1. The case for accountability and transparency in Africa:

*Time for Africa? Not only in the sense that we are gathered here to mark the official launch of the GRI Focal Point in South Africa but recent reports by the World Bank, IMF and AfDB show high economic growth in many African countries with the continent recording 5.6% economic growth in 2012. Of the 10 fastest growing economies between 2001-2011, six were in sub-Saharan Africa with Angola achieving the highest annual growth rate (11.1%) c.f. China’s (10.5%). According to the African Development Bank (Africa in the next 50 Years) and HSBC’s (The World in 2050) the positive growth is set to continue.*

Despite generating much optimism, the economic growth experienced in the last decade has not readily transformed the quality of livelihoods thus triggering greater public reflections, scrutiny and expectations over resource governance and benefit. The social, economic and environmental challenges (*poverty, socio-economic infrastructure, high unemployment endemic corruption, governance, corruption, illicit capital outflows, labour practices, human rights, inequality*) that have weighed down the continent for years are still dominant. *[Angola with such impressive growth figures has poverty levels as high as 70% with billions of diamond and oil revenues reportedly unaccounted for.]* What is apparent in many countries is the growing inequality.

“We can not talk of growth when millions are left behind” - Kofi Annan

“…..It is essential that African countries ensure that growth is as inclusive as possible and not follow China’s prioritization of growth over development which has brought huge wealth inequality and environmental problems” - Gao Xiping, President and Chairman of China Investment Corporation

The disconnect has led stakeholders including governments to form strong views on the role of corporations in building sustainable communities, and to demand more benefits from resource utilization/exploitation. Calls for transparency and accountability over public policy and corporate ESG performance, and for selfless ethical and responsible leadership in both public and private sectors are increasing. Stakeholder groups in other countries are even calling for the review and renegotiation of contracts in the extractive sector and for investment deals signed by their government to be accessible to the public.

2. Relevance, value proposition and inclusivity (*interfacing responsibility and expectation*):

In this context, the relevance and value of the GRI Framework for Sustainability lies in the extent to which it drives/contributes/ shapes the dream of shared growth; the extent to which the framework drives/compels organizations to create value for internal and external shareholders; the extent to which it...
influences/shapes business strategy towards this goal; and the extent to which it influences/shapes public policy, and is mainstreamed in investment deals; and the extent to which the framework helps develop the responsible leadership that Africa needs. That is the extent to which the framework interfaces responsibility (governance, transparency, accountability) and the expectations for inclusive growth.

It is generally agreed that the value lies not in the finished product - the actual report - but in the reporting process that compels organizations to develop policies, procedures and management systems to mitigate risks/impacts and enhance opportunities for the business and capabilities (the social factors that enhance people’s opportunities - skills, infrastructure, economic opportunities, employment, social security, partnerships) of host communities.

The strength and legitimacy of the GRI sustainability framework lies in the multi-stakeholder approach in the development of the guidelines and the governance of the organization, which balances the views and expectations of major stakeholder groups. The Focal Point will engage and collaborate with all the major stakeholder groups in the target countries (business, government, labour, CSOs, regulatory bodies, stock exchanges, investors, policy makers) on the respective and collective value of the GRI and its Framework for sustainability reporting to these stakeholder groups. The focal point will leverage and build synergies with local partner organizations.

3. The business of the Focal Point/ business strategy and plans
Broadly, the Focal Point will:

- promote better knowledge of sustainability reporting, the GRI and its Framework for Sustainability reporting
- promote/increase the uptake of sustainability reporting (include the response of SA business community to national and international accountability frameworks pg 5.)
- facilitate training and capacity building including the establishment of knowledge share platforms (Include the training and capacity building paragraph pg 6-7)
- research and support function to provide feedback to the reporters and the GRI (Appointment of Incite Sustainability to undertake research on the value of sustainability reporting to companies in South Africa. Another interesting research area is the impact of sustainability reporting on sustainable development and poverty alleviation)
- advocacy to shape/influence the reporting environment including participating and positioning the GRI Framework for Sustainability in regional initiatives
- facilitate and promote the active participation of African organizations in the further development of sustainability reporting and other accountability frameworks as well as representation in GRI’s governance bodies
- Institutional development to strengthen the presence of GRI on the continent.

3.1 Promoting better knowledge of sustainability reporting and increasing uptake
While the response by the business community in South Africa to national (JSE SRI Index, King III Code, DTI Codes of Good Practice, Sector Specific Charters e.g mining charter, PRISA) and international accountability frameworks (UNGC, GRI, ICMM, UN PRI, Equator Principles, IIRC) has been positive and pioneering in some aspects, the rest of the continent has been slow and very limited in their response. Ninety seven percent of the GRI registered reports in 2010 and 2011 were from South Africa with organizations from Egypt, Kenya, Mauritius and Nigeria constituting the remaining 3%.

The focal point will engage local business associations, companies, stock exchanges, regulatory bodies, business schools with the aim of increasing knowledge and uptake of sustainability reporting. Local stock exchanges, investment streams and governance bodies will be engaged to explore and test the extent to which the IoDSA and JSE SRI case replicated in some countries to promote the understanding and use of sustainability reports and ESG data by investors. *(depending on responsiveness and buy-in).*

Growth opportunities exist in South Africa. The number of organizations reporting on their sustainability performance remains a very low fraction of those reporting on their financial performance. Not all listed companies are producing sustainability/ integrated reports as per the listing requirements of the JSE. Research by GRI’s data partner IRAS show that of the 363 companies surveyed in 2011 only 35% could be categorized as GRI reports. It is worth engaging the other 65% and unpack question posed by IRAS “why wouldn’t you report according to the GRI guidelines?” especially in light of the positive review of several of the “non GRI or GRI referenced reports” This will provide very valuable feedback to the GRI.

Other targets are to promote and increase sustainability reporting by SMEs above the 9% recorded in 2011, and also work to increase the understanding and use of sustainability reports and ESG data by CSO and increase the number of NGOs reporting, and to increase sustainability disclosure in the public sector reaching out to other state owned entities other than those currently reporting on their sustainability performance, and municipalities.

**3.1.1 Focus on supply chain**

The GRI sustainability framework and other international frameworks *(ISO 26000; UN Business and Human Rights Framework)* call upon organizations to positively exercise influence in their business relationships in particular their supply chain. To this end the focal will invite companies to take part in the Business Transparency Program that GRI will be rolling out.

**3.2 Training and capacity building**

The focal point will facilitate capacity building and training workshops in collaboration with certified training partners. It is imperative that we expand the reporting skill base beyond South Africa so that organizations in the target countries have readily available technical support services. We hope this will result in supply driven demand as services providers directly market their services to companies. The plan is also to create knowledge sharing platforms *(seminars, roundtable dialogues, reporters study group)* where experienced
reporters can share best practice with new and other experienced reporters. However it is worth noting that South Africa has a well advanced reporting community- practitioners, researchers and experts; the focal point will not reinvent the wheel but seek to play an active role in the existing platforms. These consultative platforms will also be open to other stakeholder groups whose input and feedback is valuable in enhancing sustainability performance.

3.3 Working with multinational companies
The increase in intra Africa trade, with South African, Kenyan and Nigerian companies leading the pack, presents an opportunity to work with multinational companies on the continent. South Africa is reportedly the fifth largest investor in other African countries with its mining, retail, financial/banking, and telecommunications companies, many of whom are GRI Reporting Companies are trail blazing borders across the continent. The focal point will work with these multinational companies (from South Africa as well as those from abroad. It is also worth noting that Kenyan and Nigerian Companies reportedly increased their investments on the continent by 78% and 73% respectively making these countries priority targets) to expand and share best practices across the borders. To what extent are the multinational companies practicing the principles/concepts of inclusivity, materiality, stakeholder engagement and responsiveness outside the compliance environment in South Africa has been questioned by stakeholder groups in the destination countries. Reports also need to reflect the material aspects in these countries.

3.4 Research and support function
(To be covered under bullet 4)

3.5 Shaping the reporting environment
Workshops will be organized for specific target groups such as NGOs, consumer organizations, organized labour, trade and investment authorities, regulatory bodies, public officials, and policy makers to increase their knowledge and understanding of sustainability reporting and its value. The expectation being that in the long run such engagement will increase the demand for sustainability reporting, enhance engagement between the stakeholders and reporters and improved mainstreaming of sustainability performance/issues in public policy and or investment contracts/deals.

Recent events and media reports on labour issues, anti-competitive behaviour, collusion, unethical conduct have shaken the confidence of some civil society organizations; disconnect between what is reported on and actual practice on the ground.

The advocacy role will extent to positioning the GRI sustainability framework within the civil society forums of regional policy bodies such as the SADC PF, PAP and AU ECOSOCC (economic, social and cultural council) among others. The opening up of platforms to engage civil society organizations by these bodies presents an opportunity to influence local and regional policy. We stand ready to work with the Department of Environmental Affairs to further the agenda of the Friends of Paragraph 47 locally.
3.6 Regional representation and participation

The focal point will act as a regional hub with the aim to facilitate and promote the active engagement of African organizations in the further development of sustainability reporting globally and within the region. The focal point will play an important role in increasing regional participation in the development of the guidelines as well as representation on the GRI governance bodies. The target is also to increase the number of organizational stakeholders from the region. It is envisaged that the focal point will be actively engaged in the further development of local accountability frameworks.

An advisory committee will be convened to provide guidance and advice to the focal point and help create linkages within the market. The committee will have representatives from different stakeholder constituencies and will meet on a half yearly basis to discuss risks and opportunities for the focal point. The advisory committee will serve as a sounding body to ensure that the focal point operates in an inclusive manner.

The foregoing defines the broad strategic context for the focal point. There is no capacity yet to undertake all the envisaged plans. The specific engagement plans for the coming year will be defined in close consultation with key stakeholders in the target countries. The focal point will be supported by the Network Relations Team in Amsterdam, and establish partnerships with local partner organizations in the target countries.

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Ladies and gentlemen thank you for accepting our invitation to participate at this conference to mark the launch of the focal point. We trust we have put together inspiring sessions that will keep you captivated throughout the day.