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## **MSI INTEGRITY BOARD ADOPTS ADVISORY GROUP RECOMMENDATIONS FROM THE 2013 GLOBAL CONSULTATION AND REVIEW PROCESS**

A month after launching as an independent nonprofit organization, the [Institute for Multi-Stakeholder Initiative Integrity](#) (MSI Integrity) initiated its first [global consultation and review process](#) to seek feedback on the proposed MSI evaluation methodology and criteria developed during pilot evaluations, as well as input on the organization's future activities. From May 1 to August 31, 2013, regional meetings were held in Africa, Asia, Europe, Oceania, North America, and South America, and written submissions were broadly solicited. More than 100 individuals and organizations provided written comments or participated in the regional meetings.

The comments and feedback throughout the process strongly affirmed the value and need for MSI Integrity's work to develop independent methods for evaluating multi-stakeholder initiatives (MSIs), and to facilitate research and share learning regarding the impact and value of MSIs from a human rights perspective. An [Advisory Group](#), made up of experts with backgrounds in business, human rights, government, and academia, reviewed the comments and presented MSI Integrity's Board with the [Advisory Group Recommendations and Considerations Report](#) ("Report") in October 2013. The report reiterated the support for MSI Integrity's work and proposed evaluation framework. The Advisory Group recommended some minor adjustments to the evaluation framework, and also responded to MSI Integrity's request for suggestions on how it should conduct its future work.

The MSI Integrity Board closely reviewed the recommendations between November 2013 and February 2014, and has adopted the core recommendations of the Advisory Group Report. The Board is pleased to announce a series of developments in light of the recommendations from the global consultation process.

### ***Summary of Key Developments***

The consultation feedback demonstrated that there is very strong support for MSI Integrity's mission and work, as well as the proposed evaluation criteria and methodology for evaluating MSIs. The MSI Integrity Board is committed to taking important steps to further improve the organization's work by implementing the Advisory Group's core recommendations. These include:

- MSI Integrity's Board has realigned the organization's [mandate](#) to focus more on sharing MSI evaluation tools and methodologies for public use. MSI Integrity will conduct a limited number of comprehensive [evaluations](#) of selected MSIs each year, which will help to continually refine the criteria and methods as well as build data to understand the impact and value of MSIs.
- MSI Integrity will respond to growing demand for research and learning opportunities for MSIs and their members. This includes: (i) planning dialogues among stakeholder groups across MSIs to facilitate greater sharing of lessons and good practice, and identification of common concerns; (ii) identifying and [mapping existing business and human rights-related MSIs](#) in an accessible online database; and (iii) exploring targeted research into specific issues of concern to MSIs and rights-holders. Any MSI or stakeholder can contact MSI Integrity to [request that research be conducted](#) on a specific issue. This may range from researching a specific topic of concern to an MSI, to examining a particular area of innovation.
- In the long term, MSI Integrity will continue to focus on developing methodologies to [understand the on-the-ground impact](#) of MSIs from a human rights perspective. MSI Integrity recognizes the challenges of assessing impact and has begun to build research networks to combine existing expertise regarding impact assessment. Targeted research projects (discussed above) will also allow for controlled experimentation of impact assessment methodologies.

- A revised [MSI Evaluation Tool](#) and assessment [methodology](#) will be released shortly that incorporates feedback related to indicator criteria and clarifies assessment procedures. The criteria known as “minimum standards” will be re-named “essential elements”, [selection criteria](#) for MSIs has been clarified, and weighted [scoring](#) of evaluated MSIs will be postponed until further research and empirical data can inform appropriate methods to calculate and present useful scoring.
- For future evaluations, MSI Integrity will enhance engagement with MSIs and stakeholders during evaluations by striving to create terms of reference with MSIs prior to conducting evaluations, where possible. The terms of reference will encourage direct input from MSI members.
- In 2014, MSI Integrity will publish a [report](#) analyzing key findings and general trends from the [pilot MSI evaluations](#) of the Extractive Industry Transparency Initiative, Fair Labor Association, Global Network Initiative, Kimberley Process, and 4C (Common Code for the Coffee Community). Additionally, MSI Integrity will continue to develop the institute by recruiting and appointing a permanent Advisory Board, and building a global academic network.

Consistent with the Advisory Group’s recommendations, MSI Integrity will continue to take time to seek additional expertise where appropriate before introducing new developments. In keeping with MSI Integrity’s commitment to strive for engagement and reflexive consultation with all stakeholders, public global consultations will be held every three to five years to seek feedback on the major components of MSI Integrity’s work. Each of the above developments is outlined in greater detail in the next section.

### ***Discussion of Developments***

MSI Integrity is committed to implementing the core recommendations from the Advisory Group Report. The Report conclusions generally support and affirm that MSI Integrity serves a valuable role in its mission to understand the impact and value of MSIs from a human rights perspective. The recommendations provide insightful advice for optimizing the activities and mandate of MSI Integrity to fulfill its mission. In order to meaningfully integrate these recommendations, MSI Integrity is implementing the following developments:

#### 1. Refining MSI Integrity’s Mandate

The Advisory Group Report supported the primary activities of MSI Integrity’s original mandate, and recommended emphasizing certain activities in order to most efficiently employ the organization’s resources. MSI Integrity was launched with a three-pronged mandate to evaluate MSIs, share learning, and conduct research into the impact of MSIs. This responded to the urgent need to better understand the role and value of MSIs within business and human rights. Feedback during the consultation process confirmed that there is a need for this work. However, the Advisory Group Report recommended MSI Integrity shift emphasis to developing and sharing criteria and methodologies for evaluating MSIs rather than focusing on *conducting* evaluations, which can be time-consuming. In addition, the Advisory Group recommended focusing more attention on learning and engagement with MSIs and stakeholders. Acknowledging these considerations, the Board of MSI Integrity has refined the organization’s [mission](#) and mandate.

First, MSI Integrity will continue to emphasize the development of rigorous [tools and methodologies to evaluate MSIs](#) from a human rights perspective. More than before, however, the organization will focus on encouraging public use of these tools and methodologies by sharing them openly and advising other organizations and institutions how to conduct their own evaluations. MSI Integrity will continue to conduct a limited number of evaluations of selected MSIs each year, but will not overly focus resources on conducting evaluations. Undertaking some evaluations remains important for a number of reasons: (i) to show the usefulness of comprehensive assessment, (ii) to ensure and consistently

improve the quality, rigor, and practical value of the criteria and methodology, and (iii) to publish information regarding the substantive findings of the MSI evaluations for others to use.

Second, MSI Integrity will continue to actively engage with MSIs and stakeholders in shared learning projects and programs to improve dialogue across MSIs. The Advisory Group Report recommended that MSIs and stakeholders would benefit from as many learning opportunities as possible about good human rights practice. As part of providing opportunities for shared learning in 2014, MSI Integrity will: (i) convene a series of meetings for MSI members to discuss their experiences and distill good or innovative practices across sectors, and (ii) continue to be available to regularly provide advice and support to MSIs and concerned stakeholders on good practice for human rights. Additionally, MSI Integrity has initiated research to publicly [map existing MSIs](#) related to business and human rights. The wide dissemination of the evaluation tools, as well as findings of research projects and case studies completed by MSI Integrity will also contribute to understanding across MSIs.

Finally, MSI Integrity will continue to [facilitate research](#) that advances understanding and expertise regarding the impact and value of MSIs from a human rights perspective. In particular, MSI Integrity will take careful steps towards [understanding how best to conduct impact assessments](#) that measure the effect of MSIs on the ground. As discussed further in *3. Researching and Developing Methodology to Study Impact*, below, the early stages of developing impact assessment criteria and methodologies will rely critically on fostering a strong research network to build and coordinate expertise. MSI Integrity will also conduct targeted research projects focused on specific initiatives or issues, ranging widely from highlighting innovative aspects of an MSI to analyzing a specific area of concern from a human rights perspective. MSI Integrity welcomes [suggestions for areas to focus research](#), which should ultimately contribute to a better understanding of the impact of MSIs on the ground.

In any engagement, research, or evaluation, MSI Integrity will be guided by human rights principles and our principles of transparency, independence, and engagement and reflexive consultation with all stakeholders.

## 2. Broadening Research and Shared Learning Activities

The Advisory Group Report recommended MSI Integrity continue to serve as an independent resource for MSIs and stakeholders, providing opportunities for shared learning and facilitating research into the human rights impact and value of MSIs. In 2014, MSI Integrity will launch new programs to broaden our [shared learning and research activities](#), including:

### *(a) Mapping MSIs to Understand the Scope of Existing Initiatives*

MSI Integrity is prioritizing the Advisory Group suggestion for a research project identifying and [mapping existing MSIs](#) in an open and accessible database. This project is in its initial stage, and will be the first public mapping of MSIs operating in business and human rights. MSI Integrity will continue our commitment to transparency and accessibility by posting comprehensive identifying characteristics of existing MSIs openly on our website. This project will be conducted with pro bono support from law firm Miller & Chevalier in Washington, D.C.

### *(b) Convening Stakeholders to Share Learning across MSIs*

MSI Integrity will prioritize the Advisory Group suggestion to work to enhance open dialogue across MSIs, by facilitating a convening of stakeholders involved in different MSIs in 2014. These sessions will create shared learning opportunities for stakeholders from MSIs operating in different sectors to understand common challenges, distill good and innovative practices, and establish priority areas of research for MSI Integrity.

### *(c) Conducting Targeted Independent Research Projects*

MSI Integrity will also begin to conduct research projects to advance understanding of the impact and value of MSIs from a human rights perspective. MSI Integrity welcomes suggestions and proposals

from any MSI, or stakeholder within an MSI, regarding particular issues that require research or attention. Potential topics could range from analyzing a specific aspect of an MSI—or the overall design or implementation of a specific MSI—that is considered particularly innovative and worthy of examination for a “Good Practice” case note, through to examining a particular aspect of an MSI that has proved challenging. For example, projects might analyze: particular MSI grievance mechanisms; processes for the identification, inclusion, and empowerment of community representatives; or, the geopolitical circumstances and implications surrounding MSIs in business and human rights (see 3. *Researching and Developing Methodology to Study Impact*, below).

This will allow MSIs themselves, as well as affected communities or other stakeholders, to highlight specific areas of good practice or concern for MSI Integrity to consider. It will also build on MSI Integrity’s collation of an ongoing research agenda of issues and questions relating to the impact and value of MSIs.

### 3. Researching and Developing Methodology to Study Impact

A key institutional goal of MSI Integrity is to establish criteria and methodologies to comprehensively assess the impact of MSIs from a human rights perspective. The Advisory Group Report advised that developing credible, robust methods to measure human rights impacts of MSIs on the ground would likely impose significant methodological and resource-related challenges. To address this, the Advisory Group recommended that MSI Integrity continue to engage a broad range of experienced practitioners, researchers, and diverse stakeholders to build technical capacity to develop and test impact assessment methodologies in the long-term. Acknowledging these considerations, MSI Integrity has begun to foster the development of research networks to [study impact assessment methodologies](#), while considering the development of criteria and methodologies to comprehensively assess the impact of MSIs to be a long-term organizational goal.

As discussed above, MSI Integrity will also conduct targeted research projects that will feed into this broader understanding of impact on the ground, and will begin to compile a research agenda based on [requests for research](#) submitted to MSI Integrity.

### 4. Revisions to the MSI Evaluation Tool

MSI Integrity was delighted with the strong support for the [MSI Evaluation Tool](#) and its specific criteria. There were 32 clarifications or proposals received regarding the specific criteria contained in the MSI Evaluation Tool. Each clarification offered valuable insight and detailed consideration; however, none requested major changes to the criteria. In the short term, MSI Integrity will release a revised MSI Evaluation Tool, incorporating modifications based on comments from the consultation process and experience conducting the pilot evaluations in 2012/13. The Human Rights Scope and Mandate Criteria proposed to enhance contextual examination of the MSI will be integrated into the MSI Evaluation Tool in the form recommended by the Advisory Group. A summary of each comment received during the consultation process and the resulting changes will accompany the release of the revised Tool. Additionally, MSI Integrity will publish a new, simplified version of the Evaluation Tool that exclusively evaluates the essential elements.

Based on recommendations and consultation feedback, the following modifications are being introduced in the Evaluation Tool and assessment [methodology](#):

#### *(a) Refining Terminology to “Essential Elements”*

The terminology for indicator questions that have been known as “minimum standards” has been refined to “essential elements”, based on the Advisory Group recommendation to clarify the term. “Essential elements” communicates that these are critical features of MSI design that are necessary, but not sufficient, to enhance an initiative’s capability to protect and promote human rights.

### *(b) Clarifying the Role of Independent Experts during Secondary Review of Evaluations*

The evaluation framework includes a secondary review stage where two independent experts review the accuracy of the MSI's description, history, and characterization of the underlying human rights challenge. The consultations highlighted that there was some uncertainty about the scope and process of the independent expert review. MSI Integrity will publish the [Expert Review Guidance](#) to clarify this process. The guidance will clearly explain the importance of selecting experts with a sound understanding of the industry and the associated human rights concerns, and that experts should not conduct their own subjective evaluation of the MSI. Introducing subjective perspectives would undermine the objectivity and comparability of reports, which are based on the well-established indicators contained in the MSI Evaluation Tool.

### *(c) Communicating Evaluation Scores*

MSI Integrity sought consultation feedback on whether and how it should weight indicators and provide [scores or grades for evaluated MSIs](#). The Advisory Group Report recommended that further research and data collection on scoring would provide more reliable or accurate scoring or weightings. The report recommended that prematurely publishing scores was not advisable. In the interim, following the Advisory Group Report recommendations, the number of essential elements met by the MSI for each category of the Evaluation Tool will be published as a fraction of the total number of essential elements in that category. Results in significant subcategories, particularly in *Implementation* and *Internal Governance* categories, will also be published to enhance the practical value of the report results. However, no overall or aggregate score will be calculated in the near future. In the longer-term, MSI Integrity plans to conduct a more detailed study and consultation into how to weight and score MSIs, drawing on the considerations raised in the Advisory Group Report and consultation process.

## 5. Enhancing the Evaluation Methodology and Engagement with MSIs

The Advisory Group Report recommended that MSI Integrity find ways to improve engagement directly with MSI members throughout the evaluation process to bolster transparency and enhance their understanding of how they can improve from a human rights perspective.

### *(a) Publishing Selection and Engagement Criteria*

MSI Integrity will continue to engage a diverse group of MSIs for evaluations using the MSI Evaluation Tool criteria and methodology. The Advisory Group recommended that MSI Integrity should formalize and publish the factors considered in selecting MSIs for evaluation, and communicate key factors in selecting each MSI in evaluation reports. The Report noted that clarifying these factors should help contextualize the MSIs selected, and improve transparency regarding MSI Integrity's processes.

MSI Integrity has published the comprehensive [selection criteria](#) that the organization will use to identify and engage MSIs for evaluations. MSI Integrity also established a formal, open process to allow any individuals or organizations to [suggest an MSI](#) on our website for future rounds of MSI Integrity evaluations. We also encourage MSIs that would be interested in an independent evaluation to [contact us](#) to discuss this possibility.

### *(b) Developing Terms of Reference for Evaluations*

The Advisory Group Report recommended attempting to develop 'terms of reference' with each MSI in advance of evaluations to outline the parameters of the evaluation process, the methodology, and the responsibilities and expectations of all parties involved. The Report suggested that this approach would encourage more engagement from MSIs in the evaluation process.

MSI Integrity believes that a terms of reference will be helpful, especially in certain circumstances where in-depth study and access to information are needed to rigorously evaluate the design of an MSI from a human rights perspective. The terms of reference will communicate the evaluation

methodology and more clearly outline each step of the process. One of the factors for selecting an MSI for evaluation will be whether it is open to engagement, and we will strive to evaluate MSIs who are open to following a 'terms of reference' framework where possible. The specific terms of reference agreed with each MSI will be publicly available on MSI Integrity's website.

*(c) Expanding Engagement with Stakeholders from within MSIs to Gather Information*

Once released, the 'terms of reference' for MSI evaluations will include an expanded process for gathering information during evaluations. MSI Integrity is carefully taking into account consultation feedback and Advisory Group recommendations that evaluations should engage with MSI members or other stakeholders more directly and thoroughly. MSI Integrity has always sought to balance the need to gather sufficient, accurate, and precise information in the evaluation process with the need to maintain independence in order to assess MSI transparency. By expanding the process for gathering information during evaluations beyond desk-based research relying primarily on material MSIs have made publicly available, we hope to capture a more thorough understanding of the MSI. The terms of reference, incorporating an expanded scope for gathering information from MSI members, should therefore result in more accurate and detailed evaluations.

6. Publishing Pilot Evaluation Reports

Later this year, MSI Integrity will publish its first [MSI report](#) analyzing key findings and general trends based on the [pilot evaluations](#) that were conducted in 2012 and 2013. In the course of these evaluations, MSI Integrity produced working draft evaluation reports that were shared with each MSI to seek their feedback. The [MSIs evaluated](#) include: the Extractive Industry Transparency Initiative, Fair Labor Association, Global Network Initiative, the Kimberley Process, and the 4C (Common Code for the Coffee Community) Association. MSI Integrity is currently seeking permission from the governing members of these MSIs to release updated versions of the full reports as pilot cases alongside the general overview and trend analysis report.

7. Institutional Development

Acknowledging suggestions in the Advisory Group Report, MSI Integrity is prioritizing efforts in 2014 to continue to solidify its institutional foundation. MSI Integrity is actively seeking sustainable funding from a broad donor base, which will allow long-term development of resource intensive projects. Additionally, MSI Integrity is in the process of recruiting and appointing a permanent Advisory Board, representing a range of diverse stakeholder perspectives and experiences, to guide its development. MSI Integrity is also continuing to develop a global network of academic [partners](#) to assist with its work and to advance understanding of MSIs and business and human rights topics generally through practical learning opportunities for students and researchers.

***For More Information***

MSI Integrity encourages individuals, organizations, and MSIs to contact them directly with any proposals or ideas for research or shared learning programs, to discuss the evaluation methodologies, or to discuss terms of reference to conduct an evaluation in 2014.

For more information, please contact MSI Integrity by email at [info@msi-integrity.org](mailto:info@msi-integrity.org).