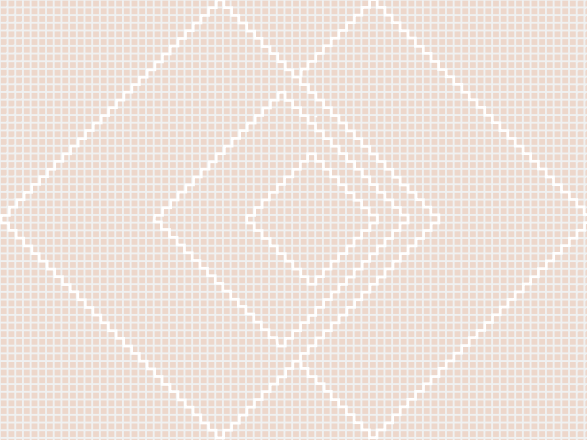




Multi-stakeholder initiatives

A strategic guide for civil society organizations



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Mariëtte van Huijstee

Colophon

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March 2012

Author: Mariëtte van Huijstee

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Sarphatistraat 30 Tel: + 31 (20) 6391291
1018 GL Amsterdam E-mail: info@somo.nl
The Netherlands Website: www.somo.nl

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About SOMO:

SOMO is an independent, non-profit research and network organization working on social, ecological and economic issues related to sustainable development. Since 1973, the organization has been investigating multinational corporations and the consequences of their activities for people and the environment around the world. SOMO supports social organizations by providing training, coordinating networks and generating and disseminating knowledge on multinational corporations in a context of international production, trade, finance and regulation.

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Preface

At a time of unprecedented corporate influence, many civil society organisations (CSOs) struggle to work out how they should relate to companies. Increasingly, CSOs and other organisations are coming together with corporations and others to engage in multi-stakeholder approaches to complex sustainability problems. However, this approach also presents a specific set of challenges for CSOs.

There is already a wealth of experience among CSOs with regard to what works and what doesn't. At SOMO (the Centre for Research on Multinational Corporations), we decided to pool these experiences and the lessons we have learned in an easy-to-read strategic guide on multi-stakeholder initiatives (MSIs). You are holding the results in your hands. The guide adds a CSO perspective to the guidance on MSIs that is already out there. Offering this perspective fits well with the years of expertise and experience that SOMO has built up on the subject. At SOMO, we believe that strong CSOs are the initiators and drivers of positive change, which informs our strategy to aim to provide civil society with access to reliable alternative information.

With this vision and strategy in mind, this publication is the first in a series of strategic guides from SOMO that are addressed specifically at CSOs and deal with issues of corporate accountability. Future guides are expected to address the following topics:

- United Nations Guiding Principles on Business and Human Rights
- Effective grievance mechanisms
- Corporate accountability in conflict and post-conflict zones.

From a personal perspective, writing this guide has provided a means for translating the knowledge I gathered during my PhD research on business-NGO interaction – conducted at Utrecht University – into practical and strategically relevant information for CSOs in the field. My motivation to contribute to the effectiveness of CSOs was, in fact, one of the main reasons that I transferred from university to civil society a couple of years ago.

I want to take this opportunity to express my gratitude to all the practitioners and experts who were willing to share their experiences and insights in interviews, in workshops and during

informal conversations. Their input was crucial for the development of this strategic guide. In the period ahead, I hope to continue sharing experiences, for instance, through the Dutch CSR platform, and through online means such as the LinkedIn group on MSIs and the learning platform of the Change Alliance (see Further Resources, p. 68).

I also wish to thank the reviewers for their constructive and extensive comments and suggestions: Joris Oldenziel and Ronald Gijsbertsen from SOMO; Suzan van der Meij of the Dutch CSR Platform (MVO Platform); and Rob van Tulder and Marieke de Wal from the Partnership Resource Centre.

In addition to reviewing this guide, I am very pleased that Rob van Tulder was willing to write a foreword in his capacity as the Academic Director of the Partnerships Resource Centre. This underscores the complementarity of our efforts to enhance the contribution of MSIs to sustainable development.

Mariëtte van Huijstee

SOMO
March 2012

Foreword: The necessity of *multi-stakeholder initiatives*

Strategic alliances between civil society organizations (CSOs), corporations, citizens, research organisations and governments, show great potential in effectively addressing the (many) remaining societal issues of our time. Most of the issues we face today are neither owned nor solved by individual stakeholders anymore. With growing interdependence comes a growing need to search for collaborative approaches. But sharing problems, dilemmas, facilitating knowledge exchange, searching for an alignment of goals in order to search for shared understanding, has never been easy. Nowadays, however, the search to make this happen is getting strong impetus through a booming number of stakeholder dialogues, roundtables, partnerships and other forms of multi-stakeholder initiatives (MSIs).

There is a great danger however. A naïve belief in form and good intentions of the partners should not prevent participants from critical thinking about outcome and impact. Are the partners the right ones? Is an initiative crowding out other initiatives or taking away responsibilities with non-participants? Which factors influence the actual success or failure of an MSI? These questions are more easily asked than answered, not in the least because solid research on the actual operations of MSIs is dearly lacking. Only recently have scholars started to address the dynamics of this type of alliances. The author of this booklet has been one of the first to do this in a more systematic manner (which earned her a well-deserved PhD).

In real multi-stakeholder initiatives, the participating parties have different interests. Interest diversity actually is at the core of MSIs: the more complex a problem, the more diverse interests are involved; the more diverse interests are, the more diverse stakeholders should be involved in order to increase the effectiveness of the MSI. Sustainable solutions for sustainability problems require sustainable processes of stakeholder involvement and engagement. It becomes vital to select 'primary' stakeholders and leave nobody out. It goes without saying, however, that this makes collaboration also more difficult. For the success of an MSI, open interest monitoring becomes mandatory.

The better initiatives share a strategic approach to complementary interest articulation. But in order to be effective, MSIs must also be dynamic and flexible. Interests can change over time; new parties might want to enter the MSI or others want to exit; parties change their identity – sometimes influenced by the partnership. Participating parties often want to change roles: from confrontation to more co-operation. But this is not always easy or wise. It is therefore important that parties involved in a MSI, and certainly civil society organizations, know what their proposition is: what

can they contribute to the MSI in order to substantially contribute to solving the social problem the MSI is facing; and: how to monitor and evaluate the value added of the MSI? CSOs that enter into a partnership in search of a lost identity – or funding – might lose more than they gain.

Finally, it is often said that trust between parties in an MSI is crucial. The importance of trust, especially at the start of an MSI process, is overrated. With so much at stake, and with sometimes very confrontational encounters in the past, expecting trust from each other would be rather naïve. The new wave of MSIs, however, posits another maxim. It is not 'we work together because we trust each other', but 'we trust each other because we work together'. Trust becomes trust-building. And that is a much less naïve proposition.

In this guide, Mariëtte van Huijstee is quite right, therefore, in pointing out that confidence should grow: 'while trust may be an outcome of a MSI, 'trustworthiness' is a more likely precondition'. That is exactly why structured reflection on collaboration and attention to the process dynamics within MSIs is so important. To enlarge the success of MSIs we need to exchange experiences, share dilemmas, and learn collectively. This guide, that explicitly looks at MSIs from the perspective of CSOs, contributes to this mutual learning process. The guide provides badly needed practical insights into the operations of MSIs. The guide is well written, and provides short cases and many practical insights for CSOs that are active or aspire to become in an MSI. I am sure this guide will inspire you, not only to enhance the effectiveness of your own collaborative activities, but also to share your experience with others. Only in this way MSIs can actually contribute to solving societal problems.

The Partnerships Resource Centre, an international research centre on cross-sector partnerships for sustainable development founded in 2010, is dedicated to enhancing this process and therefore warmly welcomes the exchange of practical insights, for instance through informative Guides like the one you have in your hands.

Prof. dr. Rob van Tulder

Academic Director of the Partnerships Resource Centre
Rotterdam School of Management, Erasmus University
www.partnershipsresourcecentre.org

Abbreviations

CCC	Clean Clothes Campaign
CSO	Civil society organisation
CSR	Corporate social responsibility
ETI	Ethical Trading Initiative
FLA	Fair Labour Association
FSC	Forest Stewardship Council
FWF	Fair Wear Foundation
IDH	Initiative for Sustainable Trade (Initiatief Duurzame Handel)
MSI	Multi-stakeholder initiative
NGO	Non-governmental organisation
RSPO	Roundtable on Sustainable Palm Oil
RTRS	Roundtable on Responsible Soy
SAVE	Society for Social Awareness and Voluntary Education
SOMO	Centre for Research on Multinational Corporations

Introduction

The rationale for civil society organisations (CSOs) to engage in multi-stakeholder initiatives is to influence corporate activities to move in a more sustainable direction. Over the past 15 years, CSOs, which include non-governmental organisations (NGOs) and trade unions, have been involved in many different initiatives involving multiple stakeholders. This guidebook takes stock of the experiences they have gained and identifies lessons they have learned in the process. The aim is to strengthen the influence of CSOs in multi-stakeholder initiatives (MSIs).

This guide is intended for professionals working for CSOs and participating in MSIs. It provides strategic perspectives for action and highlights critical issues to address when participating in MSIs. It is based on extensive research and experience gathered by SOMO over the years. For the purpose of drafting this guide, nine individual interviews and three group interviews with MSI practitioners were also carried out. In addition, the author consulted with current academic and professional literature on MSIs and related concepts. The guide was also subject to both an internal and an external review. The guide is mainly based on the experiences of Northern CSOs, but it is intended to be useful for CSOs based in the South as well.

In the following chapter, the concept of the MSI is explored; its main functions are explained and different perspectives are analysed. The guide continues by addressing critical issues that have been identified by and for CSOs participating in MSIs. These issues occur at different levels:

- 1 The individual CSO representative who participates in the MSI.
- 2 The CSO he or she represents.
- 3 The civil society level (comprising CSOs that do and do not participate in MSIs).
- 4 The MSI itself (see Figure 1).

A separate chapter is dedicated to each of these levels. Subsequently, the guide includes a check list to help CSO practitioners in their MSI work. An outlook on the future of MSIs is also provided in the final chapter titled 'Looking ahead'. The guide finishes off with a list of further resources that are considered useful for CSO practitioners.



Figure 1: Different levels of analysis featured in this guide

MSIs: what are they?

Background

MSIs have emerged to tackle complex sustainability problems in global value chains and the international business environment in response to major gaps in global governance. These initiatives respond to the limited capacity and resources of individual societal sectors – government, business and civil society – to solve complex sustainability problems on their own. While companies experience multiple drivers to externalise the negative social and environmental effects of their business operations, national governments lack the power to regulate international markets. Civil society, on the other hand, lacks the resources to pressurise all the companies that may be acting irresponsibly. Multi-stakeholder initiatives combine the capacities and resources of several stakeholder groups to respond to these challenges. They can be considered a form of civil regulation in the absence of government regulation.

Definition

There is no clear-cut definition of a 'multi-stakeholder initiative'. Opinions differ regarding the scope of initiatives that MSI terminology should cover. Some experts feel that, in order to be worthy of the term, an initiative should be formally organised and characterised by a democratic, multi-stakeholder governance structure. Others consider dialogue platforms with representatives from business, civil society and other sectors to be MSIs as well.

The common denominator between the diverse initiatives that are referred to as MSIs is that they are 'interactive processes in which business, CSOs and possibly other stakeholder groups interact to make business processes more socially and/or environmentally sustainable'. This guide chooses a broad definition of MSIs, in order to capture the diversity in interpretations and initiatives.

Overlapping concepts

Terminology to describe interactions between businesses and CSOs is abundant. These include: cross-sectoral partnerships; multi-stakeholder dialogues; private responsibility arrangements; and global action networks.

The existence of such a diversity of concepts presents a considerable obstacle when searching literature and other resources. However, although there are many overlaps, there are also important differences. Unlike some of the other concepts, the MSI concept covers multi-stakeholder processes in different phases. These may result in a long-term collaboration or a stable arrangement, but they may not. And while the 'partnership' concept also refers to collaborations between one company and one CSO, MSIs cover more complex interactions involving more stakeholders at a sector or issue level.

Types, phases and functions

Types

MSIs occur in a variety of shapes and sizes, in different phases and they may perform different functions too. These include certification bodies (eg. Forest Stewardship Council – FSC), membership based organisations (eg. Fair Wear Foundation – FWF), roundtable dialogues (eg. Dutch Coal Dialogue) and project facilitating bodies (eg. Initiative for Sustainable Trade – IDH). They all serve a common purpose – making business processes more sustainable – and have a multi-stakeholder dimension, but their approach may be different. For instance, FWF chooses a supervisory role, the Ethical Trading Initiative (ETI) chooses a learning approach, and IDH finances concrete projects.

Phases

The MSI concept also covers different phases in multi-stakeholder processes: from multi-stakeholder dialogues in an initial norm-setting phase to long-established and institutionalised initiatives. The different phases are illustrated in Figure 2.

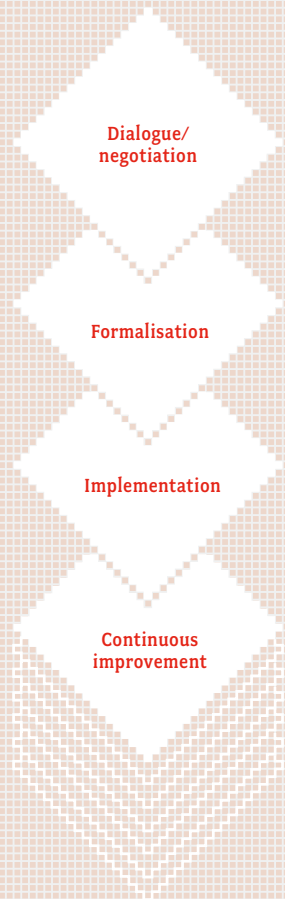


Figure 2: Different phases of an MSI

An MSI will start with a dialogue and/ or negotiation process involving representatives of business, civil society and possibly other stakeholder groups to address a certain sustainability problem. A distinction is made here between dialogue and negotiation, because dialogue is associated with open communication and dilemma-sharing between partners, while not all multi-stakeholder processes will show this characteristic. If the dialogue and/or negotiation is successful in finding common ground, the MSI may evolve to the next phase of formalisation as an organisation, followed by implementation arrangements and continuous improvement, which will again include negotiation and/or dialogue.

Functions

MSIs can perform a wide variety of functions at the same time, and these functions may vary and evolve in different phases. The list below provides an overview of MSI functions, which are not mutually exclusive:¹

- awareness raising
- brokering, bringing parties together
- creating mutual understanding and respect
- sharing dilemmas
- defining and analysing sustainability problems
- finding common ground
- learning
- capacity building
- training
- standard setting
- piloting/experimenting
- certification
- accreditation
- verification.

In the early stages of dialogue and/or negotiation, the focus is normally on the functions in the top half of this list (eg. brokering and finding common ground). In the implementation phase, the focus may shift towards capacity building, training and/or certification.

MSIs are dynamic

MSIs are dynamic and go through different phases: most MSIs will start off as a dialogue platform, but may evolve into an independent organisation with multi-stakeholder representation. For example, the Forest Stewardship Council (FSC) was one of the first multi-stakeholder initiatives to be established. It is an independent organisation with a multi-stakeholder board that has been in operation since 1994, although it began convening four years earlier. It took four years until the principles and criteria for sustainable forestry were decided and the secretariat was founded. Another example, is the Marine Stewardship Council. Created as a single-stakeholder initiative by Unilever, it is now a multi-stakeholder initiative involving many different organisations.

The context of the MSI is also likely to change over time. Some issues may be addressed, while new issues may arise. New parties may arrive on the scene. Regulations may change. Therefore, the design and implementation of each MSI should be a case of continuous improvement and innovation.

Perspectives

As well as presenting different definitions and types of MSIs, experts and practitioners have different – sometimes contrasting – perspectives on what MSIs are, or should be. These different perspectives normally occur first and foremost between representatives of business and representatives of CSOs. This is caused in part by their different vested interests. While the reason for a company to participate in an MSI may be to safeguard its supply of raw materials in the long term, CSOs may be involved in order to safeguard the biodiversity of their region. And where an incentive for a company may be to avoid government regulation, the incentive for a CSO will often be to fill the regulatory gap left by government. It may be possible to align some interests and perspectives through MSIs, creating a win-win situation, while in other cases this may not be possible.

There are also different perspectives among CSO representatives regarding what an MSI can and cannot do, and should and should not do. In the past, these differences have resulted in polarised discussions

between CSO representatives about what a 'good' or a 'bad' strategy is when engaging with business. These perspectives are not all mutually exclusive: some only differ in nuance, while others are seemingly opposed. Four perspectives are outlined below in order to clarify the similarities and differences, and possibly contribute to a strategic advancement of the discussion between CSOs. The effectiveness of civil society as a whole, with its intrinsically diverse nature, may be increased when strategies are more aligned, instead of opposed to each other.

1 MSIs as an instrument to set the minimum responsibility standard

In this vision, MSIs have a very specific function: to raise the minimum standard for responsible behaviour within or among industrial sectors. This means the initiative will cover as many actors in the sector and its supply chains as possible in order to impact the largest possible share of the market. This implies that it also involves actors that are not necessarily prone to sustainability, which means the standard will normally accept the lowest common denominator, instead of the highest possible standard or existing best practice.

2 MSIs as the only way towards sector level change

In this interpretation, MSIs are the only realistic way to motivate sector level change in the face of multiple global governance gaps. This emphasises the limited capacity and resources of individual societal sectors – government, business and civil society – to solve complex sustainability problems. MSIs provide an instrument to build capacities along the supply chain and act as multipliers to share any lessons learned and best practices.

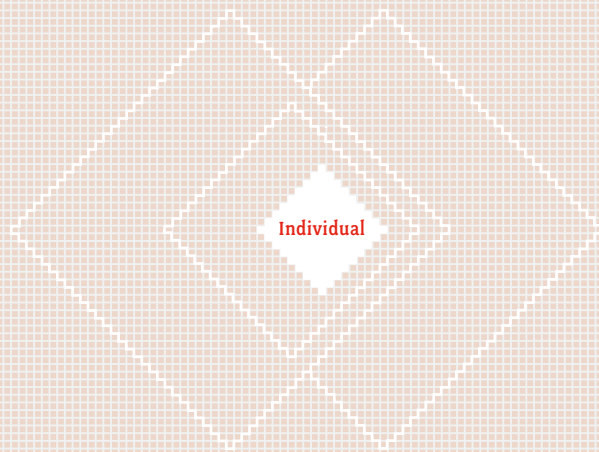
3 MSI as one of many options

In this vision, MSIs offer just one of many possible instruments to influence corporate practices in a more sustainable direction. This emphasises the range of options CSOs have: campaigning or boycotting individual companies; ranking companies within a sector; taking the judicial route; lobbying with governments, and so on. MSIs are considered particularly useful when companies themselves have identified the need to address sustainability issues in their supply chains, and are convinced of the importance of engaging CSOs in this effort.

4 MSIs as a last resort

Like the previous vision, this interpretation acknowledges the range of instruments that CSOs have at their disposal in furthering their goal towards making business more sustainable. In addition, it emphasises the enormous efforts and investments that are required for successful participation in an MSI. Together with the acknowledgement that MSIs are complex processes with insecure outcomes, this interpretation considers MSIs as a last resort, when all other instruments have failed or are expected to fail. This is particularly the case when the preferred option is regarded as enforceable regulation.

An individual's perspective on MSIs is an important determining factor in the strategic choices they will make regarding participation in and organisation of an MSI. However, despite these different perspectives, there are some critical issues that each CSO participating in an MSI will need to consider. These issues occur at different levels, which are addressed in turn in the following four chapters.



Individual CSO representative

Throughout all phases of the MSI – from initial negotiations through to MSI design, implementation and refinement – some critical issues will need to be acknowledged and addressed by and at the level of the individual CSO representative. This chapter describes the most critical issues at the individual level.

Personalities

This may sound obvious, but it is important nevertheless: personalities matter. The dynamics of an MSI can be completely different when some representatives are around the table compared to others. If personalities do not match, it may be difficult to find common ground. If a personality mismatch occurs, it might be an idea to consider changing the representative for your organisation. On the other hand, it is also important to realise that, even if the chemistry is right between

you and your corporate counterpart, this does not necessarily mean the same is true for both your constituencies. In other words, just because you and the Corporate Social Responsibility (CSR) manager of a certain company share the same vision about how to address a problem in the supply chain most effectively, this does not necessarily mean that the CSR manager will be able to receive top management support. For these reasons, it is important to be aware that there is a constituency behind every representative. The clearer your understanding of this constituency, the clearer your vision of the opportunities and constraints in reaching common ground will be.

Personal skills²

For effective participation in an MSI, the CSO representative requires a number of interpersonal skills. First and foremost, negotiation skills are indispensable. These are about knowing what you want and why you want it, and communicating these opinions in a way that takes into account the views of your negotiation partners.

Negotiations (whether in a multi-stakeholder setting or not) often face deadlock because parties have dug into their positions and will not move an inch. When people start to negotiate from these positions, conflicts tend to become entrenched, since the opponent almost always holds the opposite position. If the parties try to clarify why they want, or do not want, something, it may turn out that the parties' interests are compatible, at least in part. Taking one's interests as a starting point (why you want what you want) instead of one's position (what you want) creates more room for manoeuvre and for creative solutions.

Listening skills are as indispensable as communication skills in MSI negotiations. In order to avoid deadlocks and find the creative and innovative solutions that are required to tackle complex problems, it is important to have an insight into the interests and dilemmas of your counterpart, and to understand at what point it gets tough for your counterpart. In order to gain an insight into your business counterparts' dilemmas, you must be able to understand business language and recognise the importance of the 'business case' for your counterpart. The 'business case' refers to the logic for investing resources in a certain problem in terms of effects on profitability (profitability can be very broadly defined, including not only short-term monetary profits, but also long-term reputation or consumer satisfaction).

Positions versus interests³

There was once only one orange left in a kitchen and two prominent chefs were fighting over it.

"I need that orange!" said one.

"Yes, but I need that orange as well!" said the other.

Time was running out and they both needed an orange to finish their recipes for the president's dinner. They decided on a compromise: they grabbed a large kitchen knife, split the orange in half, and each went to his corner to finish preparing his meal.

One chef squeezed the juice from the orange and poured it into the special sauce he was making. It wasn't quite enough, but it would have to do. The other grated the peel and stirred the scrapings into the batter for his famous cake. He too didn't have as much as he would have liked, but given the situation, what else could he have done?

The better solution may seem obvious to you now: both chefs would have been better off if they had peeled the orange and had simply taken the part they needed. Instead, the chefs had focused on each other's position (the what) and not on each other's interest (the why).

The need to be able to take on board the perspective of your business counterpart and to understand their language does not mean you have to forget your own point of view. Of course, a business case will convince your business counterparts to participate in the MSI, but in the end it is the company's responsibility to make the business case. The CSO's responsibility is to serve a wider public interest. And if MSIs are about reconciling interests and finding solutions to complex problems by bringing together different perspectives, skills and expertise from different societal domains, it is important to respect and nourish these differences. Business language is very suited to making this point more clearly: once CSOs transform into 'business case producing factories', they lose their 'unique selling point' and thus their 'value added' is lost.

Attitude

Just as it is important for your business partners to see the added value of the MSI compared to 'business as usual' (see section on 'Business participation', p. 45), this insight is equally important for the CSO representative. If this person does not see the MSI as a potential instrument to make business processes more socially and/or environmentally sustainable, participation is not worth the effort.

For multi-stakeholder processes to result in a shared initiative towards problem solving, a constructive attitude is needed from all participants. This does not mean that you cannot choose a hard line, or that you have to give in to business interests, nor that you have to become best friends with your business counterpart. It simply means you will need to be open to your business counterpart's perspective, have the ability to empathise with the other's reality, and be able and willing to think with them instead of against them. Again, this is only the case if your interest is to find common ground. If your strategy is to slow down or sabotage the initiative, you might be on the right path to choosing a counterproductive attitude. Note that delaying tactics may also be the strategy of your business counterpart. If this is the case, continuing the dialogue will probably be unproductive and it is advisable to seek out instruments other than an MSI to bring about change.

Trustworthiness

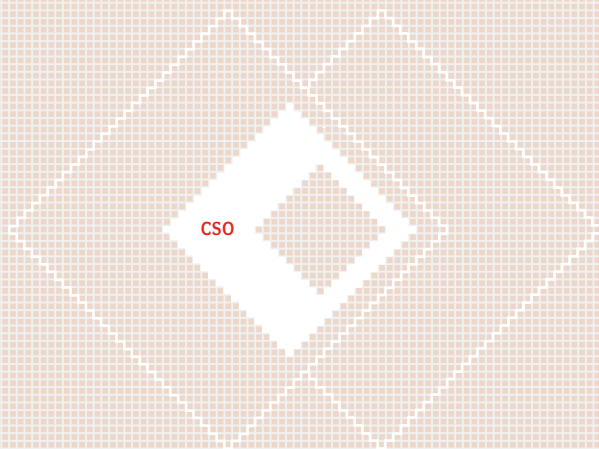
In most textbooks about negotiating, one will read that 'trust' between parties is a critical factor in the initiative's success. However, 'trust' will often be lacking when companies and CSOs start an MSI trajectory; it will need to grow instead. While 'trust' may be an outcome of an MSI, 'trustworthiness' is a more likely precondition. Trustworthiness refers to keeping to your agreements, which may lead to trust over time. Being straight about what your counterparts can and cannot expect from you – and sticking to the expectations that have been set – grants you trustworthiness and will help you to gain a respectful position in negotiations.

Mandate

When representing your organisation in multi-stakeholder processes, you will need to have a clear vision of your mandate. If you are not fully aware of your room for manoeuvre, you may end up in very unpleasant

situations when you are put on the spot. Make sure that you know your lower limit in negotiations. When unexpected issues arise, avoid making promises that you cannot keep. Instead, just ask for more deliberation time.

You can also strategically apply the mandate factor in negotiations to buy time by pointing out the need for further deliberation with your constituency and/or beneficiaries, even when such deliberations are not the real reason for a strategic delay in the process. Here the interlinkages between the different levels – individual, CSO, civil society and MSI – come into play (see Figure 1, p. 13). Also see the sections on 'Constituency support' (p. 34) and 'Representation of beneficiaries' (p. 51) in later chapters.



Internal organisation of the CSO

Before deciding to participate in an MSI, as well as during all the phases of the multi-stakeholder process, a CSO needs to address a range of issues. This chapter focuses on the issues at the organisational level of the CSO.

Consider the options

It is important to make a conscious decision to take part in an MSI. Time and again CSOs 'jump on' the MSI train without really considering the alternatives because it is perceived as a chance to influence business. It is tempting to accept an invitation to take part in a roundtable on a crucial sectoral problem with all the major players in that sector. However, the MSI is an instrument, not a goal in itself. It is

not necessarily as suitable for every issue, for every organisation, at every point in time. A conscious strategic decision-making process is a crucial pre-condition for a powerful negotiating position in the MSI, and should at least take the issues mentioned in this chapter into account. MSI participation should follow logically from the organisation's theory of change (ie. intervention logic). MSI participation should be derived from this theory of change. It is advisable for CSOs to make a cost-benefit and risk analysis for participation in an MSI in relation to pursuing alternative strategies.

Note that there is an important difference between the options available to trade unions and CSOs. Trade unions often have an established relationship with individual companies. Therefore, they tend to prefer direct negotiations with multinationals and establishing international framework agreements rather than MSIs. Only when these negotiations do not seem fit for purpose (eg. problems go beyond the company level) or seem unfeasible will unions consider MSIs.

CSO motives for participation in MSIs⁴

The Partnership Resource Centre conducted a partnership survey among Dutch development NGOs. The research revealed the following main drivers for partnerships, which are most certainly comparable for MSI participation:

- contributing to goal achievement
- generating additional income
- achieving higher impact
- co-operation required to solve issue
- attaining higher legitimacy
- influencing core business of companies.

Identity

A challenge many CSOs currently face is to find a comfortable position vis-à-vis companies that fits their organisational identity. It is clear that CSOs need to relate to companies in some way because of their enormous social and environmental impacts. Furthermore, CSOs face increasing pressure on their funding base and increasingly consider business funding as an alternative.

MSIs offer a way for CSOs to interact with businesses. Different CSOs may choose different roles in MSI dynamics, and the same CSO may shift roles in different phases of the multi-stakeholder process. They may start off in a collaborative role but switch to a more confrontational stance when the multi-stakeholder process does not deliver. They may choose to remain outside the initiative and criticise it. They may start off with a confrontational campaign and convince companies to engage in a more collaborative multi-stakeholder dialogue. Whatever role the CSO chooses, it is crucial for the organisation's legitimacy and negotiation position to use this role in a way that matches the organisational identity, and they should be transparent about this identity.

It is impossible to find a general rule for defining a position vis-à-vis companies based on a CSO's identity, since each CSO is unique. It is clear, however, that corporate criticism requires independence. So when a CSO wants to remain openly critical of business, it needs to actively manage this independence, which ideally includes a clear and transparent corporate engagement policy.

Strategy

In order for CSOs to achieve their goals through an MSI, it is helpful to know exactly what that goal is. This strengthens your organisation's position in the MSI and also benefits the initiative overall, as clarity over each party's interests in the MSI paves the way for fruitful deliberations.

The following elements provide building blocks for this strategy development, and should be periodically reconsidered in order to adapt to changing circumstances:

- Be absolutely clear about the organisation's identity: what does your organisation stand for?
- Make sure there is a fit between the MSI and your organisation's identity and theory of change: how does the MSI fit in the CSO's portfolio of intervention strategies?
- Explore expectations of the MSI process: in what way may the MSI contribute to achieving your goals?
- Outline your organisation's ideal typical scenario: what would the MSI ideally achieve?
- Outline your organisation's possible contribution to the MSI: what can your organisation add to the initiative?
- Anticipate the interests of your MSI partners: what would their interests be and where do they overlap or conflict with your organisation?

- Develop a clear view of the role your organisation would want to play in the MSI: an oversight role at the governance level (member of board); a role in the actual implementation on the ground to liaise with your local partners; a role in auditing/monitoring; a role in the grievance mechanisms? It may not be possible to reconcile different roles at the same time.
- Develop an exit strategy: when will your organisation consider the MSI to have fulfilled its objectives and when will it be seen to be underperforming or failing, and what does this mean for your participation?

The importance of having an **exit strategy** cannot be overstated: although MSIs are a potentially powerful instrument, they can also be used by business as an insurance policy against negative publicity, without actually having to make any effort to really alter their behaviour. In these cases, CSOs should seriously consider leaving the initiative, not least because of the considerable resources needed for MSI participation, but also because of the reputation risk for CSOs when the MSIs they participate in fail, or when participating companies in the MSI are faced with public accusations.

Resources and capacity

Participation in an MSI requires considerable resources and investments. First of all, it requires a lot of time. It requires time to prepare for the process, in terms of researching business counterparts and developing a strategy; it requires time for participation in the MSI; it requires time for the representative participating in the MSI to report back to the organisation he/she represents; it requires time to solve conflicts and deadlocks in the multi-stakeholder process, and so on.

Another critical element is that the required time investment may vary for each period. For example, in the negotiation phase, it can be crucial to dedicate enough time to commenting on draft texts (for procedures, standards etc.) in order to ensure uptake of elements that are essential from the CSO perspective. A similar situation may occur when problems arise or when grievances are addressed.

If the CSO is not willing or able to invest considerable time in the initiative, it may be a good idea to reconsider participating at all. MSIs address complex problems while engaging multiple interests, and this is not easily done.

Furthermore, participation requires expert knowledge of the market and the problems at hand. Business counterparts can be very knowledgeable about the sector and market characteristics of their company, and the dilemmas and trade-offs between environmental, social and economic factors they face accordingly, or the unintended consequences of proposed solutions. In order to achieve equality in the multi-stakeholder process, it is important for a CSO to match this expertise or at least, not be intimidated by it. In addition to knowing the social and/or environmental problems associated with the business at hand, it is helpful to have an understanding of the dynamics of the market, in order to be able to find approaches that work to address the problems. In order to overcome possible differences in expertise between the CSO and their business counterpart, the CSO may consider mobilising the expertise of other CSOs or external experts.

In addition, participation in an MSI requires money. This is not necessarily just the money needed to cover personnel costs. Money may also be needed for joint fact finding in the initial stages of an MSI, for funding of an MSI secretariat in a later stage, or for monitoring the implementation. The investments needed also depend on the funding structure of the MSI, which is addressed further in the chapter on MSI design.

Some CSOs based in production countries have experienced multiple claims on their resources and capacity from different MSIs. This is often due to the fact that there are few contacts with Southern NGOs that are capable of playing a role in MSIs, so different MSIs may turn to the same organisation. In such a situation, a consideration of options and a careful strategy development process both become even more important. Given the comparatively limited resources of Southern NGOs, their participation in MSIs may create the risk that the organisation is less capable of performing the role for which it was originally set up. The evaluation criteria mentioned later on in this guide may help to compare several initiatives.

Responsibility and reputation

Participation in an MSI will often involve taking up shared responsibility with business counterparts for the successes and the failures of the MSI. This is especially true in the later stages of an MSI, when agreement is reached over the approach taken to address the sustainability problems at hand, and the MSI reaches the implementation stage. Once a shared approach is agreed, the CSO

bears responsibility for the quality of this approach, and for the results that are achieved. In fact, this shared responsibility is often an important driver for companies to choose a multi-stakeholder setting, as CSOs grant legitimacy to the approach chosen. The CSO must realise this consequence of participation and agree to accept it. It is important to realise that, in general, external stakeholders are more likely to be disappointed with the results of an MSI, while as an insider you may make a more positive assessment. Furthermore, while your organisation may see positive elements to the approach (eg. more awareness of business counterparts, mutual understanding), partners or intended beneficiaries in developing countries faced with the daily adverse impacts of business conduct may not be similarly appreciative.

Accusations against WWF⁵

CSOs with close ties to business can be viewed with suspicion and may become targets of critical investigation themselves, just like their business counterparts. One example of this is provided by the documentary of the German public broadcast channel ARD 'Der Pakt mit dem Panda' (The Pact with the Panda), which was broadcast in summer 2011. In this documentary, WWF is accused of legitimising the destructive practices of multinational agro industry by taking part in soy and palm oil roundtables. They were accused of doing this in return for the protection of small pieces of land with a high conservation value. WWF denies most of the documentary's accusations. Furthermore, it points out that the impact of agricultural production on biodiversity is enormous, while the power in these production chains is concentrated in a limited number of companies. WWF argues that working with these companies towards the protection of biodiversity is a more effective solution to an urgent problem than standing on the sidelines while biodiversity disappears. The documentary has caused considerable controversy in Germany, and lawyers have been involved.⁶

Constituency support

It is not uncommon for there to be several perceptions of the role of business and the opportunities offered by MSIs between different CSOs or families of CSOs. This is a challenge for the alignment between the CSO representative participating in the MSI and the rest of the organisation, or between one CSO and its partner organisations. In terms of negotiation theory, this challenge is often referred to as the 'two table problem' – negotiators have to negotiate with their business counterparts at one table (the inter-organisational table), and with their own constituency at the other (the intra-organisational table). The 'two-table problem' clearly demonstrates the interlinkage between the different levels of analysis in this guide (see Figure 1, p. 13). In this case, this involves the individual representative level and the organisational level. In order to align these levels, it is important for the CSO to have an internal reporting procedure through which the organisation stays informed about and engaged with the multi-stakeholder process, keeping the connection between representative and organisation.

It should be noted that this 'two-table problem' can be strategically applied during the multi-stakeholder process as well. When CSO representatives at the negotiation table do not have full decision-making authority, it is possible for them to make tentative commitments to move the negotiation process forward in a certain meeting, while these can be withdrawn later on to open up a new negotiation process.

In order to guarantee wider support within the organisation, it is advisable to embed the MSI in the organisation to a certain extent by involving at least two people. An additional advantage is that this ensures continuity of the MSI strategy in case one of the representatives drops out.

Constituency support is not limited to the employees of the CSO. Many organisations have membership based or donor structures. Related to this, CSOs should clearly consider which beneficiaries they represent when choosing a position and role in an MSI trajectory. CSOs derive their **legitimacy** to participate in MSIs through their representation, and accordingly, their legitimacy may be questioned when they fail to represent the interest of their beneficiaries adequately (also see 'Representation of beneficiaries' section, p. 51).

Managing legitimacy

An example of an organisation that managed its legitimacy adequately in relation to an MSI is the Indian NGO SAVE (Society for social awareness and voluntary education). For an NGO like SAVE, dedicated to the protection and promotion of the rights of textile and garment industry workers, the Fair Wear Foundation (FWF) is an important MSI. At the same time, for SAVE to retain the legitimacy and credibility towards the garment factory workers it represents, it wishes to remain completely independent from factory management. SAVE therefore chooses not to communicate with factory management and not to become involved in a social auditing role. SAVE has found a way to contribute to FWF while keeping to this principle: the organisation provides a paid service to FWF by performing worker interviews outside the factory, thereby providing a check on factory audit results for FWF.



Alignment within civil society

The CSO field is diverse by its very nature. This can be considered as a strength, rather than a weakness. Differences between CSOs offer opportunities for strategic alignment. Most CSOs will agree that, in the face of limited resources, efficient use of these resources is needed, and alignment is helpful in reaching this efficiency. This chapter provides some strategic advice in this area. The issues at this level remain relevant throughout all the phases of the MSI, and can be strategically applied to influence the dynamics of the process.

Force field analysis

Many CSOs share the same broad objective: to achieve a sustainable society based on equality between people worldwide, in which poverty is history and biodiversity is maintained. Beyond this shared common goal, the differences begin to come into play, such as differences in priorities (poverty eradication, human rights protection, child rights, biodiversity protection, climate change, etc.). Obviously, there are also differences in how these organisations believe a sustainable society can be achieved (ie. different theories of change). These differences are brought into further focus as financial resources decrease, which fuels competition among CSOs.

In order to avoid reinventing the wheel, duplicating efforts, or undermining the efforts of other organisations by participating in an MSI, it is useful to map what other parties in the CSO field (NGOs and trade unions) are doing. It may be challenging to set the boundaries for such a mapping exercise (ie. deciding where to start and where to stop). However, it is worth the investment to include as many counterparts as possible and not stop at the country border, but also include CSO activities in the countries where the problems you wish to address occur. Once you are aware which organisations have strategies and/or activities related to your MSI strategy, it is advisable to consult and engage with these organisations to see whether and how these strategies may strengthen each other.

It is good to avoid MSIs undermining the efforts of other organisations. This is true, for example, when the CSOs within an MSI discipline the 'outsiders' to stay away from the issue and/or actors involved in the MSI. This inhibits outsiders from playing out their strategies (eg. negative corporate campaigning) and from performing their legitimate role. Diversity in the CSO field has often proven to be functional and effective in altering corporate behaviour, so it seems to be a good idea to align strategies, not favour one over the other.⁷

Another way an MSI could undermine other initiatives is by setting a standard that is lower than an existing standard. This is a fine line to tread. It could be argued that most markets have room for several standards: one for the frontrunners, one for the majority, one focusing on a certain issue, one for a certain region and so on. For instance, standards for coffee are abundant and they serve and engage several segments of the market, both in terms of consumer preferences and in terms of market actors (eg. small farmers, roasters, brands, retailers). However, what CSOs should bear in mind is to involve the maximum

number of market players in the most ambitious initiative possible. CSOs should avoid competition over corporate participants for their initiatives, thereby offering companies the opportunity to choose the easiest option.

It should be noted that there are considerable differences of opinion within the CSO community as to which approach is the most effective (see also 'Perspectives' section in chapter 'MSIs: what are they?', p. 38). Some argue that requiring companies to comply with the highest possible standards scares them away from participation. They believe that this can marginalise the initiative to a few very well-intentioned frontrunners, while in their view reaching a large market share is the most effective way to improve the situation (working conditions, livelihoods, etc.). Others argue that, by providing a lower standard, companies will never be incentivised to comply with a higher standard, as they will already have secured their brand reputation with little effort. Before entering into an MSI, it is advisable to scope the views and perspectives of CSOs on the various MSIs and their levels of ambition in a certain sector/issue/region, in particular amongst CSOs that you are already partnering with in the North and South (also see 'Quality' section below, p. 44).

Competition among standards⁸

Researchers have analysed the competition between forest certification schemes. Multiple certification standards exist in this area with a varying combination of actors and varying approaches and stringency of requirements. The analysis shows that less stringent schemes are successfully competing with more stringent approaches for the membership of powerful actors. It concludes that, if this trend continues, MSIs will not be in a position to tackle fundamental sustainability issues for the protection of forests.

Possible ways to address differences of opinion between CSOs are 'agree to disagree' arrangements, 'do not harm' arrangements or using differences strategically towards companies by means of the so-called 'carrot and the stick' mechanism (division of confrontational and collaborative roles).

CSOs should be aware that companies may join MSIs as a strategy to avoid government regulation. By joining the MSI the companies signal to authorities that regulation is superfluous, because market actors

solve the problems themselves. With such an attitude, one may doubt whether companies are really committed to making a sustainable change. CSOs should therefore make sure they are aware of policy and/or regulatory developments and assess to what extent an MSI can complement such developments.

Insiders/outsideers

One strategic consideration to make is which CSOs should ideally engage within the MSI and become 'insiders', and which CSOs should stay outside the initiative. One way to divide the CSO field is in their stance towards companies: confrontational or cooperative. The cooperative CSOs are most inclined to collaborate with companies in MSIs, while campaigners offer the incentive for companies to participate in these MSIs in the first place and are more inclined to stay at a safe distance from their corporate opponents.

Even though the CSO field is generally divided in terms of collaborative and critical approaches towards business, this is not an either/or divide. The image of the CSO being either 'sharks' or 'dolphins' is becoming increasingly blurred. CSOs are pursuing multiple strategies within the same organisation: campaign-oriented CSOs are increasingly entering into the MSI field (eg. Clean Clothes Campaign); or co-operative CSOs in one sector are pursuing confrontations in another sector (eg. Oxfam Novib). The confrontational stance requires independence from companies. CSOs that opt for a combination of strategies should therefore be sure they have a clear and transparent policy on the conditions under which they will and will not collaborate with companies (ie. under what conditions they may become insiders and under what conditions they will remain outsiders). Such transparency is much valued by business counterparts and is an important determinant for CSO trustworthiness from the perspective of business.

It may be good to highlight here that many trade unions in the Western world have a well-established history of combining the carrot and the stick approach in their relations with employers, which has become relatively accepted by business. The difference between MSI negotiations and collective bargaining seems to be that, in collective bargaining, there is often a clear interest on both sides to reach agreement. Under such conditions, trade unions have a relatively convenient position to leave the table for confrontational action, as business is dependent on them reaching agreement. In the case of MSIs, business often has more options than collaborating with CSOs.

Furthermore, if a CSO is too confrontational in their view, companies often have the opportunity to collaborate with different CSOs. In MSIs, the position of CSOs often seems less powerful than in employee-employer relations.

From the perspective of the CSOs within an MSI, it may very well be useful to have some counterparts that remain outside the initiative in order to turn on the heat and put on the pressure when companies show insufficient support for high standards. The challenge is to do so in a complementary manner rather than in a counterproductive manner.

The Dutch Soy Coalition

The Dutch Soy Coalition is an example of a platform in which CSOs with very different identities choose to align their strategies. Some of the CSOs in this coalition collaborate with business both in and outside the Roundtable for Responsible Soy, while others take a confrontational stance towards the same companies in the roundtable. These latter CSOs even take a critical stance towards the roundtable itself, and thus towards their fellow CSO members. For instance, they are critical because the roundtable has included genetically modified soy under its responsibility standards. Even though members of the Dutch Soy Coalition do not necessarily agree with each other's approaches, they do not deny their value altogether. The CSOs in the Dutch Soy Coalition recognise that each of their organisations has a role to play in reaching their shared goal – reducing the adverse impact of soy production worldwide – and that no single strategy provides the silver bullet for change. The coalition allows for critical internal discussions, while at the same time avoiding playing the CSOs off against each other.

On the other hand, including the most critical voices within the MSI may increase its outward legitimacy and raise the standard. The coin has two sides: on the one side, involvement of the more critical CSOs raises the standard of the MSI and thus may attract companies to join the MSI for its status. On the other hand, it may scare off other companies that have had negative experiences with critical organisations.

Critical voices within an MSI

The Clean Clothes Campaign (CCC) is on the board of the Fair Wear Foundation (FWF). As a critical voice against the garment industry, the CCC places high demands on companies. At the level of FWF's executive board and committee of experts, CCC gives input on FWF's policies and practices, such as the requirements for companies to become an FWF member. Companies that succeed in meeting these requirements are generally regarded as responsible companies by other organisations and are thus genuinely able to claim they can face the most critical test. However, as one of CCC's core strategies is to file urgent appeals with individual brands and retailers, these brands/retailers may be suspicious and/or hesitant of joining FWF. It may take considerable work from FWF staff and the business associations that have a seat on the FWF board to convince these companies to join. This may be a challenging task but overall, FWF members and staff feel the mechanism works well.

A last point worth mentioning here follows logically from the previous analysis: it may be harder for CSO networks to participate in MSIs than it is for individual CSOs. CSO networks often include CSO members with a diversity of strategies that may not agree on the conditions for MSI participation. As a consequence, CSO network representatives will have a hard time functioning efficiently and effectively in an MSI, and should thus think twice before joining an MSI. That being said, CSO networks can be very helpful as a platform to align insider and outsider strategies.

North-South alignment

MSIs mainly originate from the Northern hemisphere, even though they are almost exclusively targeted at solving issues in the South. Southern CSOs and Southern businesses often have more distrust towards each other than their Northern counterparts, Southern CSOs are often more directly confronted with the negative impacts of corporate conduct, and may even have experienced corporate corruption and repression. This may make these organisations wary and sceptical of collaboration with business through MSIs in the first place.

Furthermore, Southern CSOs are increasingly critical of the effectiveness of MSIs, as they are disappointed with the impacts to date. Since MSIs are intended for Southern beneficiaries, involvement of Southern CSOs in the initiatives is desirable. Communication and collaboration between Northern and Southern CSOs is crucial for the legitimacy of the MSI in production countries. It is advisable for Northern CSOs to consult with Southern partners when designing and implementing an MSI.



MSI design

The design of an MSI needs to be negotiated between CSOs and their business counterparts. There are many issues that need to be considered during this process.

Issues at this level are the central focus during the formalisation phase of the MSI (see Figure 2, p. 16), and may be adapted and reshaped during the implementation phase. This section describes the most critical elements of MSI design.

Quality

The quality of MSIs can be assessed using several indicators. Not all CSOs agree on the importance of each of these indicators, or the best available value. Most notably, the discussion on market coverage versus the ambition level of an MSI standard in relation to impacts leads to fierce debates (see box 'The more the merrier?' below, p. 48). The most commonly used evaluation criteria for MSI standards are the following:

1. Level of the standard (eg. living wage or minimum wage)
2. Completeness of the standard (eg. multiple issues or single issue)
3. Market coverage
4. Accountability (eg. monitoring, reporting, verification)
5. Economic model (eg. price premium, market access)
5. Involvement of stakeholders
6. Impact.

CSOs participating in MSIs should be aware that the standards they develop will be judged by external stakeholders based on these criteria.

Business participation

One of the most crucial aspects of the organisation of an MSI is the character, scope and scale of business participation. The questions that need to be considered include: what types of business does the MSI ideally include? What changes does the MSI wish to affect in the market? Under what conditions may companies enter the initiative and under what conditions should they be forced out?

Which companies would ideally participate in an MSI and which companies are willing to do so is dependent on the interests and power dynamics in the sector. Companies that experience a market demand for sustainable products will judge participation in an MSI to be more useful than companies that do not experience this need. This varies according to sector. Furthermore, an important difference exists between companies that are business to consumer (B2C) and companies that are business to business (B2B).

From an impact perspective, an MSI should ideally include major players in the B2B segment of the chain (for example, palm oil plantation holding and trading companies in the Roundtable on Sustainable Palm Oil). Compared to B2C companies, however, these companies might not experience the same urgency to make their practices more sustainable and are thus in need of convincing incentives from other stakeholders to continue participating. Including these types of companies in the MSI often means the ambition level of the initiative will go down. In addition, it might be challenging to hold these companies to their promises. This in turn creates considerable reputation risks for the CSOs involved as they share responsibility for the outcomes of the initiative (see box 'Accusations to WWF', p. 33).

The issue of local ownership and acceptance will also need to be taken into account. When buyers alone participate in an MSI focusing on solving problems within their supply chain, the risk is that local business entities (the suppliers) consider the MSI as a top-down driven initiative. This makes them less inclined to implement the proposed solutions seriously, other than for reasons of securing market access. In order to ensure that the proposed solutions and corrective actions resulting from the MSI process are implemented in a long-term, sustainable fashion, it may be essential to ensure supplier participation in the MSI from the early stages. Furthermore, MSIs can aim to create local multi-stakeholder processes whereby suppliers engage with local CSOs and trade unions and seek to come to agreed solutions.

It is crucial to be aware of the power dynamics and motivations and interests in the value chain to be able to make the judgement about whether and how an MSI can be useful, and how it should be organised. As a general rule, one should keep in mind that an incentive needs to be created for companies to participate in the MSI and make it an attractive alternative compared to 'business as usual'. On the other side of the same coin, the MSI should have disciplining measures at its disposal in order to hold companies to their promises. Furthermore, it should clearly define the criteria for participation in the MSI, including the conditions under which companies should be forced out of the initiative and/or under which the CSO will withdraw participation.

Business motives

Understanding the interests of business counterparts is crucial to be able to assess the potential of an initiative. The following incentives for companies to take part in MSIs are often identified:

- avoid government regulation
- safeguard future supply of raw materials
- avoid/address reputation damage
- create new markets
- long-term business continuity
- operational efficiency
- keeping/ attracting human capital.

Working with the bad guys

In October 2011, a documentary on the Dutch broadcast programme 'Zembla' discussed the Roundtable for Sustainable Palm Oil (RSPO). It identified a weakness when it comes to business participation in MSIs. It showed how a member of the roundtable – mega palm oil producer IOI – is the owner of a palm oil plantation on illegally claimed land, and is involved in a deep conflict over this matter with the local community in Sarawak, Malaysia. While it is clear that this particular plantation is causing multiple human rights abuses, IOI is allowed to continue selling palm oil with an RSPO certificate from other plantations to major traders like Cargill and buyers like Unilever. The case raises a serious dilemma about whether such a company should be allowed to remain in the initiative.

Complicating factors include the following: a) if IOI certification were to be withdrawn, this would not solve the problem for the local community; b) IOI has already taken important steps in addressing the issue; and c) buyers are powerful, but suppliers are too. The palm oil supply chain is characterised by a delicate power balance between buyers and suppliers: both buyers and suppliers are multi-billion Euro companies with considerable market power. Europe buys 15% of the world's palm oil supply, but India, China and even Indonesia are bigger clients and these are not covered by the initiative. There is a strong possibility that IOI will be able to find enough buyers that will not insist on the same standard as defined by RSPO. It is thus an enormous challenge for the CSO members of the roundtable to incentivise the company to change its ways through the RSPO. At the time of writing, this is done by suspending certification of new plantations. A next step would be to undo all certification until improvements are made to the situation. However, this latter measure is considered to be a last resort and is avoided as long as possible, as the roundtable would have significantly less market coverage without IOI's supply, and thus less market impact.

Disciplining measures are an important ingredient for MSI design, but they cannot be the basis for business participation. Participating companies should support the objectives of the MSI. If they do not, the MSI is probably not the best instrument to induce change. When business participants in the MSI demonstrate unwillingness to support or implement certain responsibility measures, it is important to analyse whether the company is consciously delaying the process, or whether the attitude is explained by a wider business dilemma. In the first instance, the company's participation should be seriously reconsidered. In the latter case, the MSI may offer a platform to tackle the dilemma.

A challenge within MSIs is to be able to differentiate between companies within the initiative. Why would companies perform better than the norm set by the initiative? And in case the MSI has a process approach (ie. directed at stimulating continuous improvement), it may be important to differentiate between newcomers and long-term members. Just as companies need to be disciplined when lagging behind, they may be rewarded when performing particularly well.

The more the merrier?

Some may say that the more companies are included in an MSI, the bigger the market coverage, and thus the larger the impact. On the other hand, it seems that the more companies are included at the drafting table of the initiative, the lower the ambition level of the initiative becomes. The more parties there are in a negotiation, the more difficult it is to reach agreement.

An example here is provided by the Roundtable on Sustainable Soy (RTRS). Because the initiative wanted to include major producers and processors of soy with major biodiversity impacts, it was decided to allow Genetically Modified Soy to be covered under the RTRS certificate. This was a major sacrifice for the CSOs in the negotiations over the certificate.

Some argue that the number of companies in an initiative does not necessarily water down the ambition level. When the initiative sets requirements for continuous improvement, it may allow for large membership and market coverage, while still realising ambitious targets over the long term.

It may be useful to note here that a different dynamic is created in the MSI when individual companies are included and when business associations are included. The benefit of having associations at the table is their multiplier effect because of their market coverage and their influence with their members. A downside is that, because they often represent a diverse set of companies (frontrunners and laggards), their hands may be tied in terms of taking significant steps forward, and they may only agree to the lowest common denominator.

Government participation

MSIs are, by their very nature, instruments of civil regulation (or self-regulation from the perspective of business). This may be at odds with the widespread opinion of many CSOs that binding governmental regulation is needed to address sustainability problems effectively. With this goal for better regulation in mind, it may be tempting to try to include governmental agencies in MSIs. This is not necessarily a good idea. Government agencies may play an endorsing, convening, facilitating or financing role in MSIs, but often they will not be comfortable negotiating standards with CSOs or businesses. Democratically chosen governments, considering their constituency, should ideally stand over the parties, balancing the interests of both business and CSOs in its policies.

In the longer term, MSIs may serve as experimental mechanisms that start as voluntary initiatives but slowly get transcribed in governmental policies and regulation along the way. As a first indication of such a process, it is interesting to note that sustainable procurement guidelines for governments increase the demand for MSI certified products. Another way the regulatory role of government may be important for the functioning of the MSI is by aligning government regulation with MSI work. MSIs should always be on guard for the 'crowding out effect', in which the MSI takes over instead of complementing the traditional government role, hindering its effectiveness in the long term.

Governance⁹

Governance here refers to the decision-making structures and processes within an MSI. In the development phase of an MSI, there may be no structures like these in place yet, and it will be a challenging process to decide on such governance structures. Multi-stakeholder

More guidance on governance and government involvement

If you would like more insights in and guidance on MSI governance and/or in government involvement in MSIs, please consult the following document 'Principles that make for effective governance of multi-stakeholder initiatives' (for reference see 'Further resources' chapter).

governance means democratic representation of each of the involved stakeholders in the initiative. Such initiatives with 'multi-stakeholder DNA' are different from industry initiatives that may have a multi-stakeholder dimension, but are not characterised by multi-stakeholder governance. Examples of the latter are the Business Social Compliance Initiative or the Global e-Sustainability Initiative. The crucial difference is that these latter initiatives may have a multi-stakeholder advisory council or another format to realise stakeholder participation in the initiative, but decision-making is reserved for the industry representatives only.

Different aims and activities require different governance structures. Furthermore, governance structures may evolve, as they are dependent on the activities, size and scope of the initiative as well as sector and industrial relations that may change over time. Still we can distil some elements that need to be considered when seeking to design a multi-stakeholder governance structure.

The first consideration is which types of organisations are included in the decision-making structure: most MSIs distinguish business, civil society and trade union representatives, but there are also examples in which different kinds of CSOs have separate representation (eg. social/environmental groups, north/south representation). Other stakeholder groups that may be considered are academics, experts and consultants, or representatives from government or international institutions.

A further consideration is how the decision-makers are chosen. For instance: are they elected or nominated? And who decides on the representatives on the board: the constituencies of each of the stakeholder groups, a general assembly or the board itself? There are many ways of organising this. MSIs differ widely in their approach.

Another issue to organise for is the accommodation of the 'two table problem': each stakeholder group ('caucus') represented in the governance structure has to accommodate different views in its own constituency and reach agreement before it can take those views forward in discussion with others. Governance mechanisms need to provide adequate space for each caucus to discuss and agree issues before discussions with other stakeholders.

Structures can also be put in place to mitigate against power, voice and capacity imbalances undermining good governance. Groups with fewer resources (in other words all non-commercial stakeholders) will need support to participate with an equal voice. For example, this might mean that the MSI covers the costs of trade union and NGO participation in overseas travel, or support for training of trade union and NGO staff on engaging in supply chain work. The risk here is that financial arrangements pressurise the independence of civil society representatives and/or their beneficiaries. This is a thin line to tread and requires careful consideration (also see 'Capacity and financing' section in this chapter, p. 59).

Representation of beneficiaries

CSOs that participate in MSIs virtually always aim to further the interests of stakeholders in the developing world (eg. workers, small-holders, local communities, indigenous people, endangered animals). In order to ensure that their interests are genuinely represented and that the MSI is indeed of benefit to these stakeholders, it is of crucial importance that they are engaged meaningfully in the initiative.

Involvement of CSOs in production locations can create local ownership of MSIs. These organisations may be involved in the MSI by monitoring and verifying the implementation of the initiative, training of workers, local auditors, or negotiating the terms of MSI implementation on site. However, there are many complicating factors as regards the participation of Southern CSOs in MSIs (for example, lack of resources, battles over resources within civil society, distrust between NGOs and trade unions, hostility of business towards CSOs and vice versa, and having to combine too many tasks at the same time).

Not all intended beneficiaries may be organised or have representatives or representative bodies that may participate in MSIs

on their behalf – eg. unorganised workers, small producers. One could consider adequate representation of these beneficiaries in MSIs the ‘three-table challenge’ (table one being the afore-mentioned inter-organisational table (business-CSO); table two the intra-organisational table (individual CSO representative-CSO organisation); and table three the CSO organisation-beneficiaries table). Over the years MSIs have developed several approaches to this challenge, which are listed in the box below.

Methods to involve stakeholders at production level¹⁰

The huge range of MSIs again means a range of methods has been developed to involve stakeholders at production level.

The most common include:

- Advisory boards and caucuses
- Training and capacity building
- Pilot projects in different countries
- Informal and formal consultations
- Complaints mechanisms/grievance procedures
- Dialogue with staff members/country representatives in producing countries
- Working groups.

An emerging opinion with CSO practitioners in MSIs is that negotiated agreements involving management and stakeholders at the production level are an important instrument in realising the production requirements that are defined by the MSI. By requiring concrete agreements that involve business partners along the supply chain (including production units and local stakeholders) in fulfilling the obligations that come with MSI membership, these obligations become more compelling and embedded in local practice. This adds value to the standard package of code/management system/audit/consultation/grievance procedure, which does not sufficiently ensure representation and ownership of the intended MSI beneficiaries.

As a result of this insight, MSIs may increasingly require their business members and actors along the value chain to negotiate the terms for implementation of the MSI requirements. The recently negotiated Indonesia protocol for Freedom of Association is an early example in

this regard and may serve as a frame of reference for future initiatives. It addresses core labour rights issues in Indonesian factories and was signed by Indonesian textile, clothing and footwear unions, major supplier factories and the major sportswear brands, including Adidas, Nike and Puma.¹¹

Effective MSI design is sector dependent

The most effective way to organise an MSI to improve the social and environmental conditions in a sector is highly dependent on the characteristics of each sector. One should be careful not to cut and paste a successful MSI format to a different sector. For an effective MSI design, it is important to understand the power relations, dynamics and sustainability problems in that sector. For example, stable value chain relationships require different approaches than dynamic value chains. In the first instance, it may be useful to certify suppliers. In the second situation, a product orientation is more logical. A consumer label may be relevant in a demand-driven market, but less in a supply-dominated market, and it may be suited for certain products and not for others. In certain sectors, traceability of product components may be achievable, while in other sectors factory or plantation certification may be more appropriate. And whether certification is appropriate and/or achievable at all for a specific sector is also a question to consider.

Below are some examples of different MSI designs corresponding to different value chains.

Roundtable on Sustainable Palm Oil: The palm oil value chain is highly invisible for the consumer, but includes major multi billion Euro companies on both the buyer and supplier side. It is also characterised by relatively stable business relations, which means that, if these parties agree on a sustainability standard, the initiative will have considerable market impact. The combination of these characteristics explains the format of the Roundtable on Sustainable Palm Oil: it has brought powerful market parties to the table to decide on a shared responsible palm oil standard, which has resulted in a certification standard for plantations and processors

along the supply chain. The initiative is now in the implementation phase. Actors along the supply chain can apply for certification.

Fair Wear Foundation: The textiles and clothing sector is a highly splintered market with relatively few concentrations of power. There are thousands of brands, retailers and suppliers around the world. It is also a consumer-oriented market and demand driven, which means the brands dominate the suppliers, to a large extent. In line with these sector characteristics, FWF has chosen a membership-based model that invites brands to become an FWF member and as such, commit to improvements in labour conditions in their supply chain. Brands, not their suppliers, become members and commit to improving supply chain conditions. FWF chooses a process approach instead of product requirements, recognising that the reality of the sector is that most garments and sewn products are not yet made in compliance with international labour standards.

Working group on sustainable natural stone: In the value chain of natural stone, buyer-supplier relations are generally not stable. In fact, they are highly dynamic. Depending on preferences in the consumer market, buyers will source from different producers, often through an exporting company that handles the purchasing in a certain region. Only a small portion of buyers in specialty markets have a relatively fixed supplier base. The consequence of a dynamic supply chain is that traceability of natural stone products is hard to realise, which makes a product certification system a real challenge. After all, it would be hard to substantiate the claims made by the label when the origin of the product is uncertain. Therefore, the working group on sustainable natural stone is working towards a differentiated system, which may turn out to have three levels of assurance: 1) membership of the initiative, through which companies commit to improving the social and environmental conditions in their supply chain by signing the working group's code of conduct; 2) a certificate for factories and quarries; 3) a product label. It is expected that the first stage is the most feasible option for the largest share of the buyers, while only a small portion will be able to provide the verification needed for the product label.

Grievance mechanisms

In cases where MSIs have developed a business standard, grievance procedures are particularly helpful to allow intended beneficiaries to address violations of the rights that the MSI standard aims to protect. As such, grievance mechanisms serve two functions: access to remedy for victims of standard violations, and an alarm system for monitoring the implementation of the standard. Principle 30 and 31 of the UN Guiding Principles for Business and Human Rights elaborate on grievance mechanisms and the criteria for their effectiveness (see box below).

United Nations Business and Human Rights Guiding Principle 30 and 31

Principle 30 refers to multi-stakeholder initiatives:

Industry, multi-stakeholder and other collaborative initiatives that are based on respect for human rights-related standards should ensure that effective grievance mechanisms are available.

Commentary

Human rights-related standards are increasingly reflected in commitments undertaken by industry bodies, multi-stakeholder and other collaborative initiatives, through codes of conduct, performance standards, global framework agreements between trade unions and transnational corporations, and similar undertakings.

Such collaborative initiatives should ensure the availability of effective mechanisms through which affected parties or their legitimate representatives can raise concerns when they believe the commitments in question have not been met. The legitimacy of such initiatives may be put at risk if they do not provide for such mechanisms. The mechanisms could be at the level of individual members, of the collaborative initiative, or both. These mechanisms should provide for accountability and help enable the remediation of adverse human rights impacts.

Principle 31 lists effectiveness criteria for grievance mechanisms:

- (a) Legitimate: enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes.
- (b) Accessible: being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access.
- (c) Predictable: providing a clear and known procedure with an indicative timeframe for each stage, and clarity on the types of process and outcome available and means of monitoring implementation.
- (d) Equitable: seeking to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms.
- (e) Transparent: keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake.
- (f) Rights-compatible: ensuring that outcomes and remedies accord with internationally recognised human rights.
- (g) A source of continuous learning: drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms.
- (h) Based on engagement and dialogue: consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.

To date, grievance mechanisms within MSIs have generally received less attention than many other elements of MSIs, such as code development and social auditing. There is, however, an increasing recognition that grievance mechanisms form a crucial element for effective MSIs, coming in part from the increasing recognition of the inherent limitations of social auditing. The recently adopted UN Guiding Principles therefore provide a welcome basis for the further strengthening of this particular aspect within MSIs.

Transparency/reporting¹²

For the credibility of the MSI, it is of crucial importance to practise the utmost transparency. Reporting on progress, results and impacts makes it possible for stakeholders outside the MSI to judge the value of its sustainability claims.

In many MSIs, there is a tension between the confidentiality of business information on the one hand and the transparency of the initiative on the other. Many MSIs address the sustainability of supply chains by audits and verification, but supply chain transparency is a sensitive issue in the business community. Many companies regard their supplier base as part of their competitive advantage. Therefore for them it is highly contested to publish audit reports and supplier information.

However, there is a visible trend towards more supply chain transparency. For example, sportswear manufacturer Nike has started to disclose its supplier base on its website. Furthermore, disclosure regulation with regard to the use of conflict minerals by companies is already in place in the USA, and is being prepared for Europe. In addition, companies like service provider Vodafone or pharmaceutical company GlaxoSmithKline have started to report on the results of their supplier audits. In these reports, suppliers are anonymous and the level of detail is minimal, but nevertheless, there is some progress. For CSOs participating in MSIs, it is advisable to refer to best practices in supply chain transparency and reporting, in order to push this trend forward.

Although transparency about the content of the audits may be contested, transparency about the process is not. At a minimum, MSIs should seek to be entirely transparent about the way they work, their standards, procedures, complaint mechanisms and so forth.

A last point to make here is that, if an MSI has a secretariat and/or executive staff, clear reporting procedures should be put in place for the staff to report back to the MSI members, in order to retain the connection between staff and members, avoid differing perceptions, expectations and ultimately, to avoid conflict.

Rules of engagement

An important condition for the smooth functioning of an MSI is the formalisation of how the parties will interact with each other. In other words: it is important to define the 'rules of engagement' for the

parties in the MSI. One element that needs to be addressed in this regard is access to information. A problem that is often experienced by CSOs that participate in MSIs is that they are not so well informed as their business counterparts. In some cases, this may be caused by lack of capacity, but in many cases, the information that is crucial for judging a situation is 'owned' by the company (eg. information on their supplier base). For CSOs to represent their beneficiaries effectively, it is crucial to make clear arrangements with regard to access to information.

Rules of engagement as a result of conflict

An example of different expectations leading to a conflict in an MSI is provided by members of the Fair Wear Foundation (FWF). On the FWF board, the Clean Clothes Campaign (CCC) is part of the CSO's partition and MODINT and CBW-MITEX represent the partition for garment producers and retailers. These are business associations, and not all of their member companies are members of the FWF. The CCC uses public awareness raising, sometimes naming and shaming of particular companies, as an effective tool to affect change in the garment sector. A couple of years ago, such a naming and shaming campaign led to serious tensions on the FWF board. CCC had publicly called for brand action regarding a supplier that worked for an FWF member, as well as for a member company of MODINT that was not a member of FWF. The affected company that was not an FWF member strongly challenged their association's participation in FWF, which resulted in some board members questioning the value of participation in the initiative altogether. This seriously hampered the working relations within FWF, and resulted in rules of engagement between all stakeholders on the FWF board: when CCC discovers labour rights violations in the supply chain of one of the member companies of the business associations, they will first allow the business association to contact its members and engage them with CCC. If this is not successful, CCC is free to start a public campaign. When this point is reached, it remains a point of discussion. This was already standard practice prior to the agreement being reached for FWF members, and in fact had been applied in the case in question, but formalising the agreement was important.

A related point to agree upon is the confidentiality of the exchanged information in the MSI: can participants speak openly about their meetings with MSI participants, are they strictly confidential, or are they covered under the Chatham House Rule? And what type of information will the MSI make publicly available? Clarity over these issues helps to avoid conflicts in the future.

Agreeing on lines of external communication is also crucial. To what extent can participants freely communicate (with the public or within their constituency) the results, claim successes or explain the challenges that remain? This is often a cause for misunderstanding between CSOs and business. CSOs tend to believe they can still publicly state anything, while businesses tend to expect a certain level of discretion as part of the 'gentleman's agreement' to collaborate in an MSI, even if not formally agreed upon.

Another element is to agree on the boundaries of the initiative (ie, what issues are dealt with inside the initiative and what issues are not covered by the initiative). CSOs should remain capable of performing a public function and make their concerns about sustainability publicly heard. However, most companies will not be pleased if they are publicly criticised by their MSI partners. When expectations are regulated from the outset, this may avoid a lot of frustration.

Capacity and financing

MSIs need a certain capacity in order to realise their ambitions. The idea behind the MSI may be brilliant, but then somebody still has to do the work. This normally means that, at a certain point in time, the initiative will require an organisation to execute the plans and processes that have been negotiated and designed, and costs will be associated with this. Of course, one can easily see that the major costs are not in the organisation and execution of the initiative but in addressing the sustainability issues themselves (eg. paying higher wages, investing in clean technology). Nevertheless, a financing structure needs to be decided for the initiative.

Since money equals power, it is a noble idea to strive for multi-stakeholder financing of a multi-stakeholder initiative: equal financing by each of the stakeholders. That being said, it is evident that companies have far more resources at their disposal than CSOs, and CSO budgets continue to be under pressure. Furthermore, it is logical that companies should pay to solve the problems they contribute

towards. Still, it is advisable to have a certain degree of differentiated funding and not be completely dependent on participating companies. This is because, once the organisation is completely dependent on corporate participant funding, it gets an interest in maintaining this funding base, making it harder to force companies out of the initiative when they do not deliver. Some share of public funding thus seems a good alternative, although complete dependence on such funding may lead to other problems, most importantly lack of ownership by the parties it wishes to involve.

Effectiveness and impact

Impact assessments of MSIs are relatively rare, and the data that is available provides a mixed picture. MSIs are successful in bringing parties together, sharing learning and finding common approaches, but the impact of these approaches for the intended beneficiaries (eg. improved working conditions, biodiversity protection) seems marginal to date and is still not well understood. The most widely cited positive impacts of MSIs are improvements in health and safety conditions on the work floor. However, power relations between buyers and suppliers and between employers and employees have proved to be more resistant to change. Furthermore, standards negotiated by MSIs may also have negative social impacts, as they may provide an additional barrier to entry for small producers.

In particular, sustainability certification – one of the major functions that MSIs may perform – increasingly faces rather fundamental critique with regard to its ability to further development. It is argued that certification embodies the neoliberal agenda and thereby marginalises certain development concerns, such as small-holder empowerment, the implications for the poorest segment of producers, and more fundamentally, patterns of power and resource distribution.¹³ For the purpose of strategic decision-making on the best way to invest critical resources, and for the sake of credibility of the CSO towards (critical) stakeholders, it is important to perform periodical impact assessments of MSIs. This is more easily said than done, as it is obviously a challenge to attribute changes in the environment to the MSI. Nevertheless, the large investments in MSIs, as well as the potential undermining of other initiatives, justify the effort. The box below, 'Building evaluation into MSI design', may provide some useful design principles.

Building evaluation into MSI design – principles for MSI evaluation¹⁴

1. Require MSIs to clearly articulate their general and specific objectives and to spell out measurable indicators of success.
2. Require that MSIs include a detailed plan for their evaluation and a budget sufficient to implement it.
3. Require that evaluations – including design, implementation, and dissemination – should be conducted by an independent third party. Allowing MSIs to evaluate their own efforts may create conflicts of interest.
4. Design evaluations to maximise the opportunities for knowledge creation, for example by building them into the MSI design (instead of conducting them ex-post) and including a control group.
5. Train project personnel in the principles of evaluation to facilitate co-operation with third-party evaluators.
6. Promote transparency in the evaluation process and plan and budget for dissemination of the evaluation results.

For more information with regards to evaluation, see learning module 2 on the online knowledge platform of the Partnership Resource Centre.

Checklist

Individual level

- ☐ Check chemistry between people in MSI and consider appropriateness of match
- ☐ Make sure representative has negotiation skills: know what you want and why you want it. Reason from interest rather than position
- ☐ Make sure representative has communication skills: clear argumentation without denying counterparts
- ☐ Make sure representative has listening skills to arrive at understanding of business dilemmas
- ☐ Make sure representative sees MSIs as a promising instrument
- ☐ Make sure representative acts in trustworthy manner
- ☐ Make sure representative has a clear vision of his/her mandate
- ☐ Make sure representative is accountable towards colleagues, beneficiaries of the initiatives and negotiation partners.

Organisational level

- ☐ Consider the options: make a cost-benefit and risk analysis for participation in an MSI in relation to pursuing alternative strategies
- ☐ Be absolutely clear about the organisation's identity: what is it your organisation stands for?
- ☐ Make sure there is a fit between the MSI and your organisation's identity and theory of change: how does the MSI fit in the portfolio of intervention strategies of the CSO?
- ☐ Clearly consider the organisation's constituency when deciding on an MSI strategy
- ☐ Set out expectations of the MSI process: in what way may the MSI contribute to the achievement of your goals?
- ☐ Outline your organisation's ideal typical scenario: what would the MSI ideally achieve?
- ☐ Outline your organisation's possible contribution to the MSI: what is it your organisation can add to the initiative?
- ☐ Anticipate the interests of your MSI partners: what would their interests be and where do they overlap or contradict with your organisation?

- ☐ Develop a clear view of the role your organisation would want to play in the MSI: an oversight role at the governance level (member of board); a role in the actual implementation on the ground to liaise with your local partners; a role in auditing/monitoring; a role in the grievance mechanisms? It may not be possible to reconcile different roles at the same time
- ☐ Develop an exit strategy: when will your organisation consider the MSI to have fulfilled its objectives or to be underperforming or failing, and what does this mean for your participation?
- ☐ Allocate resources: staff, time, money
- ☐ Develop market/sector expertise; consider mobilising external experts for this purpose
- ☐ Acknowledge and manage reputation risk that comes with MSI participation
- ☐ Realise that external stakeholders are more likely to be disappointed in the MSI results
- ☐ Create an internal reporting procedure, keeping the connection between representative and organisation
- ☐ Consider applying the 'two-table' problem strategically
- ☐ Involve more than one staff member in the MSI.

Civil society level

- ☐ Before entering into an MSI, map what other CSOs are doing, taking into account the CSO field in the countries addressed by the MSI
- ☐ Consult and engage these CSOs, scope their views and perspectives on MSIs and look for complementarity
- ☐ Look for options for strategic division of insider/outsider roles
- ☐ Make sure to be aware of policy and regulatory developments and assess whether and how the MSI complements these developments.

MSI level

- ☐ Be aware of the power dynamics and motivations and interests in the value chain; tailor the MSI to these characteristics
- ☐ Consider the most optimal character, scope and scale of business participation based on power dynamics in the sector
- ☐ Bear in mind that an incentive needs to be created for companies to participate in the MSI
- ☐ Make sure to build in the MSI design disciplining measures for

- companies that do not keep to their agreement
- ☐ Define the criteria for participation in the MSI
- ☐ Participating companies should support the objectives of the MSI
- ☐ Be careful to include government agencies in the initiative and consciously consider whether and how they can add to the initiative
- ☐ Decide on the governance structure, including caucuses on the board, selection of board and board members, space for consultation with caucus constituencies
- ☐ Meaningfully engage intended beneficiaries
- ☐ Create local ownership of the initiative
- ☐ Include effective grievance mechanisms
- ☐ Provide for transparency of the initiative towards external stakeholders, at the minimum regarding procedures
- ☐ When a secretariat is created, make sure there are clear reporting guidelines
- ☐ Decide on rules of engagement that address access to information, confidentiality, boundaries of the initiative and external communication
- ☐ Design financing structure with a certain degree of diversification
- ☐ Build MSI evaluation into MSI design
- ☐ Make sure to conduct periodic impact assessments and adapt and improve the initiative according to the outcomes.

Looking ahead

Towards governance generation 3.0

At the time of writing, some welcome progress has been made in production and consumption patterns, but major environmental and social problems persist. Major governance gaps remain, markets have not been fundamentally changed, and it seems increasingly unlikely that MSIs will be able to address those problems entirely. As John Morrison, Director of the Institute for Human Rights and Business, said in the *Financial Times*: "Given the strains in existing initiatives and the pressure for new global regulations as a result of the financial crisis, multi-stakeholder initiatives can be very useful but are, if you like, 'Generation 2.0'; what is really needed now is 'global governance Generation 3.0'."¹⁵ In order to increase our understanding of the possibilities and constraints of MSIs, fine tune the instrument and increase its impact, more critical evaluation of MSI effectiveness and impact is needed.

Due diligence

A recent development is the introduction of the concept of 'due diligence' in the context of human rights. This is a result of the adoption by the United Nations Human Rights Council of the Guiding Principles on Business and Human Rights, as well as the transcription of this concept in the 2011 OECD Guidelines for Multinational Enterprises. In essence, the concept describes a responsibility for companies to proactively identify, prevent, mitigate and account for how they address their impacts on human rights. The introduction of this concept may impact on MSIs in two different ways. First of all, it may prove to be a useful concept to transcribe in MSI standards and requirements for companies that participate in the MSI. Furthermore, as part of the implementation of due diligence processes, companies may increasingly seek to link up to MSIs.

Locally negotiated agreements

In addition, an emerging opinion with CSO practitioners in MSIs is that negotiated agreements involving management and stakeholders at the production level are an important instrument in realising the production requirements that are defined by the MSI. By requiring concrete agreements that involve business partners along the supply chain (including production units and local stakeholders) in fulfilling the obligations that come with MSI membership, these obligations become more compelling and embedded in local practice. This adds value to the standard package of code/management system/audit/consultation/grievance procedure, which does not sufficiently ensure representation and ownership of the intended MSI beneficiaries.

Further resources

Sharing experiences

Linked In group 'Multi Stakeholder Initiatives for Sustainable International Supply Chains'

Learning platform of the Change alliance: thechangealliance.ning.com/

Centres of expertise

Partnership Resource Centre: partnershipsresourcecentre.org/

MSP resource portal of the Wageningen University: portals.wi.wur.nl/msp/

Utrecht-Nijmegen Programme on Partnerships (UNPOP): www.unpop.nl/

The Partnering Initiative: thepartneringinitiative.org/

Relevant publications

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Notes

1. Adapted from UN SRSG/CCC expert workshop document: *Principles that make for effective governance of multi-stakeholder initiatives: updated, final version* <<http://www.business-humanrights.org/SpecialRepPortal/Home/Consultationsmeetingsworkshops/Multi-stakeholderconsultations/2007>>
2. For a more extensive overview of skills required for participation in MSIs, see the skills section of the Partnership Resource Centre website: <http://www.partnershipsresourcecentre.org/knowledge-platform/skills> (accessed 7 February 2012).
3. Source: Interest vs Positions. <<http://web.mit.edu/negotiation/www/NBivsp.html>> (accessed 3 November 2011).
4. Source: The Partnerships Resource Centre. "State of partnerships report 2011, Dutch development NGOs facing the partnership challenge". Rotterdam: The Partnership Resource Centre, 2011.
5. Source: Trouw, "Geld man nooit voorop staan bij het WNF", 16 September 2011, <http://www.trouw.nl/tr/nl/4332/Groen/article/detail/2912341/2011/09/16/Geld-mag-nooit-voorop-staan-bij-het-WNF.dhtml> (accessed 26 October 2011).
6. The documentary is no longer available via ARD's website, although it can still be viewed using Youtube.
7. For an elaboration of the interplay between CSO contrasting strategies, see: Mariëtte van Huijstee & Pieter Glasbergen, "NGOs moving business: an analysis of contrasting strategies. *Business & Society*, Volume 49, issue 4 (2010): 591 <<http://bas.sagepub.com/content/49/4/591.abstract>> (accessed 5 November 2011).
8. Ingrid Visseren-Hamakers, & Pieter Glasbergen. Partnerships in forest governance. *Global Environmental Change*, Volume 17, (2007): 408 <http://www.unece.lsu.edu/certificate_eccos/documents/2007july/ce_010.pdf <http://www.unece.lsu.edu/certificate_eccos/documents/2007july/ce_010.pdf> (accessed 5 November 2011).
9. Based on: UN SRSG/CCC expert workshop document: *Principles that make for effective governance of multi-stakeholder initiatives: updated, final version* <<http://www.business-humanrights.org/SpecialRepPortal/Home/Consultationsmeetingsworkshops/Multi-stakeholderconsultations/2007>>
10. Based on: UN SRSG/CCC expert workshop document: *Principles that make for effective governance of multi-stakeholder initiatives: updated, final version* <<http://www.business-humanrights.org/SpecialRepPortal/Home/Consultationsmeetingsworkshops/Multi-stakeholderconsultations/2007>>
11. For more information on the Indonesian Freedom of Association protocol, see: <http://www.cleanclothes.org/news/indonesia-historic-pact-today-strengthens-sportswear-workers-union-rights> (accessed 4 November 2011).
12. Based on: UN SRSG/CCC expert workshop document: *Principles that make for effective governance of multi-stakeholder initiatives: updated, final version* <<http://www.business-humanrights.org/SpecialRepPortal/Home/Consultationsmeetingsworkshops/Multi-stakeholderconsultations/2007>>
13. Verena Bitzer. *Partnering for Change in Chains*. Enschede: Gildeprint drukkerijen, 2011.
14. Based on: Allen Blackman and Jorge Rivera, *The Evidence Base for Environmental and Socioeconomic Impacts of 'Sustainable' Certification*. Resources for the Future, March 2010.
15. Hugh Williamson. Stakeholder coalitions in crisis. Financial Times, 8 June 2010. Available at: <http://www.ft.com/cms/s/0/52ca7fb2-7294-11df-9f82-00144feabdc0.html#axzz1fxsvZ51j>

SOMO