

**Draft**

**The Global Reporting Initiative  
Guide to Local Network Organizing**

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This is a draft Guide prepared on the basis of organizing a South African network of the GRI in 2002. This is a joint project of the Global Action Network Net (GAN-Net) and the Global Reporting Initiative

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## How To Initiate a Local GRI Network

### ***Introduction***

Based upon experience establishing a Global Reporting Initiative (GRI) network in South Africa, this Guide aims to help develop other local GRI networks. It is intended as a resource for GRI staff, since there are some steps that only involve them. However, for others wanting to initiate a GRI network it will provide a sense of the scale of the undertaking and the sequence of the steps. The steps should be used for guidance, rather than thought of as rules, since every situation will have some particular circumstances that will make the steps described here more or less appropriate.

This Guide will be continually up-dated to reflect the latest learning of GRI's local network organizing.

### ***What is a Local GRI Network?***

The role of a local GRI network in the context of GRI-Global is still being defined, and it will always vary some in response to local circumstances. The basic idea is that a network will support application of the GRI framework in a country or region by engaging local companies, communities, researchers and NGOs to improve social, economic and environmental impacts.

A local network is a learning community of practice with participants learning from one another about how to improve triple bottom-line impacts of organizations' activities. Participants build their capacity to apply the framework and inspire each other by creating reports of organizations' impact using the GRI framework. There are three core activities that are likely for a local network:

- 1) Local capacity-building: GRI reporters and report users share experience in preparing and using sustainability reports with the aim of strengthening the quantity and quality of reports. This leads to improved reporting, on-going operational innovation for reporters and improvement of triple bottom line impacts.
- 2) Feedback to GRI-Global: Reporters and report users provide GRI Global feedback on its guidelines, protocols, sector supplements and ancillary documents. This ensures the global reporting framework is continually improved.
- 3) Promotion of the GRI approach: Reporters and report users expand the profile of GRI within their respective constituencies and provide support to GRI in implementing its activities. This increases the value of reporting by making it a comparable universal approach.

Local networks are envisioned as quickly becoming independent networks within the GRI family. They will identify their own activities and financing sources.

Local networks adhere to some core GRI principles. Local networks shall *not*:

- Formally represent GRI-Global;
- Use the network for their own profit-making purposes, or for commercial advantage of any kind;
- Use the GRI logo on their products, services, publications or activities without prior written consent by GRI-Global; nor
- Use the GRI name without attaching GRI's most current trademark, copyright or registration notice.

Local networks will have a formal signed covenant with GRI-Global, with a specified termination date of a few years for review of the relationship.

### ***Two Key Strategic Components***

There are two core components of the GRI strategy that must be incorporated into local networks. One component is the sustainability framework itself defined around the triple bottom line. Applying and further developing this framework is the principle work of the local networks.

The second component is a process one. GRI is based upon the concept that multi-stakeholder processes are necessary to achieve sustainability and successfully develop and apply the framework. For GRI the key stakeholder groups are (1) businesses, (2) civil society activist organizations, (3) labor unions and (3) intermediary organizations like universities, research institutes and professional associations of accountants. Through innovative dialogue and experiments new approaches to sustainability are developed. By bringing together these stakeholders new forums of mutual accountability are instituted. Local GRI networks must include these multiple stakeholders in a carefully balanced proportions such as with GRI global where business has a strong voice as the key stakeholder, but is not a majority.

It is notable that government is *not* a key stakeholder, since once government becomes involved directly as government (a rule-setter) the process loses its experimental edge and moves to the creation of laws and rules. However, in many countries governments play a very large role and government agencies—such as parastatals and municipal governments—may become involved by applying the framework to their own activities. In these cases where government participation *is* appropriate, government's role is analogous to that of a company that is applying the framework to its own activities to improve its performance.

Making these two components the basis for a local network is critical for GRI to function as a global network. Without these, GRI will not develop the global scale that is a key distinctive attraction for participant organizations, and the local networks will find connection to the greater GRI community very problematic.

### ***The Network Initiation Approach***

Creating a network is both a development process and a change approach that must be grounded in local priorities and realities. Being a development process means that there is a series of steps that includes activities and events, and it is important to think of these as connected and continually building the network.

The change aspect occurs in two ways. One is by creating the local GRI network organization. People are being asked to create new relationships that will influence ones they already have. The second aspect is that all stakeholders will have to change the way they work, in order to collaboratively improve social, economic and environmental impacts.

The success of a network will depend to a large extent on its ability to translate the global GRI approach to local issues and produce outcomes that are valued by the participants. The development steps help to ensure that this occurs.

There are some principles that guide implementation of the development steps:

- GRI-Global should have a significant role in initiation since this is particularly complex and local capacity is particularly low at this point.
- Local people from the diverse groups that will make up a GRI network should be engaged to do the initiating development activities to the greatest extent possible. This will help to ensure that both local contexts are appropriately integrated and that the local knowledge and capacity of the local community to work together are built.
- Major post-initiation development activities and decisions always should be undertaken in close consultation with GRI-Global to maximize learning from others' experience and to ensure integration into the GRI network.
- Local networks are responsible for the funding of the local network, identifying its priorities and implementing plans.
- To be part of GRI requires that local networks have a written covenant with GRI-Global as described above.
- Local GRIs must be "owned" by the various local GRI stakeholders—if they are seen as the product of consultants, GRI-Global or just businesses or civil society, they will not succeed.
- Anticipate a great need for persistence, local initiative, patience and listening.
- The development process takes time, but it is important to keep the pace moving and take advantage of any opportunities that arise locally by integrating them into the development process.
- Have the network and local GRI structure arise from the work of applying and developing the GRI framework—don't get bogged down with discussions about how the local GRI should be organized in the absence of some experience with how to organize the work.

## **Development Steps**

### **Step 1: GRI Local Situation Analysis**

**Goal:** To identify those familiar with GRI and non-financial reporting in a particular region.

**Who does the work:** GRI staff (best) or staff-appointed consultant.

**Range of effort:** Four to seven days

Developing a local GRI network requires effort and investment. An initial investigation is needed to assess how much effort will be required, and whether it is a good time to go forward. Specific questions to be answered are:

- 1) What is the local GRI profile?
  - Are there multi-national businesses or international NGOs working locally who have worked with GRI locally or elsewhere in the world? Are there any associations or networks like the Business Council for Sustainable Development that are familiar with GRI? Is there any local business or NGO that has worked with GRI? Any local consultants or researchers?
  - How is GRI viewed by business, government and civil society—favorably? Unfavorably?
  - Has GRI any official support in terms of government policy documents or public statements?
- 2) Are there any organizations that might be involved early-on in helping to develop a GRI local network? From among those who already have GRI experience? Foundations? Academic institutions? Well regarded intermediaries?
  - Do they represent the range of stakeholders who are necessary to engage early on?
- 3) What is the history of business and civil society relationships—adversarial? Some cooperation? Do they have the capacity to work together?
- 4) Who are the major players in the field of sustainable development locally? In government? Business? Civil society? Academia? Do they address the triple bottom line?
- 5) To what extent are sustainable development issues perceived as in “crisis,” so otherwise reluctant parties might be willing to try something new?

Answers to these questions should be organized into a report accompanied by a budget estimate for the following steps.

## Step 2: Network Development Decision

**Goal:** For GRI-Global to identify whether a local site should receive development support now.

**Who does the work:** GRI-Global staff and any key local GRI person such as someone on GRI's Council.

**Range of effort:** A 1-3 hour meeting with 3 people

This is when a choice should be made about committing to complete the initiating process described in the following steps. Every situation will be different. In many cases, some answers to the questions will strongly support moving ahead and others will not. Sometimes a locality will be seen as critical to a region's development, and the decision may be to move ahead despite adverse conditions. Any choice will have to be made in the context of other GRI-Global priorities.

## Step 3: Identifying Local Initiation Team

**Goal:** To identify an initial group to research and develop in more depth the local network development strategy.

**Who does the work:** GRI-Global staff or a staff-assigned consultant (preferably *not* local)

**Range of effort:** 5-7 days

Through telephone conversations and an in-country visit, 5-7 diverse stakeholders are identified to undertake Steps 5 through 10. The mandate for the GRI Local Initiation Team is to work in coordination with GRI-Global staff and (if employing) a consultant to:

- research issues;
- analyze the findings; and
- define and support implementation of a development path up to and including formation of an interim local GRI Board.

The research will be with senior people, so the team members should themselves be comfortable and experienced speaking with such people. They should come from a variety of stakeholder groups to create broad legitimacy for GRI, ensure access to the wide variety of stakeholders who will be interviewed, bring diverse perspectives to the analysis, and enhance the likelihood that the stakeholders will participate in subsequent activities.

One person should be identified who can be the GRI Local Initiation Team leader and chief contact with GRI-Global. In some cases where legitimacy questions among business and civil society are critical, there may be two team leaders from the respective sectors. The team members do not necessarily have to be researchers, but the team leader(s) should be experienced in *applied/action* research to provide the needed support for the project.

If a consultant rather than a GRI staff person is used to complete this step, it should be on the basis of a Terms of Reference that emphasizes the importance of incorporating local viewpoints.

### **Step 3+ (Variation): Addressing a Specific Issue**

**Goal:** To address an issue that the initial investigation reveals as so obvious, pressing and relevant to GRI that it can be used to build local GRI support.

**Who does the work:** GRI-Global staff and an assigned local consultant

**Range of effort:** 30-90 days

In South Africa initial investigation revealed that AIDS was a critical issue that all stakeholders saw as important to address. GRI had not yet developed indicators for AIDS. Therefore, a research project was established to do so. This project ran parallel to other initiation activities, raising the GRI profile and building local capacity to apply and further develop the GRI framework. It is important to structure the project as a multi-stakeholder process and use it as a tool to bring together people in ways that mimic the following steps for GRI's general local development.

### **Step 4: Global-GRI Workshop with the Initiating Team**

**Goal:** To build the Initiating Team's capacity to do the initiating work.

**Who does the work:** GRI staff member (and consultant if being used) and the local team

**Range of effort:** Two days with 6 to 8 people for the meeting; one day preparation time

The local team must be taught about GRI and the work that they do together. A one-day training session should cover:

- Team building
- Introduction to GRI
- Initiating strategy
- Research protocol
- Identification of initial people to interview
- Software for network analysis

This will be the team's founding meeting. People need to get to know one another, as well as the technical details about their work. The team should be trained in use of the *ValueNet* software so they can continue to use it to build the network after the initiation phase is complete. Someone should be identified as the person who should do the data entry, which requires *Access* software; this may be someone who is not on the team.

GRI-Global should make sure the local team understands how the local network development fits into GRI's global strategy.

## **Step 5: Local Research**

**Goal:** Interview research will be undertaken in order to (1) build awareness about GRI locally, (2) identify key local issues relevant to the GRI framework, (3) describe current network of people and organizations involved in GRI-relevant activities and (4) define the value proposition(s) that will inspire people to form a local GRI network.

**Who does the work:** Local Initiation Team, in coordination with GRI staff

**Range of effort:** 20 days spread among the Team

About 50 people will be interviewed. Most interviews will be done by phone, but some may be done in person. An initial group of 20 people to be interviewed dispersed among stakeholder groups will be identified from the list of people and organizations identified in the Steps 1 and 4 analyses. Interview questions will include questions about who else those interviewed think would be interested in GRI, and the remaining 30 interviews shall be identified from those mentioned most often giving consideration to dispersion among stakeholder groups.

The interviews help to publicize GRI, and interview requests will be accompanied by sending to those being interviewed a short GRI description. The interviews should average 45 to 60 minutes. An initial list of interview questions will be suggested by GRI-Global. The Team members will each conduct two interviews as test ones, and then meet to discuss potential changes to the questions. Changes should be made in consultation with the GRI-Global designated staff. People should share ideas about how to do the actual interviewing more effectively.

When the 20 interviews are completed, the Team will meet again in person or by phone to identify the remaining people to interview. For this meeting the Team Leader should prepare a report on the people recommended for interviewing. Then the remaining interviews should be distributed among Team members and completed.

## **Step 6: Research Summary**

**Goal:** Summarize the data to create a common understanding of the local context vis-à-vis GRI.

**Who does the work:** The Initiation Team, in consultation with GRI-Global staff.

**Range of effort:** Six to eight days

The data will be transformed into a report that describes:

- The most important local issues relevant to GRI
- The network relationships vis-à-vis GRI issues

This is a descriptive report, not one that sets out plans. The goal is to create a shared understanding of the two issues the report describes. This report can be prepared in a number of ways. It may seem best that the Team Leader takes responsibility for drafting the report, or it may be divided up between the team.

## Step 7: Analyze the Data

**Goal:** Analyze the data to identify next steps in development

**Who does the work:** The Initiation Team, in consultation with GRI-Global staff.

**Range of effort:** One to two days.

The Initiating Team and the GRI staff should meet to discuss the findings and define next steps more clearly, guided by the steps suggested below. This includes addressing three particular questions:

- What people, organizations, and networks must be brought together to create local GRI? GRI will have its strongest roots if it builds upon current social (including business, civil society and government) networks, and it is useful to think of constructing local GRI as a process of tying together existing networks of diverse stakeholders.
- What issues are priorities to focus upon? Issues are prioritized based upon considerations such as which ones are most likely to unite stakeholders, most easy to address (the low-hanging fruit), and most likely to produce valued results quickly.
- What will be the key value drivers for the various stakeholders to join together in GRI?

The second question might give rise to a project, such as the variation of Step 3 described in the box above. In any case, it will provide an important focus for attracting people to the following steps.

## Step 8: Stakeholder Information Meetings

**Goal:** To broaden and deepen understanding about GRI and organizations' commitment to engage with it locally.

**Who does the work:** Local Initiation Team in consultation with GRI-Global staff.

**Range of effort:** Two rounds of three half-day meetings with relevant support, and conversations with meeting participants in advance and in between the meetings.

*Variation: In some countries where stakeholders have substantial experience working together on issues like GRI ones, only one meeting may be necessary.*

Meetings should be held with the three key GRI stakeholder groups separately for two reasons. One is that different stakeholders will have different questions and concerns about GRI. Business will have questions about application of the framework to them, the value of it, and the dangers of working with other stakeholders. Advocacy organizations will be concerned about credibility and meaningfulness of the process and ensuring that organizations applying the framework are sincerely committed. Intermediary organizations will often be concerned about the quality and mechanics of data-gathering. The groups need a safe space where they can discuss their own issues.

The second reason for holding separate stakeholder meetings is that many of the stakeholder groups likely have histories of conflict. Their commitment to work together and their capacity to do so can best be built initially by having separate meetings.

The people attending the meetings will not be the most senior leader in their organization. Rather, they will be senior people who have the confidence of, and access to, the senior leader. The first meeting will introduce GRI, the benefits it brings in terms of the stakeholder group's interests, how the group participates in application of the GRI framework, and the planning vision for GRI's development.

Participants will leave the first meeting with a request that they return to a second meeting about a month later that will have two functions. The first is to address questions and concerns their organizations must have addressed before they would participate in local GRI development. The second is to identify next steps for moving ahead with the development of a local GRI network, and potential projects that might be undertaken. Before that second meeting, the meeting participants should be contacted to investigate their general attitude to GRI and work through any concerns. It is important to anticipate any big conflicts that may occur at the second meeting, and identify in advance ways to handle them.

The second meeting should wrap up with at least a half dozen stakeholders from each group ready to move ahead with the next steps.

## **Step 9: Whole System Planning Meeting**

**Goal:** To (1) further broaden knowledge about GRI, (2) build mutual understanding among stakeholder groups about their perspectives on GRI, and (3) obtain initial local commitments to GRI action.

**Who does the work:** A GRI Leadership Representative and GRI-Global staff attend the meeting that will be organized and attended by the local Initiation Team.

**Range of effort:** A two-day meeting and organizing support.

A neutral location such as a university or hotel is a good place for the next step: holding a meeting where all the stakeholders get together for the first time. This meeting should be attended by those who met in the stakeholder meetings plus their organizations' leader. The meeting will be a major event, with GRI leadership and historic participants in GRI locally and from elsewhere being present to explain the value of GRI and their experience with it. It is important to have local well-regarded people from the key stakeholder groups speak in favor of GRI. The senior leaders of local organizations will likely only attend this part which will be the first half morning.

Programming for the two days will vary. One option for the afternoon of the first day is to have people build their capacity to work across the stakeholder divisions, by exploring their differences through a variety of exercises and learning processes. The next day in the morning they might meet in cross-stakeholder groups meet to discuss various issues that have been identified through the research or application of the framework, in order to explore each others' perspectives and identify how they might address them through GRI.

The second half of the second day should focus upon next steps that participants will take to further GRI's development locally and their role in doing this.

One ideal end to the meeting would be to have cross-stakeholder groups formed around addressing different issues through the GRI framework, or another is to have a stakeholder team identified to work with a particular organization that wants to apply the GRI framework. However, in many cases a company may want to first apply the framework to itself with internal staff rather than begin with a full multi-stakeholder team approach. The latter will usually require some on-going capacity-building to support a multi-stakeholder team to work together effectively.

### **Building on Local Opportunities**

The King Report on Corporate Governance for South Africa was published in the spring of 2002, just as GRI-South Africa organizing began. The Report was groundbreaking in its emphasis that triple bottom line concerns being are critical corporate governance issues. GRI was specifically mentioned in the report as a valuable framework for assisting corporate directors in approaching their governance responsibilities.

The Report was a high-profile initiative, and the research conducted to support local GRI's development revealed it was regarded highly across stakeholder groups. Therefore the Report's chief author, Mervyn King, was invited to speak at the whole system meeting about the value of the GRI approach. By doing so, he greatly enhanced the legitimacy of GRI and understanding of its local relevance.

## **Step 10: Identify an Interim GRI Board for a Local GRI Forum**

**Goal:** To identify a group of people who will oversee GRI's development for one to two years.

**Who does the work:** The local Initiation Team in consultation with GRI-Global staff.

**Range of effort:** Two to three days.

The Initiation Team will complete its work by identifying a leadership group to further develop GRI locally. By this time, some key supporters of GRI will have emerged. A team of six to nine people from the stakeholder groups, senior in their organizations and those groups, should form an Interim Board. The mandate of the group is to:

- Develop a plan for GRI's development for the next three years, including goals and financing strategies;
- Develop a covenant with GRI-Global for the local GRI's operation, specifying the mutual responsibilities and rights.
- Identify and implement a plan for establishing a permanent board.

This is still an “Interim” Board. Its role is to bring together some very senior people to get the GRI network up and running, and a more permanent board that will eventually result will likely be of more operational-level people.

In order to continue the organizational memory of the work to date, it is good to either have one of the Initiation Team members on the Board or providing support for it.

### **Step 11: Interim GRI Board Meeting**

**Goal:** To establish the Interim Board.

**Who does the work:** The local Initiation Team in consultation with GRI-Global staff.

**Range of effort:** A meeting of half a day plus organizing support.

At this meeting the Team will hand the baton to the Interim Board. The agenda should include review of the research to date, exploration of the mandate and identify the next steps to meet it.

## Draft Workplan

Every location will work at a different pace, but it is important to keep the work moving and building or face the risk of losing support. Following is given as a rough development timetable.

<b>Local GRI Network Development Timetable</b>	
Month 1	Step 1: GRI Local Situation Analysis
Month 2	Step 2: Network Development Decision
Month 2-3	Step 3: Identifying Local Initiation Team
Month 3	Step 4: Global-GRI – Initiating Team Meeting
Months 3-5	Step 5: Local Research
Month 6	Step 6: Research Summary
Month 6	Step 7: Analyze the Data
Months 7-9	Step 8: Stakeholder Information Meetings
Month 10	Step 9: Whole System Planning Meeting
Month 11	Step 10: Identifying an Interim GRI Board for Local GRI Forum
Month 12	Step 11: First Interim GRI Board Meeting