



## MSI Integrity Global Consultation and Comment Period

The Institute for Multi-Stakeholder Initiative Integrity (MSI Integrity) is dedicated to examining the impact and value of voluntary business-related human rights initiatives. Launched through Harvard Law School's International Human Rights Clinic in April 2013, MSI Integrity is developing tools to evaluate the effectiveness of multi-stakeholder initiatives (MSIs) from a human rights perspective.

MSI Integrity is seeking feedback on the methodology and standards it has proposed for evaluating MSIs. It is hoped that the evaluations and standards will become universal benchmarks for understanding the effectiveness of MSIs. Establishing such benchmarks will be helpful for those seeking to improve new or existing MSIs. In addition, the evaluations should foster debates about what makes an MSI effective, as well as the strengths and weaknesses of existing MSIs.

The global comment period will run from May 1- August 31, 2013. Any individual or organization may provide written feedback to MSI Integrity directly. Additionally, regional meetings are being held where feedback may be provided in-person to regional host institutions. The evaluation methodology and evaluation standards will be finalized following a review of the comments received by the Advisory Group and MSI Integrity.

It should be emphasized that *all* aspects of the proposed methodology and standards are open to revision and comment, with comments to be separated into two categories:

1. Comments on the standards and criteria for evaluating MSI effectiveness (Standards Comments)
2. Comments on the methodology for evaluating MSIs (Methodology Comments)

### Background and Objectives

There has been scarce systematic evaluation of the institutional effectiveness of MSIs or on the factors that affect an MSI's human rights impact. Many MSIs themselves are unsure whether they have had any meaningful impact on human rights or how they can best be structured to protect human rights, and are often unaware of the experiences of MSIs in other industries.

Through research, critical assessment and shared learning, MSI Integrity aims to ensure that MSIs protect and promote human rights. MSI Integrity takes a particular interest in how the initiatives include and impact affected communities, and seeks to address three critical questions:

1. What aspects of MSI design and structure effectively protect and promote human rights?
2. Which, if any, MSIs are currently designed and structured in a manner that protects and promotes human rights?
3. Are MSIs effective human rights mechanisms?

While the current evaluations are focused on the infrastructure and design of MSI, in the future, MSI Integrity plans to develop and implement on-the-ground assessments that measure the actual human rights *impact* of MSIs on rights-holders. It should be clear that the current evaluations do not measure impact. Instead, they evaluate whether MSIs have been designed in a manner that appears to be necessary to have a positive human rights impact. The results will feed into MSI Integrity's future work on assessing impact, and are an important first step towards assessing impact.

## Standards and Criteria for Evaluation MSIs (Standards Comments)

*Overview of the MSI Evaluation Tool: a focus on minimum standards for MSIs*

MSI Integrity, in conjunction with the International Human Rights Clinic a Harvard Law School (IHRC), developed the [MSI Evaluation Tool](#) to measure the effectiveness of the design of MSIs from a human rights perspective. It was developed over a two-year period, based on an extensive academic literature review, as well as consultation with members of the business and human rights community.

The MSI Evaluation Tool seeks to measure the effectiveness of the structure and design of MSIs with regards to human rights. The MSI Evaluation Tool is comprehensive, providing a rigorous and detailed assessment of an MSI. It solely contains objective indicators, meaning that they ask specific questions that can be answered with binary responses. For example, “Are the MSI’s standards publicly available?”.

The most critical component of the MSI Evaluation Tool are the minimum standards indicators. The minimum standards indicators identify the factors that are necessary for an MSI to have the capacity to effectively protect and promote human rights. However, presence of these indicators is not itself sufficient to guarantee a positive human rights impact. There are almost 150 proposed minimum standards in six categories, and these form the basis of the scores and reports of evaluated MSIs (see Methodology below). Minimum standards have been identified where there is an alignment between academic literature, practitioner views and normative reasoning that the indicator is an important precondition to MSI effectiveness or positive human rights impact. The minimum standards indicators are highlighted in the MSI Evaluation Tool in red. It is hoped that the minimum standards will become benchmarks of MSI design and MSI Integrity is particularly interested in public comment on the suitability of minimum standards indicators. Once the minimum standards have been finalized, MSI Integrity plans to release a collation of the indicators for use as a preliminary evaluation tool.

In addition to minimum standards indicators, the Tool also includes indicators of good practice and innovation. In addition, some indicators are purely informational. While the inclusion of these inflates the Tool to over 400 indicators, they enable the evaluation reports to draw attention to MSIs, or components of MSIs, that are particularly robust, and to foster innovation and good practice among MSIs. These indicators will come under closer public review once the minimum standards for MSI effectiveness have been established.

The decision to use a quantitative approach for the MSI Evaluation Tool was based upon increasing the usability of the Tool. A preliminary survey of MSIs by IHRC demonstrated that MSIs are not meeting basic minimum standards, and therefore there was immediate value in creating a Tool that could be easily applied based on objective information about an MSI, rather than requiring intensive subjective interviews. However, the importance of qualitative aspects of an MSI, such as the learning or trust it generates amongst stakeholders, is recognized. MSI Integrity plans to integrate qualitative assessments into the evaluation in the future. One possibility is that a high score of minimum standards could warrant further examination of an MSI, and therefore trigger a qualitative assessment of that MSI.

The Tool itself does not measure the impact of MSIs on the ground. Empirical studies into the effectiveness and impact of MSIs are urgently needed. However, such studies require significant time, planning and resources. The MSI Evaluation Tool is the first immediate step towards developing and implementing impact assessments. The data collected by the evaluations will inform on-the-ground impact assessments, which will require empirically testing the minimum standards and factors relied upon in the MSI Evaluation Tool.

### *Table of Minimum Standards*

For those looking to comment on the specific content of the minimum standards, the [Table of Minimum Standards](#) is a helpful starting point. This table provides a brief rationale for the inclusion of the minimum standard in the MSI Evaluation Tool, and well as summarized versions of the indicators. However, it does not include the exact wording of the indicator, which can be found only in the corresponding section of the MSI Evaluation Tool.

### *Scope and Mandate Evaluation Criteria*

One important aspect of MSIs is the scope of the issues that they seek to address, and their human rights mandate. To understand if an MSI's scope and mandate is adequate, MSI Integrity conducts external research about the human rights issues relevant to each industry, as well as the events that led to the MSI's formation. This external material is used to assess the MSI's scope and mandate using the criteria developed by MSI Integrity and IHRC.

Please note that the [Scope and Mandate Evaluation Criteria](#) are contained in a separate document from the MSI Evaluation Tool.

## **Proposed Evaluation Methodology (Methodology Comments)**

### *Selection of MSIs for evaluation*

MSI Integrity proposes evaluating MSIs in different industries and at different stages of development. This is to demonstrate the comparability of MSIs in different industries and encourage MSIs to learn from the approaches taken in other sectors. Five MSI evaluation reports will be released in 2013. It is proposed that an additional two or three MSIs will then be evaluated each year, with prior evaluations being updated to track and encourage developments in MSIs. Currently, MSI Integrity itself selects the MSIs to evaluate; a request from the MSI itself is not required. In 2013, MSI Integrity and IHRC will release evaluation reports on the Extractive Industry Transparency Initiative (EITI), Fair Labor Association (FLA), the Global Network Initiative (GNI), the Kimberley Process (KP) and 4C (the Common Code for the Coffee Community). Comments as to how MSI Integrity should select the MSIs to evaluate annually are welcomed.

### *Overview of the Evaluation Methodology*

The proposed evaluation methodology has three stages, and was applied in 2012-2013 through the evaluation of five MSIs. The methodology is discussed in more detail in the [Methodology Overview](#), which should be read before submitting any Methodology Comments.

#### *(A) Preparing the draft evaluation report*

First, MSI Integrity (or its partner institutions) runs the MSI Evaluation Tool using information that the MSI under evaluation has made publicly available. This process takes approximately 100-150 hours, requiring two individuals to independently collect the data on the MSI, with any discrepancies reconciled by an auditor. Simultaneously, external research is conducted into the human rights issues relevant to each industry, as well as the events that led to the MSI's formation. This draws upon publicly available secondary sources. All this material is used to prepare a draft evaluation report.

#### *(B) Vetting the draft evaluation report with the MSI and experts*

Given the limitations of relying on publicly available information, the second stage of the evaluation is to have the draft report reviewed by both the MSI itself and independent experts. MSI Integrity provides each MSI's staff with an opportunity to comment on the findings, and encourages the staff to share the draft with its MSI members. Using publicly available information for this first draft report allows the MSI to reflect on its transparency and how the MSI may be perceived externally. MSI Integrity is available to meet with the MSI itself to discuss the



findings, and to encourage an ongoing dialogue. Simultaneously, the draft report is sent to two independent experts, one with experience with the evaluated MSI, and one with general experience in business and human rights, to review the accuracy of the description of the operation of the MSI and the evaluation of its mandate and scope. To avoid introducing individual subjective views, the experts do not provide their own independent evaluation of the effectiveness of the MSI.

### *(C) Updating and finalizing the evaluation report*

The third stage is to modify the draft report and dataset in light of the corrections or updating material provided by the MSI or experts. During this time, the updated draft reports are shared with the MSI for any additional feedback before being finalized for release.

### *Reporting and scoring*

The reports contain objective, factual descriptions of the MSI's structure. These descriptions are then followed by evaluation, as well as recommendations that reflect the practices identified in the MSI Evaluation Tool. The reports primarily focus on the MSI's compliance with minimum standards. However, where the MSI meets, or is close to meeting, minimum standards for a specific section, the report also evaluates any good or innovative practices the MSI has adopted. Working reports are available for [4C](#) and [EITI](#) and may be viewed as examples of how the long-form reports, which tend to be approximately 30-50 pages. The intended audiences are those heavily involved or concerned with the MSI.

After the long-form reports are finalized, a summary report card, approximately five pages in length, will be prepared. Each report card will consist of an overview that crystallizes the main issues raised in the long-form report. It will also contain quantitative MSI scores. These reports are written for a broader audience, containing core findings and capable of being understood by those previously unfamiliar with the MSI.

The MSI scores are calculated based on the proportion of minimum standards that an MSI has met under the MSI Evaluation Tool, as well as a set of criteria assessing the MSI's scope and mandate. Three scores are proposed: the Overall MSI Score, the Transparency Score, and the Affected Community Involvement Score. The Overall MSI Score is made up of the MSI's score for mandate, standards, implementation, internal governance and development. Each section is weighted differently, however each minimum standard is equally weighted within each section. More information on the proposed weightings and scoring is available [here](#).

## **How to submit written comments**

Where possible, please use the standardized form when submitting comments. Comments are most helpful if they include a rationale for the comments. For Standards Comments, specific suggestions for any proposed changes to wording is appreciated where relevant.

### *Submissions to MSI Integrity*

Submissions to MSI Integrity must be received by 31 August 2013. Email submissions can be sent to: [info@msi-institute.org](mailto:info@msi-institute.org) or by post to: Amelia Evans [postal address redacted following comment period closing]

### *Written and in-person submissions to regional host institutions*

Submissions can also be made regionally via the process established by regional host institutions. These host institutions will also hold in-person meetings to allow the public and interested stakeholders and discuss the issues raised by the consultation and/or orally provide comments on the evaluation standards or methodology. Each host institution will establish its own process for submission. See [regional consultations](#) for more details.