST

Use this checklist to make sure you are sending us a complete application. You are expected to provide relevant documentary evidence in support of your application.

The following tasks have been completed (please tick the boxes below):

All questions in the proposal Application Form have been answered.	
The authorised contact name you have given has signed the form.	

The following supporting documents are enclosed in the application (please tick the boxes below):

1 copy of the organisation's registration document, constitution and/or by-laws of the organization and a copy of renewed firm, organization or company registration certificate <i>(see question 4)</i>	
CVs of staff listed in question 6	
1 copy of each of implementing partners' registration certification and any other relevant documents (<i>Question 9</i>)	
1 copy of VAT or PAN registration certificate	
Logical framework (<i>Question 19</i>)	
Work Plan (<i>Question 20</i>)	
1 copy of detailed budget (grant money) breakdown (<i>see question 23</i>)	
1 copy of the last year of audit reports (organisation's audited financial accounts)	
Tax clearance certificate of fiscal year 2070/71	
Copies of annual (or other) reports of the organization for the past two years, with financial statements and a list of financial sources	
An authorized representative of the Applicant shall initial in all pages of the Technical and Financial proposals with firm's seal in every page	
Declaration made in writing by the service provider(s) that it is not disqualified for taking part in the procurement proceedings, that it has no conflict of interest in the proposed procurement proceeding and that it has not been punished for an offence relating to the concerned profession or business	

Please, complete:

Name of Applicant

Organisation: _____

Project Proposal

Title: _____

Proposed Window(s) of Application: **Advocacy and Dialogue**

Sustainability

Public Awareness

Proposed Value

Chain: _____

Proposed Implementation

Region: _____

FULL PROPOSAL TEMPLATE:

SECTION 1. YOUR ORGANISATION'S DETAILS			
1. Name of Organisation (in full):			
2. Date of Establishment:			
3. Place of Registration:			
Address:			
Tel:		Fax:	
Email:		Website:	
4. Organisation's Registration No. <i>Please attach 1 copy of your organisation's registration certificates and any other relevant legal document in Annex.</i>			
5. Key Contact Person (this is the person we will communicate with about this full proposal from this point onwards)			
Name of Contact Person			
Job Title			
Postal Address			
Telephone			
Mobile			
E-mail			
6. Please list the key personnel that you are proposing will work on the project. <i>Please provide the CVs of the staff listed below when submitting your application. Please include the members of the implementing partners if applicable.</i>			
Job Title	Name	Years of Experience in this role or similar	Brief description of expertise
7. Please provide a very brief history of your organisation (why established, founders, early funding sources etc. [Not more than 500 words]			

8. What is the mandate of your organisation? [Not more than 200 words]

9. Implementing partners/stakeholders (if any)? *Please provide the following partner's information: Name and contact details of key intended implementing partners and their role in the project (Attach copy of the organisation's registration certification and any other relevant documents)*

Name of organisation:

Address:

Contact No:

Email:

Role:

10. What systems, procedures and staff do you have or proposing in place to manage the proposed Advocacy Fund? *(Implementing partners information if applicable)*

SECTION 2. PROJECT DESCRIPTION

11. What is the total budget of the proposed project?

In USD

12. Duration of the project:

In months

13. Please give an overview of your organisation's/implementing partner's expertise and staff members to implement the project. Please provide a brief description of the organisation and its relevant experience working. [Not more than 500 words]

14. What is the main goal of for the proposed project within the proposed duration?

15. What are the main objective(s) of the proposed project?

- 1.
- 2.
- 3.

16. What is the major constraint(s) the project is going to address and what is your strategy and mechanism to address them?

17. What is/are the target area(s) (region/zone(s) of the project? *Please provide a short analysis of the target area relating to the project including your experience of working with key stakeholders in the region.*

18. Who are the people targeted by the project? *Please provide a short description, as well as the priorities and opportunities of the target people*

19. How will you know if you have been successful in achieving these results? What will be your ‘indicators’ of progress? Explain in brief how you will monitor and evaluate your work, including how the target group will participate in monitoring. *Please include as an Annex a logical framework.*

20. What are the main activities to be carried out? *Please include a work plan or schedule and attach it to this application form.*

21. How will you ensure the project and activities you undertake with the grant bring about sustainable change? Please list the practical steps you will put in place to do this.

22. In what ways do you think your proposal is innovative?

SECTION 3: PROJECT FINANCE (3 PAGES MAX) BUDGET ANNEX

23. Please explain how you will use the grant money. Please provide a detailed breakdown of activities against funds. (You can attach a separate file)

SECTION 4: YOUR ORGANISATION'S EXPERIENCE (2 PAGES MAX)

24. Please give one brief example of when you have effectively designed an activity with local stakeholders in the region of your proposal in the last three years.

Example 1

Activity and target group:

Scale of investment of money and effort:

Date:

Location:

Results: (10 line summary)

Declaration

I declare that the information provided in this form is, to the best of my knowledge, accurate, complete and truthful. I also declare to take all responsibilities to be accountable and responsible for any consequences whatsoever hereafter in case of nonconformity.

Name.....

Position.....

Signed.....

Date.....

Annex 4

CV

(Please do not exceed more than 1 page)

Personal Details	
Name:	
Address	
Phone/Mobile numbers	
Sex:	
Email:	
Professional Experience in relation to the proposed project	
Achievements	
Career History	
Education	
Language (Excellent, Basic, Good)	

Annex 2

Logical Framework

Project Duration:

Project Area:

Window:

Narrative Summary	Verifiable Key Indicators	Key Means of Verification	Risks and Assumptions
GOAL:			
IMMEDIATE OBJECTIVE			
OUTPUT			
Output 1			
Activity 1.1			
Activity 1.2			
Activity 1.3			
Activity 1.4			
Output 2			
Activity 2.1			
Activity 2.2			
Activity 2.3			
Activity 2.4			

Annex 4 – Detailed Budget

	COST CATEGORY	UNIT	RATE	TOTAL	REMARKS
1.	OPERATIONAL COST				
1.1.	Salaries, benefit & allowance				
	Position title				
	Sub-total (1.1) operational Cost				
1.2.	Travel, transportation and per diem				
	Domestic travel				
	Per Diem				
	Transportation (Domestic travel)				
	Sub- total (1.2) Travel, Transportation and Per Diem				
1.3.	Other Direct Costs				
	Equipment				
	Office rent				
	Communication				
	Sub- total of (1.3) Other Direct Costs				
	TOTAL OPERATIONAL COSTS				
2.	Program Activities cost				
2.1.	Workshop (detail break down)				
	Training (detail break down)				
	Consultant (detail break down)				
	TOTAL PROGRAM ACTIVITIES COSTS				
	TOTAL (1) +(2) COSTS				
	TOTAL COST				

