



Shaping Corporate Social Responsibility in sub-Saharan Africa

Guidance Notes from a Mapping Survey

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List of abbreviations

APRM:	African Peer Review Mechanism
CBO:	Community-based Organisation
CCPS:	Center for Cooperation with the Private Sector (GIZ)
CIDA:	Canadian International Development Agency
CPI:	Corruption Perception Index
CSI:	Corporate Social Investment
CSO:	Civil Society Organisation
CSR:	Corporate Social Responsibility
DFID:	Department for International Development (UK)
EITI:	Extractive Industries Transparency Initiative
EPI:	Environmental Performance Index
GDP:	Gross Domestic Product
GEF:	Global Environmental Facility
GIZ:	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
GTZ:	Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH
HDI:	Human Development Index
ICT:	Information and Communication Technology
IFC:	International Finance Corporation
IFRS:	International Financial Reporting Standards
ILO:	International Labour Organisation
IMF:	International Monetary Fund
JICA:	Japan International Cooperation Agency
MDGs:	Millennium Development Goals
NGO:	Non-government Organisation
NPO:	Non-profit Organisation
PEPFAR:	President's Emergency Plan for AIDS Relief (US)
PRSP:	Poverty Reduction Strategy Paper
UN:	United Nations
UNDP:	United Nations Development Programme
UNESCO:	United Nations Scientific, Educational and Cultural Organisation
UNEP:	United Nations Environmental Programme
UNGC:	United Nations Global Compact
UNICEF:	United Nations Children's Fund
USAID:	United States Agency for International Development
WHO:	World Health Organisation

Foreword

This publication is a culmination of two-years' of collaboration between the GIZ Center for Cooperation with the Private Sector and the University of Stellenbosch Centre for Business in Society at USB Executive Development.

A couple of words on the main milestone activities could help highlight some of the lessons we learnt along the way! We started off in January 2011 with the objective of carrying out a CSR mapping of 29 African countries in which German Development Cooperation is active. The main goal was to compile brief country profiles on relevant CSR aspects, which resulted in the draft report of June 2011. We read the report and found out that, publishing it, which was one desired end result, required additional work to ensure better quality – especially that the work was based exclusively on secondary data. However, we also learnt that, the draft in its existing format, could lend itself to other uses which the CCPS encouraged! One obvious application was using it to re-kindle dialogue on sustainability issues amongst practitioners and the private sector through what we would later call “CSR Roundtables”. The first of these roundtables was held in August 2011 as a broad, internal-review of the first draft. This was followed up with a rather, thorough review-workshop which took place in February 2012 and which brought together six CSR experts who discussed the content and methodological aspects of the study. Later, the draft South African profile from the mapping exercise would provide yet another basis for the first of the CSR Roundtables with the private sector in South Africa, held in March 2012. Eventually, the roundtable concept evolved into a somewhat regularised learning and dialogue instrument with the private sector, which is now managed jointly by CCPS and GIZ South Africa.

Coming back to publishing as one end result, the methodological roundtable I mentioned earlier highlighted the need for validating the huge information contained in the draft country profiles. This led to a decision, on our part, to arrange for the review and upgrade of only twelve countries selected on the basis of their significance to GIZ's work on its cooperation with the private sector. Accordingly, qualified local experts were identified and the review was conducted over the course of April – June 2012. Once this task was completed, the lead researcher compiled the final report in October 2012, eventually leading to this publication.

As the foregoing paragraphs would have suggested, this work called for the collaborative effort of many individuals – in actual fact, seventeen experts drawn from twelve countries! So, one caution to the reader concerning this: while our reviewers have kept to a similar outline in reviewing and upgrading the draft profiles, readers might find some variations across the country chapters owing to differences in styles of writing on the part of the reviewers, and contextual differences amongst the twelve countries. This is worth keeping in mind while reading the country chapters.

In a nutshell, by drawing on the reviewed country profiles, this publication attempts to provide some framework and guidance notes on applicable intervention strategies to advance CSR both in the countries under consideration and at the regional level in sub-Saharan Africa. The suggested interventions and accompanying recommendations are primarily meant for our own (GIZ's) use. However, we also believe that they could be useful to the different stakeholders of CSR in sub-Saharan Africa, which this study helped identify.

In closing, I would like to thank the many experts who contributed to this publication in various capacities. We are especially indebted to the lead researcher, Dr. Arnold Smit, and his team for tirelessly working with us in the various phases of the project. My heart-felt gratitude also goes to the expert reviewers of the country profiles featured in this book. Last but not least, a special word of thanks goes to my own GIZ colleagues, Girum Bahri, Anne Reiner, Giovanna Catalano-Mathelemuse and Lisa Breitenbruch for overseeing the huge project management and administrative tasks that come along with a project of this nature.

It is my sincere hope that this publication would add value to our knowledge and understanding of CSR in sub-Saharan Africa. Hopefully, it would also spur continuing dialogue, research and, hopefully, collaboration amongst the concerned stakeholders. I encourage our readers to make the best out of it and to share their thoughts and feedbacks with us.

Doris Popp

November 2012

Contextualising CSR in sub-Saharan Africa

Executive summary

The GIZ Center for Cooperation with the Private Sector (CCPS) endeavours to partner with companies (both multinational and local) to promote Corporate Social Responsibility (CSR) in sub-Saharan Africa; in doing so, it departs from the consideration that through socially and environmentally responsible business behaviour, the condition of the natural environment, communities and employees can be improved and thereby the sustainability of businesses can be enhanced.

CCPS has established itself as a significant contributor to CSR development in various African countries. Previous studies, various CSR forums and multi-stakeholder projects are all testimony to a growing portfolio of initiatives in the domain of corporate responsibility and sustainable development on the continent. CCPS now in yet another phase (2011 – 2013) in which it aims to consolidate what has been achieved to date and intensify the impact and scope thereof through synergistic networking, shared learning and capacity building in the countries within the ambit of its CSR development initiatives.

Probing for deeper understanding and pushing for the intensification of its CSR intervention and development capacity, CCPS embarked on a two year long exercise during which the CSR awakening, understanding and implementation in countries in the sub-Saharan region have been investigated and documented. After a high level mapping exercise of 29 countries, 12 have been selected for in depth reports, namely, Cameroon, Ghana, Kenya, Liberia, Madagascar, Mozambique, Nigeria, Senegal, South Africa, Tanzania, Uganda and Zambia. These countries were selected, due mainly to, the relatively high relevance they have for GIZ's engagement with the private sector.

Two very distinctive trends are worth noting from the 12 profiles in this study:

- The majority of these countries are challenged by poverty and the conditions that are generally associated with it, namely, poor infrastructure, inefficient national health systems, low levels of education, high levels of corruption and environmental stress. This is the dark side of the sub-Saharan Africa picture.
- The majority of these countries are reshaping their institutional environment through constitutional and legislative reform to enhance the conditions for economic development and growth. Even where these efforts are coming from a low base they represent the positive face of a new era of sub-Saharan African regeneration.

CSR, regarded as primarily a business response to social and environmental challenges, finds its role and place in the midst of these two trends. Economic progress is co-determined by both the societal conditions and the institutional frameworks that define the limitations and possibilities for business in a country.

Any business with a desire to create lasting value will have to invest in the improvement of the societal conditions in which it is embedded in and engage and collaborate with the institutional actors that contribute to the improvement of the macro-economic conditions at a national level. This observation is of critical importance for the reading and interpretation of each of the CSR country profiles presented in this report.



PART I:

Introduction and Methodology

Part I of the report sets the scene and offers insight into the need for the study, how it was executed and how the results should be contextualised and interpreted.

Chapter 1: Introduction

- Objectives of the report
- The guiding questions
- Terminology
- Composition of the report
- Reading support
- Disclaimer
- The project team

Chapter 2: Methodological overview

- Project management
- Data collection
- Data interpretation

1 Introduction

1.1 Objectives of the project

The overall purpose of this project is to enable CCPS to consolidate what has been achieved to date in its CSR related work with the corporate sector in sub-Saharan Africa and to extend the impact and scope thereof through synergistic networking, shared learning and capacity building in the countries in which it operates within the ambit of its CSR development initiatives.

The guiding objectives for the project were to:

- prepare profiles for 12 selected countries (Cameroon, Ghana, Kenya, Liberia, Madagascar, Mozambique, Nigeria, Senegal, South Africa, Tanzania, Uganda and Zambia) with respect to their levels of CSR awakening, understanding and implementation;
- determine the kind of capacity building interventions needed in these countries; and
- to develop guidance notes for CSR intervention and capacity building.

1.2 The guiding questions

In fulfilment of the objectives for the exercise, the following questions were specifically required to be addressed with respect to each country:

- What is the state of CSR development and implementation? How is CSR understood by different societal actors (e.g. business, civil society, academia and the government)?
- What are the relevant/driving policy and legislative documents, if any?
- Where does CSR focus lie examined from three perspectives, i.e. (i) *orientation*: philanthropy, CSI, strategic CSR; (ii) *thematic focus*: market-place, environment, work-place, community; and (iii) *sectorial focus*: education, environmental protection, health, etc?
- Which companies are more active and could play a “first-mover” role in spearheading CSR awakening and implementation? Which other actors are/could be key players for CSR advancement?
- Are there any CSR networks, forums, think-tanks?
- To what degree and in which form do companies interact in or cooperate with private sector networks/forums, business associations/chambers, NGOs and government on CSR issues?
- In which category can the country be classified based on its level of CSR awakening and implementation?

- What kind of intervention measures (including CSR capacity building) can be suggested for implementation by CCPS?

1.3 Terminology

Some concepts require more explicit description and explanation for a consistent reading and understanding of the report.

- CSR in this report refers to the way in which companies exercise responsibility and accountability for the economic, social and environmental impact of their business decisions and behaviours. This is also the definition utilised by CCPS in its study of the promoting and hindering factors in CSR implementation in sub-Saharan Africa (GTZ, 2009). In a recent strategy paper of the German Federal Ministry for Economic Cooperation and Development (BMZ), CSR is described as “responsible activity on the part of businesses with the aim of using their available leeway to foster sustainable development” (BMZ, 2010). The interest of this study therefore was in how companies in sub-Saharan countries understand and exercise their responsibility and accountability, or their leeway if you wish, in the course of their business operations.
- *Orientation* refers to the predominant nature of CSR applications and was for the purposes of this report categorised as *philanthropy*, *CSI* or *Strategic CSR*. Since it may be helpful to distinguish and define these concepts properly, the following descriptions are herewith offered:
 - *Philanthropy* is an altruistic action designed to promote the good of society. It expresses the concern for human welfare and advancement, usually manifested by donations of money, property, or work to needy persons. In a business context, philanthropy can take the form of monetary contributions or volunteer programmes, lending staff and technical experience to non-profit organisations or other societal institutions.
 - *CSI (corporate social investment)*: In some circles, CSI is equated with corporate philanthropy. In South Africa, for example, CSI has become synonymous with companies’ contributions to the broader socio-economic priorities and systemic deficiencies in the country. Klaus Schwab (2008) helps with explaining the difference: “Corporate philanthropy is engagement that does not go beyond writing a check or handing out donated goods. Social investing is a special form of corporate philanthropy, in which a company invests in organizations or programs that have broad social appeal.”
 - *Strategic CSR*, compared to philanthropy and CSI, therefore, implies a more holistic and strategic approach to business engagement with an impact on society.

It is not only interested in how business can be a force for good in society, but also in what the essence of good business is all about. It goes beyond a focus on community benefaction and includes responsible action in the areas of workplace, marketplace and environmental practices as well. To the extent that strategic CSR becomes part of defining the value system inherent to the core business of a company, it also gets embedded in policy, adherence to legislation and commitment to national and global codes of action (Crane, Matten & Spence, 2008).

From the above it is clear that philanthropy, CSI and strategic CSR all belong to the same conceptual field, although each has a distinctive meaning. In companies they may all be exercised in a variety of ways or they may even indicate a trajectory of progress starting with philanthropy and evolving and broadening the boundaries from there towards CSI and strategic CSR.

- *Thematic focus:* According to Crane, Matten & Spence (2008), CSR is primarily expressed in four areas of business practice, namely, workplace, marketplace, environment and community. These areas of practice can be summarised as follows:
 - *Workplace:* refers to the internal functioning of companies with reference to workforce issues such as working conditions, health and safety, equal opportunity, remuneration and benefits, off-shoring and HIV/AIDS.
 - *Marketplace:* refers to the kinds and quality of products that a company produces, how and from where the resources for these products were procured and the impact of these products in terms of health and safety on consumers and society. Markets include consumer markets, financial markets and business-to-business markets.
 - *Environment:* refers to the prevention of pollution, waste management, energy conservation and recycling, and also deals with corporate strategies towards climate change, biodiversity and resource security.
 - *Community:* refers to donations to good causes, e.g. community groups, educational initiatives, sporting associations, youth groups, health programmes and the arts, as well as involvement in local development initiatives. This kind of corporate giving is often linked to marketing and branding.

It is furthermore important to note that these four practices are interconnected with one another. For example, the people that a company employ might, at the same time, be coming from the community in which the company has its operations and the environmental conditions under which they either live or work might have an impact on their health or

productivity. Similar applications are true about the products that a company manufactures or sells.

- *Sectorial focus* refers to the specific areas that a company selects to target its CSR initiatives on. From an *internal* point of view a company may choose to align its CSR focus with its core business and how it wants to interface with the communities in which it operates and does business with and from an *external* point of view a company may perceive areas of need in society from which the company will also benefit, should it decide to invest in the alleviation of such need. Combined together the internal and external considerations may result in CSR involvement in sectors such as education, health, environmental protection, infrastructure improvement, etc.

1.4 Composition of the report

The report consist of 4 parts, namely:

- **Part 1: Introduction and methodology**
Following this introduction, chapter 2 of the report offers a methodological overview, explaining the major tasks that had to be undertaken during the course of the mapping exercise, the criteria for interpretation and categorisation that had to be designed and the challenges and limitations that the research team had to cope with.
- **Part 2: Country reports**
The second section of the report incorporates the 12 country profiles with each country broadly covered in a three point framework, namely:
 - Factors defining the context for CSR
 - Role-players impacting on CSR awareness and advancement
 - Conclusions and recommendations
- **Part 3: CSR themes, recommendations and guidance notes**
 - The third section of the report is an abstraction of the dominant themes evolving from the country reports. This section serves as a funnel for generic information that can be translated into sensible intervention strategies, indicating what CCPS can do to extend the scope and impact of its CSR related work in the sub-Saharan region.
- **Part 4: Resources and base study project team**
 - The fourth section concludes the report with a list of additional resources and profiles of the base study project team.

1.5 Reading support

There is a logical sequence in how the report is constructed as illustrated in Figure 1. Part 1 sets the scene and offers the reader a framework to interpret the country reports with (presented in Part 2). Part 3 stretches back to Part 1 and utilises the methodological framework to come to sensible conclusions and recommendations regarding the country reports. It is therefore recommended that at least one country report be read with the two chapters from Part 1 as orientation framework. Should the reader then have an interest in the interpretation of the report in a broader sub-Saharan regional perspective and, in addition thereto, in the advancement of CSR through facilitated interventions, it is advisable to include the reading of Part 3 as well.

It is furthermore important to note that Part 1 of the report can be utilised for guidelines to develop CSR profiles of countries not listed in this report. For this purpose, Part 4 offers resources that can provide a starting point for data collection whilst Part 3 can be utilised to design realistic, facilitated interventions for such countries.

FIGURE 1: FRAMEWORK FOR READING SUPPORT

PART I	Introduction: Objectives, questions, terminology and composition
	Methodology: data collection, organisation and interpretation
PART II	Country reports: context for CSR, key actors impacting on CSR, conclusions and recommendations
	Countries: Cameroon, Ghana, Kenya, Liberia, Madagascar, Mozambique, Nigeria, Senegal, South Africa, Tanzania, Uganda, Zambia
PART III	Themes: What did the report say?
	Recommendations: What are the opportunities for CSR advancement?
	Guidance notes: How to lead CSR conversations and workshops?
PART IV	Additional resources: publications and internet resources

1.6 Disclaimer

A report of this nature is dependent on a variety of data sources. An effort was made to include current data on statistical figures and indices (i.e. for the period 2010 – 2012). This will get outdated with time and hence the reader is advised to check the websites from which the data and indices were obtained. It should furthermore be borne in mind that there is always the risk that hyperlinks which are active at the time of this writing might not function in few months from now.

Whilst a total of 17 authors from 12 countries contributed to this publication, thereby resulting in different styles of writing and citations, care was taken to be as correct and

consistent as possible with respect to references. However, in the editing process, exceptions were identified, some of which are due to authors' preferences for different reference methods. Hyperlinks to internet resources were tested as far as possible and where some were found to be wrong or broken they were corrected.

The review process for country profiles of the Francophone countries (Cameroon and Senegal) was done in the French language and the final report was translated back into English. Readers will, therefore, find many references to publications and internet resources to be in French.

Despite these caveats, the research team is nevertheless convinced that the report offers valuable insight into the state of CSR in the sub-Saharan Africa region combined with context relevant recommendations regarding the further advancement thereof.

1.7 The project team

Seventeen researchers contributed to the project. Broadly speaking the group consisted of the lead researcher and report editor, a South African team of three people and 13 country specialists (the review for Nigeria was done by two experts). The South African team laid the foundation with a desktop study for 29 sub-Saharan countries and created a meaningful and consistent report structure that could be used for all the countries in the sample. The 13 country specialists then used the same base structure and wrote the extensive country profiles that were finally taken up in the end product. A complete list of contributing authors is presented at the end of this publication (Notes on contributing authors).

1.8 References

Crane, A., Matten, D. & Spence, L.J. 2008. *Corporate Social Responsibility: Readings and Cases in a Global Context*. London: Routledge

GIZ. 2011. *Corporate Social Responsibility and International Cooperation: GIZ's Contribution*. GIZ

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Schwab, K. 2008. Global Corporate Citizenship: Working with Government and Civil Society. *Foreign Affairs*, 87(1), 107–118.

2 Methodological overview

2.1 Project management

The report was constructed in four phases. An initial project team of three people created a draft report covering 29 countries in the sub-Saharan region. The draft was thereafter discussed at various roundtable sessions to gain the feedback and recommendations of knowledgeable CSR practitioners. The third phase followed when country experts were requested to do detailed reports of 12 selected countries. Finally the end product was composed and edited into the current format.

From a project management point of view, the following actions guided the work that went into the project:

- The dissemination and translation of the initial TOR into the various categories of the study, cross-referencing the overall study objectives, guiding questions and sources of information to ensure the optimisation of data gathering for the mapping exercise;
- Research and data capturing, utilising the resources recommended in the TOR and others that came up for consideration during the course of the study, were aimed at mining as much relevant CSR related information as possible for each country in particular and the sub-Saharan region as a whole; and
- Interpretation of the data resulted from the research with a view towards prioritisation of what is important and categorisation according to emerging patterns and trends, keeping in mind specifically the overall objectives and guiding questions in the TOR.

2.2 Data collection

The first round of data that fed into this report was collected, collated and translated for the purposes of the mapping exercise from relevant publications, reports and internet resources.

In a second round, roundtable discussions were utilised to check the data for appropriateness and correctness. At these discussions some risks with respect to the project were highlighted, e.g. that some data may be outdated, that some important role-players in countries may have been omitted and that the project team may have missed out on identifying important developments or trends in some of the countries or failed in interpreting it correctly. In an effort to mitigate against these risks, 12 countries were identified for more substantial profiling and quality assurance and amendment of these reports were outsourced to country specialists.

For each of the 12 countries, the survey data has been obtained from the following perspectives:

- The political, economic and social conditions that frame the context within which CSR initiatives are conceptualised and implemented;
- The role of four broad categories of institutional actors, namely government, private sector, civil society organisations and academia, whose actions may all contribute to framing the boundaries and possibilities for CSR initiatives;
- Expressions of CSR through business initiatives that point towards preferences for philanthropy, CSI or strategic CSR;
- The extent to which CSR initiatives in business may be more narrowly or more broadly focused with respect to workplace, marketplace, environment and community oriented practices in combination with the nature of such initiatives, e.g. education, health-care, environment, etc.

2.3 Data interpretation

The major challenge in a report of this nature is not so much to find the data, but to organise it in a sensible framework so that it can be interpreted from a holistic and regional point of view and act as a guide for intervention strategies.

The study by Matten & Moon (2008) works with a question that is particularly appropriate for interpreting the data underlying this report: “Why do forms of business responsibility for society both differ among countries and change within them?” Matten & Moon then explore the influence of contextual factors, particularly those of national institutional frameworks, to determine how CSR is understood and practised in different countries. They argue that, “CSR is located in wider responsibility systems in which business, governmental, legal and social actors operate according to some measure of mutual responsiveness, inter-dependency, choice and capacity.” The factors that, according to them, influence the understanding of CSR in such a systems-sensitive approach are: the political system; the financial system; the education and labour system; and the cultural system. Because of the differences in how institutionalisation happens in different countries, one can accept that the understanding and expression of CSR vary from country to country.

A second dimension of Matten & Moon’s argument pertains to the changes that happen within a country and for an explanation they utilise insights from ‘new institutionalism’ and refer specifically to three aspects thereof, namely:

- **Coercive isomorphisms:** This refers to the influence of codes of conduct, standards and policies on CSR practices. On a global scale, we observe the influence of the UN Global Compact, the Millennium Development Goals, the Global Reporting Initiative

and ISO 26000 as examples. At a national level, many countries have laws, policies and industry standards exerting a similar influence.

- **Mimetic processes:** The reference here is to the role of best practices in business operations and the way in which they exert large scale influence across boundaries. In times of uncertainty and with pressure from stakeholders, business leaders may be keen to learn from how others have dealt with similar challenges. This holds true for CSR as well.
- **Normative pressures:** Such pressures exist where, for example, educational bodies (such as business schools) or industry and professional associations start including certain expectations and standards into their normal operations and expect from others to do so as well.

Although Matten & Moon is primarily interested in the differences between the USA and Europe with respect to how CSR gets expressed, their argument is valid for the countries in this survey sample as well. The report will highlight on the one hand the uniqueness of each country as determined by a variety of contextual factors, whilst, on the other hand, it will also offer insight into how CSR gains traction, albeit slow in most cases, due to the role of multi-national corporations, international development agencies and globally agreed-upon social and environmental codes, frameworks and models.

In the course of processing and interpreting the available data, it became evident that although CSR is conceptually embedded in the business domain, it is implemented within the broader social, economic and political context of a country or region. The agenda for CSR is therefore contextually shaped. The boundaries and possibilities of CSR are therefore not exclusively determined by business considerations. The public, civil society and academic sectors all exert influence on how the business sector shall understand its responsibilities towards the society in which it operates and does business with. The distinctive role of business is to create economic value for societal progress, but government defines the expectations and sets the standards of how business should conduct itself in doing so. At the same time, civil society organisations play an advocacy role and are watchful about the impact of business activities on society and the environment. Academia, through research and teaching, adds value in terms of responsible critique on business models and the impact of business operations and, in doing so, helps to shape the evolution of CSR.

The four societal sectors may therefore have different levels of interest in and involvement in how the CSR agenda evolves and develops in a specific country. Viewed from the perspective of business, this can be portrayed as shown in Table 1.

TABLE 1: SOCIETAL SECTORS' INFLUENCE ON CSR DEVELOPMENT

EXPRESSIONS OF CSR	PHILANTHROPY	CSI	STRATEGIC CSR
BUSINESS	CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education and healthcare.	CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.
GOVERNMENT	Where a country finds itself at a low base of economic and human development, little governmental attention seems to be spent on what companies do in strengthening the social sphere. Where a government has a more formal approach to the alleviation of social needs, development priorities are normally more clearly identified and social spending becomes more purposeful. The expectation is then that the business sector shall align its CSR activities with nationally identified development priorities. In an even more advanced stage, social and environmental legislation, policies and standards may become aligned with international best practice and standards for CSR are more diligently applied. Partnerships between government and business may even become valued as powerful instruments in the achievement of a more sustainable society.		
CIVIL SOCIETY	Civil society organisations (CSOs) may be loosely structured and working rather independently on societal issues and needs whilst soliciting funding from companies and donor organisations on an <i>ad hoc</i> basis. Alternatively they can be more structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public. Some CSOs even become serious stakeholders in the national discourse and policy making on ethical and developmental issues.		
ACADEMIA	CSR has only more recently become of academic interest and then also more so at business schools and in management education than at other academic faculties. However, where academia gets involved, its interest may include activities such as education, policy critique and research. In business education, attention to CSR may range between more eclectic approaches to ones where it is regarded as part of the core curriculum and therefore become thoroughly institutionalised. The more recent advent of global sustainability issues seems to beckon an invitation to various academic disciplines to contribute and collaborate in finding solutions to global challenges.		

This framework is applied in a threefold way in this project. It is firstly applied as an *interpretive* tool to make sense of the significant amount of information that is available per country. The aim is to determine, albeit subjective, the state of CSR understanding and implementation that the business sector in a specific country may have achieved. If we then accept that CSR in its variety of forms is a contextually determined expression of how

businesses understand and manage the sensitive interface between themselves and the communities within which they operate and do business with, then it also makes sense to accept that other role-players such as government, civil society and academia have co-determined to such a state of affairs and thus offering us a country profile to work with in terms of further CSR advancement interventions.

Following from the above, the framework is secondly applied to offer *recommendations* for CSR advancement in the countries under discussion. In the same way that CSR is a contextually determined expression of corporate citizenship, intervention and development is not to be seen as a series of disparate activities, but as a contextually relevant and systemic process of which the intention is to build capacity and create a climate conducive for corporate responsibility and sustainable economic progress. In the CSR study earlier referred to, five “leverage points for CSR transformation” were identified (GTZ, 2009:64 – 65), namely within companies, within broader business circles, between companies and governments, between companies and non-governmental stakeholders, and between companies and global role-players. This same approach is applied again in this report to offer indications as to what leverage points for CSR advancement may be considered for each of the countries involved.

Finally, the framework can be applied as a *development* tool to offer advice on the optimisation of a company’s CSR with respect to relevance and effectiveness. It helps a company to identify its current focus in CSR practice, or to broaden its response capacity with respect to CSR opportunities and challenges and to identify leverage points for multi-stakeholder approaches where a multiplicity of role-players may collaborate in developing relevant responses to social and environmental challenges. This will be further discussed in chapter 16 where some guidance notes for CSR development will be presented.

In what follows, the model will be applied per country to achieve the first two objectives discussed above, namely, to determine the state of CSR development and to suggest workable approaches for further CSR advancement. It will be done at the end of each country report where recommendations will be offered regarding suitable interventions and stakeholders to consider for further collaboration. It will be done in the format of CSR Country Maps as portrayed in Table 2 and 3. A composite picture of all 12 countries will be found in Table 45 and 46 in chapter 15.

TABLE 2: CSR COUNTRY MAP – LEVELS OF ENGAGEMENT¹

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	
ACADEMIA	There is no evidence of academic interest in CSR	
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	
BUSINESS	<i>Philanthropy</i> : CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	
	<i>CSI</i> : CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	
	<i>Strategic CSR</i> : CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

¹ This map will be applied and populated at the end of each country chapter. It will finally be applied to create the full sample profile in table 45.

TABLE 3: CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	
		CSR policy development	
		CSR skills development	
	Within broader business circles	Chambers of commerce	
		Learning forums	
		Industry protocols	
	Between companies and governments	National agenda for CSR	
		CSR standards and protocols	
		Public-private partnerships	
	Between companies and non-governmental stakeholders	Collaborative interventions	
		Social capacity building	
		CSR teaching and research	
	Between companies and global role-players	Participation in global forums	
		Application of international standards	
		International best practice case studies	

2.4 References

GTZ. 2009. *Corporate Social Responsibility in sub-Saharan Africa: A survey on promoting and hindering factors*. GTZ

Matten, D. & Moon, J. 2008. 'Implicit' and 'Explicit' CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of Management Review*, Vol. 33, No. 2.



PART II:

Country Reports

This part of the report contains CSR profiles of the following 12 countries:

- Cameroon
- Ghana
- Kenya
- Liberia
- Madagascar
- Mozambique
- Nigeria
- Senegal
- South Africa
- Tanzania
- Uganda
- Zambia

For each country a CSR profile is built with the following perspectives in mind:

- *Factors defining the context for CSR:* political, economic, social, environmental;
- *Role-players' impact on CSR awareness and advancement:* the international aid community, government, civil society, academia and business; and
- *Conclusions and recommendations:* a CSR country map and a set of recommendations for CSR advancement.



3 Cameroon

3.1 Factors defining the context for CSR

Political factors

Cameroon can be considered to be one of the most stable countries in the Central Africa region. But this stability only goes so far, as Crisis Group's reports show². In the early 1990s, Cameroon transitioned from being a de facto one-party state to a multiparty system. Twenty years on, however, the party in power – the Cameroon People's Democratic Movement (RDPC) – still dominates political life, holding a large majority in the National Assembly. The party's 'natural' candidate, Paul Biya, who has served as President of the Republic since 1982, also went on to win the 2011 presidential elections, gaining more than 70% of the vote.

Also at the political level, anti-corruption measures have been taken and efforts made to re-establish and modernise Elections Cameroon (ELECAM), the authority tasked with organising the management and supervision of both the election process and referendum. In 2005, Cameroon's government launched an anti-corruption campaign called '*Opération Épervier*' (Operation Sparrowhawk) to target embezzlement and the poor management of public funds by civil servants. As a result, several former managing directors of state-owned enterprises have wound up in prison for misappropriating public funds, although the whole exercise seems generally viewed to be highly politicised³.

Legislative and municipal elections have been postponed so the body in charge of elections, ELECAM, can deploy technology designed to ensure transparency and therefore restore confidence in the electoral process. However, the main opposition parties (including the Social Democratic Front, *Mouvement Progressiste* [Progressive Movement] and *Union Démocratique de Cameroun* [Democratic Union of Cameroon] among others) are unhappy about this approach to electoral reform and, in protest, refused to take part in the official National Unity Day parade on 20 May 2012.

As a member of the Economic Community of Central African States (ECCAS) and the Economic and Monetary Community of Central Africa (CEMAC), Cameroon favours greater regional integration. The secretariat of the Central African Forests Commission (COMIFAC), whose authority extends across ten Central African states, is based in the Cameroonian capital, Yaoundé.

2 'Cameroon: Fragile State?' Africa Report No. 160, 25 May 2010.

3 Cf. comments by Human Rights Defenders in Central Africa (REDHAC), [Online] Available: www.redhac.org/docs/SITUATION_GENERALEpartie2.pdf (in French)

Economic factors

Cameroon is today considered to be one of the most economically powerful states in Central Africa. Reunified in 1961⁴, the country's economy is endowed with one of Africa's largest reserves of raw materials. Most of these resources are unexploited and include timber, oil, gas, cobalt, nickel, iron, bauxite and diamonds. The country does, however, have to deal with the many problems that commonly affect developing countries, including: low per capita income, social inequality, high levels of corruption and a business environment that disadvantages enterprise⁵.

During the recession⁶, (the period from 1986 to 1993 during which structural adjustment plans were put into effect) essential monetary policy measures were put in place covering liquidity and mandatory minimum bank reserves to ensure a painless transition come the economic upturn. The success of these operations was modest given their associated negative social impact, which was widely condemned⁷.

Over the last three years, the gross domestic product has recorded growth nearing four per cent⁸. This is significantly higher than the population growth rate⁹ but is insufficient to reduce in any major way the high poverty levels or to significantly improve most people's living conditions. Around 40%¹⁰ of the population lives below the national poverty line and more than 17%¹¹ of Cameroonians live on less than one dollar a day. The unemployment rate, as defined by the International Labour Organization, isn't high (3.8% in 2010 according to Cameroon's National Institute of Statistics [INS]), which contrasts starkly with the rate of underemployment, standing at 70.4%. The most important economic sector is the primary sector, namely agriculture, animal husbandry and fishing. The 2011 Human Development Index ranks Cameroon 150th out of 193 countries.

Certain large semi-public firms have been privatised, such as the National Electricity Company (SONEL), which became AES-SONEL in 2001. The national airline, CAMAIR, was unable to secure sufficient investors and ceased all activity in 2008. A new national airline, called CAMAIR-CO, is now operational. The government dissolved the former public water company (Cameroon National Water Company) and created two new bodies, CAMWATER and the Cameroonian Water Company, using public-private partnerships.

4 Following the Second World War, the United Nations mandated control of Cameroon to Britain and France.

5 Strategy document for growth and employment. www.legicam.org/\index2.php?option=com_docman&task=doc_view&gid=223&Itemid=92 (in French).

6 Tsafack-Nanfosso R., 'Relations professionnelles et négociation collective au Cameroun', ILO, 2011.

7 Ibid.

8 World Bank – Cameroon Economic Update, Issue number 3, January 2012.

9 (Cameroon's) National Institute of Statistics, 'Autonomiser les femmes rurales pour éradiquer la faim et la pauvreté : que révèlent les indicateurs?', March 2012. http://www.indexmundi.com/fr/cameroun/croissance_demographique_%28taux_de_croissance%29.html; the population growth rate in 2011 was 2.121%.

10 Ibid

11 http://www.agirpourlesdesc.org/IMG/pdf_Rapport_alternatif_DESC_Cam_2011_final_fr.pdf (in French)

Major projects are now underway in Cameroon including, for example: infrastructure construction, such as Kribi deep-water port delivered in partnership with a Chinese company; and major mining projects like the cobalt and nickel mines in eastern Cameroon. These projects should contribute to promoting Cameroon's economic growth over the coming years.

To reduce youth unemployment, the Government recently recruited 25,000 young people into the civil service.

Societal factors

Current efforts to improve healthcare and education have helped increase school enrolment and literacy rates, with literacy rates for 15 to 24 year olds reaching 82%. However, the Millennium Development Goals (MDG) requires 100% literacy by 2015, a target that seems difficult to meet given persistent cultural constraints, which result in the under-enrolment of girls in northern Cameroon and Adamawa¹². However, the completion rate for primary education appears very high, reaching 82.9% in 2008–09. The Government has also stated with regard to the MDGs¹³ and extreme poverty reduction, that moving from 40% of the population currently living below the national poverty line to 25% by 2015 seems similarly unrealistic. On a similar note, a small improvement in maternal health is noticeable for the period 1998–2004 compared to 1991–1997. The proportion of women giving birth assisted by qualified personnel rose from 78.8% in 1998 to 83.4% in 2004. However, this figure fell to 58.9% in 2006 because of 'the weight of tradition and physical isolation, which are the main reasons to explain this phenomenon'¹⁴.

During the period 2008–10 'it was observed that half of all child deaths were due to malaria'¹⁵. This means that malaria is the main health threat in Cameroon, alongside HIV/AIDS, which has a stable prevalence rate of around five per cent (5.1% in 2008).

According to a civil society report on Economic, Social and Cultural Rights (ESCR)¹⁶, indigenous peoples' rights are heavily undermined by economic activity, including infrastructure construction and agro-industrial development. These peoples, who include the Pygmies and the Bororo, are classified as marginalised and it is them who have the greatest difficulty accessing education.

Corruption is very deep-rooted in Cameroon and civil servants and politicians have been charged with this offence. For example, a complaint lodged by civil society groups alleged

12 http://www.agirpourlesdesc.org/IMG/pdf_Rapport_alternatif_DESC_Cam_2011_final_fr.pdf, page 33.

13 MINEPAT and UNDP, National report on progress made on Millennium Development Goals, 2010.

14 Ibid.

15 Ibid.

16 http://www.agirpourlesdesc.org/IMG/pdf_Rapport_alternatif_DESC_Cam_2011_final_fr.pdf (in French).

that local politicians had embezzled public funds destined for a maize cultivation programme in order to create bogus farmers groups. This is just one example of how politicians are misappropriating funds allocated to the farming sector¹⁷. Cameroon is ranked 134th out of 183 countries in Transparency International's 2011 Corruption Perceptions Index¹⁸.

Although the socio-political situation remains questionable¹⁹ in more than one way, progress has been made in the fight against corruption²⁰, due in large part to the efforts of the National Anti-Corruption Commission (CONAC) and the Ministry in charge of the Supreme State Audit. However, these issues continue to be a cause for concern for Cameroon and, as in most other African countries, constitute major obstacles to achieving the Millennium Development Goals (MDGs)²¹.

The following key indicators from the Bertelsmann Transformation Index (BTI) 2012 give an overview of Cameroon's social conditions.

TABLE 4: OVERVIEW OF CAMEROON'S SOCIAL CONDITIONS

Population (mn.)	19.6	HDI	0.482	GDP per cap. (\$)	2290
Population growth (% p.a.)	2.2	HDI, ranked out of 187	150	Gini Index	44.6 ²²
Life expectancy (years)	51	UN Education Index	0.52	Poverty (%)	30.4
Urban population (%)	58.4	Gender Inequality Index (GII)	0.639	Aid per cap. (\$)	33.3

Source: <http://www.bti-project.org/home/index.nc>

Environmental factors

Cameroon contains vast areas of tropical forest, which are rich in tree species and are of vital importance not just for the country but also for the whole planet. These forests are also an important source of food and income for the country's population. Although laws have been adopted aiming to ensure safe and sustainable forestry, this sector remains the least regulated in Cameroon. The trade in 'bush meat' is a greater threat to wild animals

17 Ibid.

18 http://www.ti-cameroon.org/index.php?option=com_content&view=article&id=67%3Adeclaration-publique-de-ti-c-a-loccasion-de-la-publication-de-lindice-de-perception-de-la-corrup-tion-2011&catid=37%3Aactualite&lang=fr (in French).

19 <http://photos.state.gov/libraries/cameroon/231771/PDFs/2012cameroonhrreportfrench.pdf> (in French).

20 http://www.ti-cameroon.org/index.php?option=com_content&view=article&id=67%3Adeclaration-publique-de-ti-c-a-loccasion-de-la-publication-de-lindice-de-perception-de-la-corrup-tion-2011&catid=37%3Aactualite&lang=fr. The National Anti-Corruption Commission (CONAC) is the linchpin organisation in Cameroon's fight against corruption.

21 Cf. comments in the Strategy Document for Growth and Employment, p 32.

22 <http://www.statistiques-mondiales.com/cameroun.htm> (in French)

than deforestation.²³ The 2012 Environmental Performance Index (EPI) ranks Cameroon 112th out of 132 countries²⁴.

Summary: development issues

Ultimately, Cameroon faces many challenges, including:

- The need for administrative reform, as evidenced by the fight against corruption. The latter has deep roots in society and is also practised at most levels of government – a fact illustrated by the Cameroonian courts' sentencing of high-ranking officials for this very issue.
- The need to act more effectively against pandemics, such as HIV/AIDS (including improving access to medicines, researching poverty-related diseases, integrating people living with HIV into national and international companies) and malaria.
- The need to promote private investment by removing obstacles for business.
- The need to effectively protect the environment (including indigenous peoples, soils, water and basic necessities) and forest resources in particular.
- The need to create formal employment for young people as a measure to fight poverty, as set out in the Strategy Document for Growth and Employment (DSCE).
- The need to improve the legal framework regarding corporate social responsibility (CSR) to include all human rights in accordance with the guiding principles for transnational companies and human rights (as required by the John Ruggie framework).

The question is now to determine how these challenges are addressed by various stakeholders in the national development agenda and how they specifically register on the CSR profile of the business sector.

3.2 Role-players impacting on CSR awareness and advancement

The international aid community

The support provided by the international aid community in helping the country meet the objectives of its Strategy Document for Growth and Employment (DSCE) is vitally important and Cameroon maintains good relations with the international donor and

23 Corinne Marechal, "La gestion de la faune en dehors des aires protégées du bassin du Congo : la question des inventaires des grands mammifères dans les forêts aménagées" [Managing wildlife outside protected areas in the Congo Basin: the role of inventories for large mammals in managed forests], Department d'Etudes Africains (DEA) dissertation, 2006. This document discusses the survival of monkeys in commercial forests.

24 <http://epi.yale.edu/dataexplorer/tableofmainresults>

development community. Major international, bilateral and multilateral donors operate in Cameroon, including: the World Bank; the European Union; the African Development Bank; the French Development Agency; the German development bank group, *Kreditanstalt für Wiederaufbau* (KfW); GIZ; and the International Monetary Fund (IMF). Also present are a range of international non-governmental organisations, including the World Wide Fund for Nature (WWF), the International Union for the Conservation of Nature (IUCN) and CARE International.

Since the 1990s, a range of programmes supported by the IMF and the World Bank have been undertaken to promote business investment, grow agricultural productivity and improve trade and the banking system. The IMF requires further reforms focusing on transparency, privatisation and poverty reduction. The way donors operate also contributes to introducing CSR, as donors require funding recipients to respect their environmental and social policies, which are often rooted in international best practice (e.g. the International Finance Corporation [IFC], World Bank and African Development Bank). So companies benefitting from funding commit in principle to operating in accordance with their donors environmental and social practices, even within Cameroon. An example of this is the IFC's performance standards for environmental and social sustainability, effective from 01 January 2012.

China is carrying out a number of health and infrastructure projects in Cameroon and relations between Cameroon and the United States are relatively close. In its bilateral co-operation framework, the United States Agency for International Development is committed to delivering a number of programmes in Cameroon²⁵, primarily in the health sector.

France is Cameroon's principal development partner in terms of the level of financial support it provides. This financial support is delivered by means of Debt Reduction and Development Contracts (C2D). 'This entails revising the repayment dates for the debts Cameroon owes to France, which are refinanced through donations. Cameroon's C2D 2006 – 10 is one of the most important public development aid programmes ever signed by France and is the largest contract of its kind in Africa²⁶. A second C2D has been signed for the period 2011 – 16. The C2D operates in accordance with Cameroon's development priorities and the Millennium Development Goals and these are set out in framework document for France and Cameroon's partnership²⁷. It prioritises its operations in the following sectors:

25 http://www.cameroon-tribune.cm/index.php?option=com_content&view=article&id=68070:retour-annonce-de-usaid&catid=1:politique&Itemid=3#contenu (in French).

26 <http://www.ambafrance-cm.org/La-politique-francaise-de> (in French).

27 <http://www.ambafrance-cm.org/Les-activites-du-groupe-de-l-AFD> (in French).

secondary city urban infrastructures, agricultural and rural development, and professional training²⁸.

Germany is an important bilateral donor to Cameroon (and is the main partner in terms of new funding, i.e. new commitments) and has committed considerable funding over the last three years. One priority action area for development cooperation between the two countries is the sustainable management of natural resources and, in particular, of tropical forests, which play a very important role in protecting the world's climate. Germany also cooperates on health and good governance. KfW and GIZ – the ‘implementing agencies’ of the German Federal Ministry for Economic Cooperation and Development (BMZ) – are working together very closely on these areas.

Government

- **Strategic priorities**

The 2003 Strategy Document for Poverty Reduction (DSRP)²⁹ identified the priority actions areas as education, health, economic development, infrastructure provision and the sustainable use of natural resources. In 2009, the DSRP³⁰ was revised to adapt to the evolving overall conditions and the Strategy Document for Growth and Employment (DSCE)³¹ was produced. This focuses on reducing poverty to socially acceptable levels, becoming a middle-income country, gaining newly industrialised country status, strengthening national unity, and consolidating the democratic process.

The government communicated its ‘Vision 2035’ development strategy, with the first ten years of this strategy being set out in the Strategy Document for Growth and Employment. This strategy aims to stimulate employment and reduce poverty through job creation in the formal sector, which it will achieve by mobilising the resources of actors from the private, public and civil society sectors as well as technical and financial partners. A strategy document for Cameroon’s development partners is also in the process of being drawn up. Efforts to maximise non-oil revenues by expanding the tax base are essential. The government also intends to improve underlying processes, public expenditure and fiscal transparency.

The greatest socioeconomic challenges the government must tackle are the transition to a non-oil based economy and job creation, and growth rates must be increased if the necessary jobs are to be created.

28 <http://www.diplomatie.gouv.fr/fr/pays-zones-geo/cameroun/la-france-et-le-cameroun/visites-8403/article/ceremonie-de-signature-du-deuxieme> (in French)

29 <http://storage.canalblog.com/71/35/571910/39144062.pdf> (in French).

30 Ibid.

31 www.legicam.org/index2.php?option=com_docman&task=doc_view&gid=223&Itemid=92 (in French).

- **Legislation**

The Constitution of Cameroon was amended in 2008. Although there is no strategic framework or legislation governing CSR in Cameroon a number of related issues are addressed in laws that may be relevant to cite here. The workplace is governed by the Work Code of 1992. Environmental issues are regulated by several laws and codes, such as: the law on safety in modern biotechnology; the outline act on environmental management; the law governing forests, wildlife and fishing; the law to protect the national parks; the law governing water; and the law on plant protection products.

The country has set up a National Anti-Corruption Commission (CONAC), established by presidential decree no. 2006/088, to act as Cameroon's main corruption control agency. The agency comprises four stakeholder groups: the president, the coordination committee, the permanent secretariat, and the services group. Civil society members are meant to take part in the activities of the coordination committee, which, in principle, meets once a month. 'Commission members have access rights to all public, semi-public and private services so they can accomplish their missions³²'. CONAC published its first report for 2011³³, following its National Strategy to Fight Corruption³⁴. CONAC's mission, as defined in the presidential decree, is to: (1) monitor and evaluate the effective implementation of the government plan to combat corruption; (2) collect, centralise and utilise reported offences and information received regarding corrupt practices, deeds or acts and related offences; (3) to conduct studies or investigations and propose measures to prevent or curb corruption; (4) where necessary, to physically oversee project implementations and to evaluate the procurement standards for public contracts; (5) identify the causes of corruption and propose to the relevant authorities measures to eliminate corruption in all public and semi-public services.

Also of note are: Law No. 96/11 relating to standards; and Law No. 2002-004, amended by Law No. 2004-20 and by Order No. 2009/001 relating to the Republic of Cameroon's investment charter.

The National Commission on Human Rights and Freedoms (CNDHL) also contributes to progressing company commitments to workers' rights. It is 'an independent institution offering human rights consultation, observation, evaluation, dialogue, exchange, promotion and protection³⁵'.

- **Forums, working groups, networks**

In Cameroon, dialogue between the public and private sectors is conducted through the Cameroon Business Forum (CBF), which aims to support the government in its

³² http://www.conac-cameroun.net/fr/index_fr.php?pg=comite&link=tcomite# (in French)

³³ CONAC; Report on the Status of Corruption in Cameroon, 2011.

³⁴ CONAC, National Strategy to Combat Corruption, 2010

³⁵ http://www.cndhl.cm/index.php%3foption=com_content&view=section&id=4&termid=41&lang=fr

efforts to improve the climate for investment. The Forum falls under the authority of the Prime Minister and is supported by the private sector and technical and financial partners. Private sector representatives are not elected to participate in the Forum; instead they have a right to participate based on the positions they hold in employer organisations (the Chamber of Commerce of Industry, Mining and Crafts [CCIMA] and the Cameroon Inter-Employers Group [GICAM]). The IFC operated the CBF's technical secretariat from January 2009 to December 2011. The Forum holds a full meeting once a year but its technical and monitoring committees meet several times a year. There is also a Multi-Partner Committee (CMP), which is made up of different working groups, including health, public finance, gender, economy and trade. The Committee has a permanent secretary and each working group has a nominated leader. The subjects covered depend on the purpose of the group in question.

Civil society

Political decision makers fail to take civil society into account and are, in the main, indifferent to the role civic engagement can play³⁶. It should be pointed out, however, that members of parliament are taking ever-greater account of civil society organisations (CSOs)³⁷, setting store by their analyses and suggestions. So although there are a growing number of civil society organisations, these still wield little influence in national decision-making processes. For example, one can surmise from the way the Extractive Industries Transparency Initiative (EITI) operates that civil society representatives are unable to influence decisions taken by the committee.

- **National Non-Governmental Organisations (NGOs)**

National NGOs are working on different themes related to CSR. Certain NGOs are working on protecting the environment (e.g. the Centre for the Environment and for Development [CED]), others on the social and environmental impacts of sectors deemed to be particularly harmful (e.g. the Network Fighting Hunger in Cameroon [RELUF]). The following two NGO consortia are working on specific issues:

- Publish What You Pay Cameroon (PWYP) is a collaboration between several NGOs and monitors the extractive sector in Cameroon (<http://www.publishwhatyoupay.org/where/coalitions/cameroon>).
- PLANOSCAM is a national platform for civil society organisations in Cameroon. It brings together NGO networks to act as a single interlocutor for discussions with the government and other development partners. The NGO Collective for Food

³⁶ Input of civil society representatives to the Steering and Monitoring Committee (COS) for Debt Reduction and Development Contracts (C2D) – Cameroon, April 2010.

³⁷ Source: interview with a civil society official.

Security and Rural Development (COSADER), part of PLANOSCAM, also plays a key role in CSR-related matters.

- **International NGOs**

Two environmental protection NGOs are particularly active in Cameroon: the WWF and the International Union for Nature Conservation. These NGOs have developed numerous projects, which often involve partnership with business and relate to CSR. They play a dual role, acting as donors funding national NGO initiatives and as watchdogs that intervene directly, such as with IUCN's forest-related issues.

- **Faith-based organisations**

On 30 November 2011, the Christian Employers and Business Leaders Association (PA-DIC), which provides business chaplaincy services for decision-making executives and opinion leaders, organised a conference for its members to raise awareness about how CSR can benefit their activities.

- **The media**

The media is interested in the overall functioning of the economy and neither covers CSR per se nor understands it to any extent. However, articles on CSR themes are regularly published (e.g. the environment, social and economic issues)³⁸.

The higher education sector

There are currently six public universities in Cameroon: the University of Buea, the University of Douala, the University of Dschang, the University of Ngaoundéré, the University of Yaoundé I, and the University of Yaoundé II (the University of Yaoundé was split into two separate institutions in 1993 because of rising student numbers and the need to distribute higher-level education capacity more equally throughout the country). Furthermore, several private universities, technical and professional colleges, and a number of teacher training institutes have been set up in recent years.

Since 1990, a large number of new private institutions have appeared in five regions. These colleges' registration fees are significantly higher than those charged in the public system. These institutions offer short professional training programmes that are much sought after by students.

In 2009, the Catholic University of Central Africa (UCAC) put together a CSR introductory course for bachelor's degree students taking management studies. In 2011, a CSR introductory course was also launched for the master's degree in management studies. Since 2010, the Economic and Business Sciences Ecole Supérieure (ESSEC) has been raising student

³⁸ Example: Le Messenger No. 2864, Friday 29 May 2009.

awareness about CSR. Both these and other institutions are participating in the Citizen Act game, organised by the *Société Générale de Banques au Cameroun* (SGBC). UCAC also organised its first symposium on CSR in Cameroon in April 2011 (proceedings to be published). In 2009, ESSEC participated in the Club for Emerging Leaders in Africa³⁹, a process to evaluate CSR in Africa. In 2010, the Cameroon Institute of International Relations also launched an environmental management specialism for its master's degree in international cooperation, humanitarian action and sustainable development, which provides CSR-related learning.

The International Association of Students in Economics and Management (AIESEC) is the world's largest student association, serving as an international platform for young people to discover and develop their potential and have a positive impact on society. AIESEC is currently launching a project for Cameroonian organisations and students to foster an environment that favours learning and promotes sustainable development. To do this, the project offers foreign students (interns) the chance of an internship in a Cameroonian organisation. The internship aims to increase student awareness, and to explore strategy development and the implementation and evaluation of corporate social responsibility practices. At the same time, AIESEC will also prepare Cameroonian students for CSR-related internships abroad.

Multi-stakeholder initiatives⁴⁰

Table 5 describes some of the multi-stakeholder initiatives taking place in Cameroon:

TABLE 5: CAMEROON MULTI-STAKEHOLDER INITIATIVES

PARTNERS	OBJECTIVES
CENTRAL AFRICA FOREST AND TRADE NETWORK – WWF, GIZ, COMPANIES (INCLUDING TRC AND PALLISCO)	Sustainable management of forest resources Controlling illegal logging and the illegal trade in forest products Supporting responsible management and the certification of community forests
WWF, MTN (MOBILE PHONE COMPANY), LAFARGE⁴¹	Reforestation project in the Figuil Sahelian Zone in Mayo-Louti Department
CARE INTERNATIONAL⁴², SOMDIAA (AGRIBUSINESS)	Women's and child health in the Garoua region, northern Cameroon



39 http://www.rse-et-ped.info/IMG/pdf/Rapport_RSE_Club_of_Emerging_Leaders_for_Africa1.pdf

40 Note that, regarding all the projects described herein, we question the impacts these initiatives actually have on the sustainable development of the communities concerned.

41 <http://www.entreprise-citoyenne.com/2010/12/lafarge-cameroun-partenariat-avec-le-wwf-et-la-fondation-mtn.html>

42 <http://www.carefrance.org/?page=partenaire&id=75>

PARTNERS	OBJECTIVES
UNDP, IUCN	Cameroonian civil society's national platform for the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD) and climate change
MINISTRY OF FINANCE, NGOS, DEVELOPMENT PARTNERS, COMPANIES	Extractive Industries Transparency Initiative (EITI)
GIZ AND EXTRACTIVE INDUSTRY COMPANIES IN CENTRAL AFRICA	Development of common CSR standards for extractive industries

Business's response

We consider CSR to be closely linked to a company's core business. In other words, a company's CSR is embedded in its income-generating activities and the products it sells. Unfortunately, where Cameroon is concerned, these practices have yet to emerge, hence the reference to initiatives that are certainly positive but whose impacts are limited. For the most part, these initiatives continue to be seen as projects and the positive impacts they have on the population at large must still be ascertained by means of participatory evaluations.

CSR mainly seems to be promoted in Cameroon by large businesses. These companies contribute to CSR primarily through philanthropic projects in health, education, and poverty reduction. There are several examples of private sector involvement in development initiatives to create employment and generate sources of income. Given the sanctions handed out by Cameroon's Ministry of the Environment, Nature Protection and Sustainable Development⁴³ (MINEPDED) on 17 April 2012, and given our own observations, there is no evidence to suggest that private business is becoming more aware of Cameroon's environmental problems.

There are many human resource issues in Cameroon that relate to CSR and the many failings of Cameroonian employment law regularly grab the headlines⁴⁴. For example, the employees of the Cameroon Development Corporation (CDC) have been on strike for several months because of salary arrears. The unions are demanding higher minimum wages and the provision of social security for all workers (a social security law is currently being prepared)⁴⁵. They also decry the failure to implement legislation to ensure, for example, that certain employers respect annual holidays or membership of the National Social Security

43 <http://www.news.mboa.info/echos-des-ministeres/fr/politique/actualite/67636-pollution-le-mineped-sanctionne.html> (in French)

44 http://www.agirpourlesdesc.org/IMG/pdf/Rapport_alternatif_DESC_Cam_2011_final_fr.pdf

45 Interview with an official from the National Communications Union. Social security only covers around 10% of Cameroonian workers. Interview with an official from the Ministry of Work and Social Security.

Fund (CNPS). The Confederation of Public Sector Trade Unions (CSP) has complained that the contracts signed with C2D contractors⁴⁶ also fail to respect employment law.

Furthermore, the state's role is now being reduced as a result of the different reforms recommended by international financial institutions. Overall, the state has adopted a regulatory role and is steadily withdrawing from productive activity. More than anything, environmental and social legal obligations are not very exacting compared with international good practice. Companies therefore have much leeway when carrying out social engagement. This situation obviously needs to change: the Cameroonian State must become more demanding when it comes to social and environmental commitments. We believe that business has and will have a key role to play in delivering sustainable development and a green economy, as Cameroon's economy emerges up to and beyond 2035. For example, creating a high performing and responsible mining sector requires, in large part, the incorporation of social and environmental considerations into its practices.

This study has helped us identify specific sectors with potential environmental and social impacts, such as telecommunications, the extractive industries, forestry, agro-industry, and the infrastructure sector. Business can also play a leadership role at a national level (e.g. Alucam) – although, as we see it, those in leadership roles must set an example to others. And while there are instances of community-focused good practice being taken forward by companies, as it stands exemplarity appears to be lacking in the approaches of all the above-mentioned businesses, particularly in terms of the ISO 26000 standard. Indeed, the aforementioned companies often resist implementing Cameroon's statutory standards relating to socio-environmental and other issues.

Most large businesses (such as SGBC, Nestlé, Cam Iron, Alucam, MTN, Diageo, Rodeo, Perenco and Orange Cameroon) have undertaken discretionary measures to improve the living conditions of local populations. For example⁴⁷: AES-Sonel's partnership project, which aims to contribute to the sustainable development of the Massok-Songloulou and Pouma districts (partnership with GIZ's Decentralisation and Local Development Assistance Programme); the partnership between Total and GIZ to improve access to solar energy using a base of the pyramid approach; the partnership between the *Société Forestière et Industrielle de la Doumé* (SFID) and GIZ's Forest and Environment Sector Programme to produce charcoal using forest industry waste (March 2011 to December 2013) and thereby contribute to poverty reduction.

46 COS-C2D intervention, op.cit.

47 Most of these projects have yet to begin and their ultimate implementation must therefore be called into question.

Companies with a key role

Alucam (which processes bauxite into aluminium) is sometimes considered to be a CSR exemplar, due to the fact that its business strategy is based on its stakeholder relationships. It boasts a department for communications and local community relations, which has set up a stakeholder consultation programme in Cameroon's Edéa region. Their work comprises environmental as well as social initiatives.

Associations/professional bodies

In November 2011, the Cameroon Inter-Employers Group⁴⁸, the main national representative body for companies, organised a forum on CSR, which was attended by numerous companies.

Business Cameroon (ECAM) is a recently formed business association primarily targeting SMEs. It professes to be coordinating a training project for local SMEs on quality, which would serve as a perfect introduction to CSR.

The Business Council for Africa – Cameroon's (BCA) members include Hilton Hotels, British American Tobacco Cameroon, AES-Sonel, MTN, Standard Chartered Bank. It aims to help the government create a fair business environment and provides information to investors about the opportunities Cameroon offers. It is also working with GIZ on the 'Business Coalition against Corruption in Cameroon' project.

Existing forums, networks and initiatives

There are several forums in Cameroon that may be relevant to CSR including, for example:

- a project to rally businesses around the United Nations Global Compact, which was launched in 2009, but has seemingly failed to thrive under the auspices of MTN⁴⁹;
- a business partnership to develop the Sanaga Maritime district, begun in 2006, through which AES-Sonel and Alucam (an industrial company producing aluminium) are investing in education;
- a GIZ initiative aiming to develop CSR standards for extractive industries in a coordinated and participative way in Central Africa.

Summary: the nature and status of awareness about CSR and its implementation

It should be recalled that the development of the CSR landscape in Cameroon is still embryonic and dialogue about CSR has not yet really begun in the country. Most CSR activi-

⁴⁸ <http://www.legicam.org/> (in French).

⁴⁹ <http://www.unglobalcompact.org/system/attachments/4215/original/COP.pdf?1262614955> (in French).

ties are conducted in the form of philanthropy, with companies performing discretionary acts of charity, sometimes delivered by multinationals under the aegis of foundations. CSR target areas include health, education and poverty reduction.

Listed below is an overview of the actors shaping Cameroon's CSR landscape. If we understand CSR as the specific realm of business, the identification of actors with similar interests reinforces the idea that collaboration is necessary. For each of these actors, a brief description of their specific contributions is provided.

TABLE 6: CAMEROON CSR ACTORS AND INITIATIVES

ACTORS	INITIATIVES
PUBLIC SECTOR	<ul style="list-style-type: none"> • Priorities: transition to a non-oil based economy, privatisation, job creation, poverty reduction, combating corruption. • Legislation: environmental issues clearly take second place to economic and financial factors, as happens in the forestry and mining sectors. • African Parliamentarians' Network Against Corruption (APNAC): members of parliament uniting in their fight against corruption. • Parliamentarians' Network for the Sustainable Management of Forest Ecosystems in Central Africa (REPAR). • African Peer Review Mechanism: encourages compliance in respect of the values, codes and standards required of policy, the economy and corporate governance in African countries. It also promotes compliance with the socioeconomic development objectives of the New Partnership for African Development.
PRIVATE SECTOR	<ul style="list-style-type: none"> • Alucam: education, health, hygiene and drinking water. • GIZ Decentralisation and Local Development Assistance Programme (PADDL) and AES-Sonel: sustainable development in Massok-Songloulou and Pouma districts. • GIZ and Total: improved access to solar energy using a base of pyramid approach. • GIZ and SFID: using forest industry waste to produce charcoal.
GOVERNMENTS, DEVELOPMENT AGENCIES AND INTERNATIONAL PROTOCOLS	<ul style="list-style-type: none"> • Extractive Industries Transparency Initiative (EITI)⁵⁰: improving the transparency and responsibility of extractive industries. • Kimberley Process: certification of diamonds mined in Cameroon for introduction into the international supply chain. Cameroon is still in the process of accession to the Kimberley Process. • UNDP: priority areas are democratic governance, crisis prevention and recovery, energy and the environment, and fighting poverty.



50. <http://www.eiticameroun.org/> (in French).

ACTORS	INITIATIVES
LOCAL NGOS	<ul style="list-style-type: none"> • Centre for the Environment and Development⁵¹ (CED): monitoring the environmental and social impacts of the extractive industries in Cameroon. • Network Fighting Hunger in Cameroon⁵² (RELUFa): monitoring the environmental and social impacts of the extractive industries in Cameroon. • NGO Collective for Food Security and Rural Development (COSADER): this NGO is committed to producing a CSR status report on behalf of PLANOSCAM, with the support of the Francophone Africa Civil Society Organisations group. An action plan is currently being drawn up.
MULTI-STAKEHOLDER INITIATIVES	<ul style="list-style-type: none"> • Cocoa Livelihoods Program⁵³: a collaboration between the Bill and Melinda Gates Foundation, leading private-sector companies, the German Federal Ministry for Economic Cooperation and Development (BMZ) and GIZ to promote the competitiveness of African cocoa farmers and improve the incomes of West African growers. • Developing the Sorghum Supply chain in North Cameroon: improving smallholders incomes in northern Cameroon by boosting sorghum sales; training smallholders in more effective production methods; developing the supply chain to improve the management of inputs; and enhancing the management capacities of local producer groups. • Central Africa Forest and Trade Network: a collaborative group of international NGOs and businesses working on the responsible management of Central Africa's forests. • SeaWorld and Busch Gardens Conservation Fund and the Cameroon Sea Turtle Society: protecting green and leatherback turtle nesting sites that have been recently identified along the Republic of Cameroon's coast. • Cameroon Timber Sector Group (GFBC): fighting malaria, tuberculosis and HIV/AIDS in the workplace.
NETWORKS, FORUMS AND THINK TANKS	<ul style="list-style-type: none"> • Business Council for Africa – Cameroon: a coalition to combat corruption in Cameroon. • Cameroon Business Forum: works to improve the business climate. • Multi-Partner Committee: monitoring partners' development commitments in accordance with the Paris Declaration.

3.3 Conclusions and recommendations

Applying our interpretive framework delivers the following perspectives on the state of CSR in Cameroon:

⁵¹ <http://www.cedcameroun.org/index.php> (in French).

⁵² <http://www.relufa.org/programmes.htm> (in French).

⁵³ <http://www.worldcocoafoundation.org/what-we-do/current-programs/CocoaLivelihoodsProgram-summary.asp>

TABLE 7: CAMEROON CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	X
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	X
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	X
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	
ACADEMIA	There is no evidence of academic interest in CSR	
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	X
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	X
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 8: CAMEROON CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	X
		CSR policy development	
		CSR skills development	
	Within broader business circles	Chambers of commerce	
		Learning forums	X
		Industry protocols	
	Between companies and governments	National agenda for CSR	X
		CSR standards and protocols	
		Public-private partnerships	
	Between companies and non-governmental stakeholders	Collaborative interventions	
		Social capacity building	
		CSR teaching and research	X
	Between companies and global role-players	Participation in global forums	X
		Application of international standards	
		International best practice case studies	

In summary, CSR is nascent in Cameroon, and businesses primarily perceive and practice CSR as a form of philanthropy. Examples of corporate social investment are rare but the national climate is now right for a sustained commitment from business.

Consequently, at a micro level, we propose:

- Undertaking a detailed appraisal of CSR in Cameroon with the support of universities and business associations.
- Locally overseeing the improvement of quality processes in these ‘leading’ companies, taking them from the level of social investment to the level of strategic CSR. To effect this change, all stakeholders will require training in their value chains and in their industry (creating local CSR champions). The question of redistributing the wealth generated by multinational companies should also be addressed. Supporting local SMEs (using employers’ associations and CSR consultants) to enhance, as a first step, SME quality and health, safety and environment (HSE) processes as a prelude to tackling CSR.

- Strengthening community rights organisations, namely civil society. We feel that training civil society organisations in CSR issues, supporting them to develop a strategy for their own members, and building their capacities will raise society's expectations in Cameroon. CSR research proves that business voluntarism is prompted by social expectations that must be met or respected. Development partners might create independent funds (multi-stakeholder governance, transparent funding criteria, etc.) to support the CSR-related activities of civil society (unions, NGOs and the media).
- Incorporating CSR-related learning into all university and business school courses.
- Supporting the Cameroon Standards Agency (ANOR) to embed and implement the ISO 26000 standard.

At a macro level, we propose:

- Increasing corporate social and environmental obligations. These obligations should include state-administered checks and penalties.
- Revising legislation to prioritise environmental protection and actual adherence to all human rights as required by ISO 26000. Alucam's work in this area could form the groundwork for a much bigger CSR initiative to create a business association tasked with implementing the full ISO 26000 standard and raising awareness of the UN Guiding Principles on Business and Human Rights.

Finally, we recommend:

- **Initiating multi-stakeholder dialogue on CSR** (for example, an annual forum with action plans developed through participation and evaluated on the basis of selected indicators).
- **Multi-actor partnerships**: collaboration between GIZ and academic institutions to evaluate potential CSR-related partnerships with business (and to develop a forum for NGOs and business).
- Creating a **national watchdog for social and environmental business practice** similar to the Corporate Social Responsibility Observatory (ORSE) in France (multi-stakeholder governance).

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⁵⁴ The references listed here are in addition to references quoted in the footnotes in this chapter.





4 Ghana

4.1 Factors defining the context for CSR

Political

The first African country to gain independence from European colonial rule in 1957, Ghana is a country that, despite enjoying the fruits of a robust democracy with accompanying economic and social reform, faces immense structural challenges and continual questions of the sustainability of its economic growth. Since 1992, Ghana has held five successful multiparty elections, with the sixth set of Presidential and Parliamentary elections scheduled for December 7, 2012. The peaceful transfer of power from the government of the New Patriotic Party (NPP) to the National Democratic Congress (NDC) following national elections in December 2008 clearly demonstrates how far Ghana has travelled along the path towards democratic consolidation over the past decade. Beyond successful elections, Ghana has made appreciable progress in institutionalising multiparty democratic governance within the framework of the 1992 Constitution. To date, there is considerable evidence of political liberalization which allows Ghanaians to enjoy a much wider range of rights and liberties, as well as the emergence of a vibrant civil society and a free and independent media that increasingly hold government accountable on behalf of citizens. Indeed, with these significant developments, Ghana's democratization has been touted as one of the political success stories in Africa (Gyimah Boadi 2008; Whitfield and Jones 2008:1; Ninsin 1998). The country is nevertheless respected for its political stability, especially for the way in which it dealt with the narrow election victory of president John Atta Mills in the 2008 election. The country's constitution came into force in January 1993 and was amended in December 1996.

Economic

Ghana is well endowed with natural resources and the economy is diversified to include agriculture, mining, services and manufacturing. Oil, gold, cocoa and timber are all important trading commodities. It is expected that economic growth will increase around these activities resulting in pressure on the country's environment and physical and social infrastructure. In parallel to this the financial, banking, telecom and retail sectors are also expected to grow together with increased urbanisation and an increase in the middle-income group consumer, in turn putting pressure on infrastructure, and government service delivery.

Ghana's economy has seen a significant growth in real GDP from 4.0 per cent in 2009, to 7.7 per cent in 2010 and 13.6 per cent in 2011, making Ghana one of the fastest growing economies in the world in 2011 (Banker Magazine, July 2011). The World Bank reported in 2010 that the economy will decelerate from a projected value of 14.4 percent to 7.5 percent in 2012 (World Bank, 2010). The reports also indicated that the growth in 2011 was

primarily driven by the revised GDP in the oil sector, construction, transport, and ICT. Agriculture, particularly cocoa attained the projected 1.0 million tons ahead of the 2012 schedule (MoFEP, 2012). In the poorest regions of the North, rapid maize and rice production growth continued to be recorded (World Bank, 2010). In 2011 private investment in extractive industries and construction and exports of goods and services were the main drivers of growth in the Ghanaian economy. Export receipts increased by 61 percent due primarily to increased production of cocoa and the new oil exports. Gold receipts also increased due to rising international prices for the commodity although production levels in 2011 remained unchanged (World Bank, 2011).

With a projected real GDP growth of 13.4% in 2011, Ghana is envisaged to be the fastest growing economy in sub-Saharan Africa, propelled mainly by the commencement of oil exports (Global Economic Prospectus, 2011). Growth in the medium term will be driven by the nascent oil sector with production expected to average 120,000 bpd, with the possibility of higher output as recent new discoveries also come on stream. Further, increased investments in the gold mining industry and productivity gains in its cocoa sector should further boost export revenues. Thanks to increased business confidence, the services sector will continue to see strong inflows of private investments, particularly in the construction and telecommunications sector, thereby lending further support to growth. However, increased macroeconomic instability remains a downside risk (Global Economic Prospectus, 2011).

Social

The following key indicators from the Bertelsmann Foundation's Transformation Index put social conditions in Ghana in context:

TABLE 9: OVERVIEW OF GHANA'S SOCIAL CONDITIONS

Population (mn.)	24.4	HDI	0.541	GDP p.c. (\$)	1690
Pop. Growth (% p.a.)	2.4	HDI rank of 187	135	Gini Index	42.8
Life expectancy (years)	63	UN Education Index	0.574	Poverty (%)	53.6
Urban population (%)	51.5	Gender Inequality Index (GII)	0.598	Aid per capita (\$)	66.4

Source: <http://www.bti-project.org/home/index.nc>

Ghana is viewed as a role-model for making a successful transition to democracy, relative political stability and significant economic reforms. Compared to many other countries in the sub-Saharan region, Ghana has made improvements in occupational health and safety in the extractive sector, improvement in educational provision and school enrolment (The World Guide to CSR, 2010). Also the establishment of a National Health Insurance Scheme in 2003 by the National Health Insurance Act, 2003, Act 650 was aimed at improving fi-

nancial access of Ghanaians, especially the poor and the vulnerable, to quality basic health care services.

Ghana has also made substantial progress towards the achievement of its Millennium Development Goals. On MDG 1 target 3, available data and trend analysis of the various child malnutrition indicators shows that, Ghana is on course to achieving two out of three child malnutrition indicators ahead of 2015. The indicator of reducing by half the proportion of children who are underweight has already been achieved ahead of 2015. Also, available data and trend analysis on MDG 2 of achieving universal primary education show that Ghana is on track to achieving by 2015. The number of schools and enrolment rates has increased tremendously over the years due to various reforms and new policy measures instituted by the government. With regards to MDG 3 although evidence shows that there has been significant reduction in both infant and under-five mortality rates in Ghana, it is unlikely that the 2015 target of reducing the child mortality rates will be met unless coverage of effective child survival interventions is increased (NDPC, GoG, UNDP, 2010).

Ghana also achieved progress in the area of governance and ethics. In comparison to the majority of African countries, Ghana is rated relatively favourably by Transparency International's CPI (Corruption Perception Index), i.e. 3.9 in 2009, 4.1 in 2010 and 3.9 in 2011. The only other African countries performing better are Botswana, Mauritius, Rwanda and South Africa (www.transparency.org).

Environmental

Ghana is endowed with abundant natural resources which have played very important roles in the agricultural, industrial, economic and social development efforts of the country. However, as a result of incessant exploration of these natural resources to meet the legitimate socio economic aspirations of the people, adequate care has often not been taken to guard against the depletion and mismanagement of the resources (National Environmental Policy, 2010). The exploration, extraction and processing of mineral resources are activities widely regarded as one of the most environmentally and socially disruptive undertaken by business (Peck & Sinding, 2003). Warhurst, (2001) observes that many of the environmental disasters and human rights incidents that have contributed to the growing public concern about the actions of companies over the last 40 years have taken place in the extractive industries. Ghana's environmental issues have received attention through for the development of legislation, and some effort from mostly multi-national mining businesses (The World Guide to CSR, 2010). The principal challenge confronting the environmental management process in Ghana is the ineffective enforcement of the policies and laws that exists to achieve the desired results (National Environmental Policy, 2010). Yale University's Environmental Performance Index (EPI) Pilot Trend for 2012 grouped Ghana under the "weak performers" category with a score of 47.5 out of 100 (<http://epi>.

yale.edu/). The two most pressing environmental concerns according to this assessment were: (a) environmental health (especially water effects on human health); and (b) ecosystem vitality (fisheries, forests and water resources) (*Ibid.*).

Summary: Development challenges

Ghana's economy is facing some challenges, i.e. macroeconomic imbalances in particular, which need to be addressed in a sustainable way to pave the way for the use of new oil funds to help accelerate development. The advent of new oil revenue reinforces the need for continuous progress on governance and transparency, particularly with growing civil society engagement in the country's nascent oil and gas industry (World Bank, 2010). Ghana seems to do relatively well in political, economic and social terms. The country is making progress with its development challenges, pushing it into quite a different league, namely to consider the sustainability dimensions of its progress on various fronts. Another challenge Ghana faces is in the area of access to water. The Ghana Water Company Limited, the main national utility in charge of the supply of potable water to urban dwellers in Ghana, has set a target of achieving 85% coverage by 2015. As at the end of 2009, the company had achieved 59% coverage. The Community Water and Sanitation Agency has also set a target of 76% drinking water coverage for rural and small town dwellers by 2015. The Agency had achieved 58.97% as at the end of 2009. Based on this information, the overall national coverage as far as the two main sector agencies in charge of drinking water supply are concerned is estimated at 58.98% as at the end of 2009 as against a national target of 79.8% (MWRWH, 2009).

To tackle this challenge and to achieve 65.8% rural water coverage, government initiated the drilling of 670 boreholes and 20 hand-dug wells which are about 90 per cent complete. Also the small towns' "water system in Asante Akim South Dampong was completed while Afigya Kwabre system Ankase, Ejuratia and Mpobi is about 85 per cent complete. In addition 9 hand-dug well facilities were constructed in Atwima Mponua and Sekyere South Districts (MoFEP, 2012).

4.2 Role-players impacting on CSR awareness and advancement

International aid

Ghana's success has attracted international attention and with that came foreign investment and donor development funding.

- **Governments**
 - The German Development Cooperation with Ghana fosters the development of markets, products and services to help eliminate structural weaknesses and to

build capacity to support the development of micro, small and medium-sized enterprises (MSMEs). This work takes place in close cooperation with business associations, ministries and district administrations. Improved access to financial services – e.g. in the form of micro-loans – is another priority of cooperation. Similarly, German development cooperation promotes Ghana's efforts in decentralization by focusing primarily on the following aspects: supporting PRSP implementation, poverty-oriented decentralisation and local development, improving legal security by means of legal reforms, e.g. through support for the land authority, promoting civil society and enhancing the performance capacity of administrative bodies. Also German Development Corporation is involved in agriculture as a priority area is to enable farmers to raise their production beyond the level of subsistence farming and generate an income, thorough the provision of extension services to farmers in order to improve the production and marketing of their products. Other areas of corporation between the German assistance included; rural infrastructure expansion, integration of production chains (i.e. better coordination of the work of farmers, traders and processing firms), and Long-term purchase agreements between small farmers and traders in primary products.

- The Government of Ghana has sourced a US\$3.0 billion loan facility from China Development Bank (CDB) to be utilized to reduce the infrastructural deficit of the country. Specific projects identified to be funded include: Accra Plains Irrigation Project; Coastal Fishing Harbours and Landing Sites Project; Tema-Akosombo-Buipe Multi-modal Transportation Project; Western Corridor Gas Infrastructure Project Helicopter Surveillance Fleet for Western Corridor “Oil Enclave”; Development of ICT Enhanced Surveillance Platform for Western Corridor “Oil Enclave”; Western Corridor “Oil Enclave” Road Re-development Project; Western Railway Line Modernization (2012 Budget Statement MoFEP, 2012)
- The Japanese government has provided a grant of \$12.4 million for the government of Ghana for the construction of health facilities and the provision of medical equipment to enhance healthcare delivery in the Upper West Region. It has also released \$1.4 million as scholarships for the youth of Ghana under the Japanese Grant Aid for Human Resource Development Scholarship. The health grant will be used for the construction of 73 Community-based Health Planning and Services (CHPS) infrastructure and the procurement of the necessary equipment for 80 CHPS compounds in the Upper West Region (Daily Graphic, 2012).
- In partnership with the Economic Development Co-operation Fund (EDCF) of Korea, a 122 million-dollar loan facility has been granted to Ghana to executed two major projects to accelerate the growth of the country. Specifically, the credit facil-

ity will be used for the execution of the proposed Wa Water Supply System Development and the Prestea-Kumasi Power Enhancement Project at 55 million dollars while that of the electricity is valued at 67.2 million dollars (GoG, 2012).

- The UK government is to give Ghana 36 million pounds of UKaid from the Department for International Development (DFID) to support the country's budget. The money will be coordinated through the Multi-Donor Budget Support (MDBS) mechanism with 10 other development partners. This UKaid support will help an estimated 3,000 women to give birth under the care of a skilled birth attendant; 5,000 children will be immunized against measles; 5,000 pupils will complete primary school and 33,000 children will enrol in primary school of which 6,500 to be in primary grade-one (GoG, 2012).
- **Development agencies**
 - **The World Bank:** identified the most pressing sectorial issues as the delivery of infrastructure services with a specific focus on restoring and expanding power supply capacity and realigning power sector utility tariffs.
 - **GIZ:** GIZ implements programmes and projects on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), and has maintained an office in Accra since 1983. As agreed by the German and Ghanaian governments, GIZ's activities currently focus on three priority areas agriculture, sustainable economic development, and good governance. In addition, GIZ supports the Kofi Annan International Peace Keeping Training Centre (KAIPTC), the Ghanaian financial administration (<http://www.gtz.de>).
 - **United States Agency for International Development [USAID]/Ghana:** Working together with government of Ghana to increase employment opportunities and income levels for poor Ghanaians; improve delivery of health service at the community, district, and regional levels; increase the percentage of children completing basic education and improve the quality of instruction; and, strengthen the capacity of Ghana's local governance institutions to plan for development, increase revenue, and seek input and respond to citizen needs concerning the delivery of services.
 - **Japan International Cooperation Agency [JICA]:** JICA's activities in Ghana encompass: Education; Health; Governance; Private Sector Development; Agricultural and Rural Development; and Natural Environment Conservation (<http://www.jica.go.jp/ghana>)

- **Department for International Development (DFID):** DFID, support to Ghana is aimed at consolidating recent achievements, deliver further results for poor people, and help to lay the groundwork for graduation from aid in around 10 years. DFID in Ghana has two cross-cutting priorities: women and girls and growth and poverty reduction in the Northern part of Ghana. In collaboration with the Government of Ghana, private sector, NGOs, the United Nations and other development partners seek to invest in programmes to tackle malaria, maternal health and family planning, and education quality. It also will work with various organisations in Northern Ghana, including the Government-established Savannah Accelerated Development Authority (SADA), using challenge funds and results-based financing to increase innovation and competition. DFID will also work with businesses on economic growth in Northern Ghana and on Ghana's overall competitiveness.

Government

- **Strategic priorities:**
 - Over the years, successive governments have provided Medium-Term National Development Policy Frameworks to guide the preparation and implementation of Sector and District Development Plans aimed at reducing poverty and improving the social wellbeing of the people. The Ghana Poverty Reduction Strategy (GPRS I) and the Growth and Poverty Reduction Strategy (GPRS II) were implemented. To ensure continuity in the development process and to provide a successor to the GPRS II, the current government initiated a process in 2009 to formulate a medium term national development policy framework. Ghana Shared Growth and Development Agenda (GSGDA), 2010 – 2013, was developed to achieve and sustain macroeconomic stability while placing the economy on a higher path of shared growth, and poverty reduction. In the medium-term, the strategic direction is to lay the foundation for the structural transformation of the economy within the decade ending 2020, through industrialization especially manufacturing, based on modernized agriculture and sustainable exploitation of Ghana's natural resources, particularly minerals, oil and gas (NDPC, 2010).
- **Legislation:** A whole collection of acts sets the scene for the country's development path:
 - **Children Act No 560 (1998):** An ACT to reform and consolidate the law relating to children, to provide for the rights of the child, maintenance and adoption, regulate child labour and apprenticeship, for ancillary matters concerning children generally and to provide for related matters.

- **Human Trafficking Act (2003):** An ACT for the prevention, reduction and punishment of human trafficking, for the rehabilitation and reintegration of trafficked persons and for related matters.
- **Environment Protection Agency Act (1994):** An Act to Amend and Consolidate the Law Relating To Environmental Protection, Protection, Pesticides Control and Regulation and For Related Purposes.
- **National Pensions Act 766 (2008):** An ACT to provide for pension reform in the country by the introduction of a contributory three-tier pension scheme; the establishment of a **National Pensions** Regulatory Authority to oversee the administration and management of registered pension schemes and trustees of registered schemes, the establishment of a Social Security and National Insurance Trust to manage the basic national social security scheme to cater for the first tier of the contributory three-tier scheme, and to provide for related matters (Pension Act, 2008).
- **National Health Insurance Act 650 (2003):** An ACT to secure the provision of basic healthcare services to persons resident in the country through mutual and private health insurance schemes; to put in place a body to register, license, and regulate health insurance schemes and to accredit and monitor healthcare providers operating under health insurance schemes; to establish a National Health Insurance Fund that will provide subsidy to licensed district mutual health insurance schemes; to impose a health insurance levy and to provide for related matters.
- **The PURC Act (Act 538) 1997,** An ACT to regulate and oversee the provision of utility services by public utilities to consumers. It is an independent body with the power to protect the interest of both the utility and the consumers.
- **The Audit Service Act 584, (2000),** spells out the responsibility of the Auditor-General (AG) for the audit of the public accounts, the time frame for doing this and the scope of the audit. The focus is on whether accounts have been properly kept, rules and procedures followed, moneys expended for the appropriate purposes records maintained, assets safeguarded, and financial business conducted with due regard to economy, efficiency and effectiveness. The AG is required to check that annual accounts are in accordance with government accounting policies, and comply with best international practice. The AG report is published when it is presented to the Speaker and laid before Parliament
- **Public Procurement Act 663, (2003)** established the Public Procurement Bureau and the five basic pillars of public procurement [World Bank 2003]: (1) comprehensive, transparent legal and institutional framework; (2) clear and standardized

procurement procedures and standard tender documents; (3) independent control system; (4) proficient procurement staff; and (5) anti-corruption measures.

- **Financial Administration Act 654, (2003)** regulates the financial management of the Public Sector; it prescribes the responsibilities of persons entrusted with financial management in the government and ensures the effective and efficient management of state revenue, expenditure, assets, and liabilities, resources of the government, the consolidated fund and other public fund and to provide for matters related to these.
- **Whistleblower Act 720, (2006)** allows a Whistle blower to disclose the misuse of public funds to specific groups including police officers, Member of Parliament, traditional chief, etc. The recipient of the information must investigate the matter or refer it to the Attorney General or another body as directed by the attorney general. The whistleblower is not liable to civil or criminal proceedings in respect of the disclosure.
- Others include: National Vocational and Training Act, no 351 (1997), Free Zone Act (1995), Criminal Code (amended) Act (1996), Commission on Human Rights and Administrative Justice Act, no 456 (1993), Environment Assessment (amended) Act 2002, Labour Act no 651 (2003).
- **Forums/Workgroups/networks:**
 - **The government established the Ghana Investment Promotion Centre** as an initial point of contact for investors in an effort to improve conditions for investors. As a government agency, it's re-established under the Ghana Investment Promotion Centre Act, 1994 (Act 478): gave it the mandate to encourage, promote and facilitate investments in all sectors of the economy except mining and petroleum. (<http://www.gipcghana.com/>)
 - **African Peer Review Mechanism (APRM):** The APRM was initiated in 2002 and established in 2003 by the African Union in the framework of the implementation of the New Partnership for Africa's Development (NEPAD). The objectives of the APRM are primarily to foster the adoption of policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated sub regional and continental economic integration through experience sharing and reinforcement of successful and best practices, including identifying deficiencies and assessment of requirements for capacity building. Ghana was the first African country to successfully complete the review (<http://aprm-au.org/about-aprm>)

- **Kimberley Process (KP):** joint governments, industry and civil society initiative to stem the flow of conflict diamonds. The Process started when Southern African diamond-producing states met in Kimberley, South Africa, in May 2000, to discuss ways to stop the trade in 'conflict diamonds' and ensure that diamond purchases were not financing violence by rebel movements and their allies seeking to undermine legitimate governments. In December 2000, the United Nations General Assembly adopted a landmark resolution supporting the creation of an international certification scheme for rough diamonds. By November 2002, negotiations between governments, the international diamond industry and civil society organisations resulted in the creation of the [Kimberley Process Certification Scheme \(KPCS\)](#). The KPCS document sets out the requirements for controlling rough diamond production and trade. The KPCS entered into force in 2003, when participating countries started to implement its rules (<http://www.kimberleyprocess.com>).
- **Ghana Extraction Industries Transparency Initiative (GHEITI):** coalition of governments, companies, civil society groups, investors and international organisations, sets a global standard for transparency in oil, gas and mining (<http://www.geiti.gov.gh/site/>)
- **African Parliamentarians' Network against Corruption (APNAC):** Africa's leading network of parliamentarians working to strengthen parliamentary capacity to fight corruption and promote good governance (<http://www.apnacafrica.org>)
- **Ghana Integrity Initiative:** Ghana Integrity Initiative (GII), is the local chapter of Transparency International (TI), GII was launched in December 1999 as a non-partisan, non-profit civil empowerment organization focused on the delivery of essential themes necessary for the creation of a National Integrity System (<http://www.tighana.org>).
- **Ghana Oil Club:** Its aim is to create a national forum to engage the petroleum and energy sector professional on the legal, economic, industrial, technological and political aspects of petroleum and other energy resources (<http://ghanaoilclub.org/>).
- **Water-for-People:** an international, non profit humanitarian organization that focuses on long-lasting, safe drinking water resources and improved sanitation facilities in the developing world (www.waterforpeople.org)
- **The World Cocoa Foundation:** promotes economic and social development and environmental stewardship in 15 cocoa-producing countries around the world and actively supports a range of farm-level programs harnessing sustainable agriculture practices to improve the quality of life for the millions of smallholder farmers growing this unique crop. (<http://www.worldcocoafoundation.org>)

- **Third World Network-Africa:** research and advocacy organisation to promote protection of rights of marginalised social groups, building capacity and networking with civil society groups, lobbying for government policies on development and environmental protection issues (<http://twnafrica.org/>).

Civil society

The Civil Society Index (CSI) in Ghana was implemented between 2003 and 2006, presenting a structure for citizen participation at the community level. Financial resources are limited and the sector is heavily dependent on foreign funding. CSI findings indicate, and communities share the view, that civil society has made a more significant contribution than government towards the empowerment of women, children and disabled people, and the provision of basic services to local communities (www.civicus.org).

Notable Civil societies in the context of CSR include: Ghana Association of Private Voluntary Organisations in Development [GAPVOD]; Action Aid International Ghana's Country Programme [AAIG]; Ghana Extractive Industries Transparency Initiative [GAEITI]; Ghana Anti-Corruption Coalition [GACC]; International Cyanide Management Institute [ICMI]; Wassa Association of Communities Affected by mining [WACAM].

Academia

Until now Ghana's academia had played a limited role within the CSR landscape; however the University of Ghana Business School has introduced a course in corporate social responsibility (*Social Responsibility and Ethics*) as a second year (level 200) course in the undergraduate business administration degree programme. The course attempts to answer the question of what should be the relationship between global corporations, governments of countries and individual citizens. Students are expected to gain knowledge in CSR through topics like principles of CSR, Stakeholders and the social contract, globalization and CSR, etc (Undergraduate Student Manual, 2011 – 2012). At the postgraduate MBA level, the University of Ghana Business School has introduced a course titled *Corporate Social Responsibility and Occupational Safety and Health Management*. The course is expected to raise awareness and train business managers on the importance of occupational Safety and Health in business and how corporate responsibility can play a significant role in this context. Course topics include: business ethics, strategies for CSR, corporate governance and social responsibility, occupational health and safety and the law, etc. Another example found of academia involved in CSR research studies was the "Mapping Sustainable Production in Ghanaian Cocoa Production" (August 2008) by the Institute of Development Studies and the University of Ghana.

An agreement between the University of Ghana Business School and the Center for Cooperation with the Private Sector (CCPS) at GIZ has led to the establishment of the Centre

for Corporate Responsibility (CCR). The CCR was set up with the aim of mainstreaming corporate responsibility in Ghana. The CCR operates in six thematic areas: Streamlining Corporate Responsibility into Business Operations; Business and human Rights; Business and the Environment; Anti-Corruption, Transparency & Business Ethics; Partnerships in Local Supply Chains; Promoting/Supporting & Hindering Factors for CCR Reporting and Disclosure.

Multi-stakeholder initiatives

- The **Cocoa Livelihoods Program**: managed by the World Cocoa Foundation and implemented through a consortium of five organizations including Agribusiness Services International (ASI) an ACDI/VOCA affiliate, Deutsche Gesellschaft für Technische Zusammenarbeit (GIZ) GmbH, the International Institute of Tropical Agriculture (IITA)/Sustainable Tree Crops Program (STCP), SOCODEVI and Techno Serve. (<http://www.worldcocoafoundation.org>)
- **Cadbury Cocoa Partnership**: includes UNDP, local governments, farmers and communities, aims to secure the economic, social and environmental sustainability of cocoa farmers and their communities (<http://www.innovation.cadbury.com>).
- **New Partnership for Africa's Development (NEPAD) e-school initiative in West Africa**: The NEPAD e-Schools Initiative has been adopted as a priority continental undertaking aimed at ensuring that African youth graduate from African schools with the skills that will enable them to participate effectively in the global information society. The aim of the initiative is to impart ICT skills to young Africans in primary and secondary schools as well as harness ICT technology to improve, enrich and expand education in African countries (<http://www.eafricacommission.org>).

The business response

In general CSR activities in Ghana businesses seem to focus on education, health, community development, sport and philanthropic needs, with a more recent effort to address environmental damage. The major rationale for CSR in business continues to be the improvement of the image of the company and to engage in socio-economic development of key stakeholders through education and health initiatives. Multi-national companies seem to have a more strategic approach to CSR, whereas regional and local companies seem to have a more ad hoc and philanthropic approach.

Sectorial legislation regulating CSR activities is limited, for example the Minerals and Mining (Amended) Act of 1994 (Act 475) and the Minerals and Mining Bill of 2005 (Act No. 703) are both silent on the social responsibility of mining companies towards the communities in which they operate. Mining Companies are therefore not bound by law to Imple-

ment CSR activities in the country, and CSR activities are undertaken more in response to moral convictions. However, there are several laws and legislative instruments that seek to regulate activities in several sectors. For example:

Mining Sector: There are a number of mining related laws and regulations that have been put in place to promote and regulate the extraction and marketing of various minerals in the country. The laws that regulate mining in Ghana include the following: The 1992 Constitution, the Minerals and Mining Act, 2006 (Act 703), Minerals Commission Act, 1993 (Act 450), Additional Profits Tax Law, 1985 (PNDCL 122), Gold Mining Products Protection Ordinance, 1909 (Cap 149), Mercury Law, 1989 (PNDCL 217), Precious Minerals Marketing Corporation Law, 1989 (PNDCL 219), Rivers Ordinance, 1903 (Cap 226), State Gold Mining Corporation [Acquisition of Assets Amendment] Decree, 1968 (NLCD 218), Diamond Mining Industry Protection Regulations 1927, (No. 9/1927), Minerals (Offshore) Regulations 1963, (L.I. 257), Minerals Regulations 1937, Minerals Regulations, 1962 (L.I. 231), Minerals Regulations 1963 (L.I. 253), Mining Regulations 1970 (L.I. 665), Mineral (Royalties) Regulations 1987 (L.I. 1349), Prospecting and Digging License Regulations 1950, (Vol. VIII, 1954 Laws of the Gold Coast, p.1032) Transactions in Gold Regulations 1947 and the Kimberly Process Certification Act, 2003 (Act 652).

Energy and Water Sectors: The Energy and Water Sectors in Ghana are mainly regulated by the Energy Commission (EC), the Public Utilities Regulatory Commission (PURC), the National Petroleum Authority (NPA) and the Water Resources Commission (WRC) laws. The relevant laws include the following plus their relevant subsidiary legislation. The Energy Commission Act, 1997 (Act 541); The National Petroleum Authority Act, 2005 (Act 691); The Public Utilities and Regulatory Commission Act, 1997 (Act 538); and The Water Resources Commission Act, 1996 (Act 522)

Telecommunications Sector: The telecommunications sector of Ghana is mainly regulated by laws such as National Media Commission Act, 1993 (Act 449); The National Communications Authority Act, 1996 (Act 524); and National Communications Regulations, 2003 (LI 719) (Atuguba & Dowuona-Hammond, 2006).

A number of companies have declared their CSR objectives, e.g.:

- **ABL SABMiller:** formal CSI strategy focusing on positive transformation and upliftment of communities through education, health and social development programmes; a corporate accountability and risk assurance committee; reports on sustainability by submitting of Sustainability Report
- **Barclays Bank Ghana:** signatory to the Equator Principles guiding project investment in managing social and environmental impacts.

- **Ghana Commercial bank:** focuses on technology to improve efficiency of operations and has a special CSI account for contributions to education, health and sports programmes
- **Multichoice Africa:** stakeholder engagement, a triple bottom-line approach to economic, social and environmental performance, leveraging assets and expertise for development and growth of communities in which it operates.
- **UT Financial Services:** Public commitments to contribute to sustainable economic development through own employees and their families, communities, and society.
- **Ghana Gold Fields Mining Company:** a foundation fund for health, education, water and sanitation project in Tarkwa and Damang communities.
- **Goldfields Ghana Limited** also continues to be a major sponsor of Ghana's national team – The Black Stars. In the past three years the company has paid over \$3m to the football association.
- **A consortium of mining companies in the country (Newmont Ghana Gold Limited, AngloGold Ashanti Limited, Golden Star Resources and Goldfields Ghana)** offered to build a plant at Tema at a cost of 40 million dollars to supply 80 megawatts of power to supplement the country's energy generation effort (Chamber of Mines, 2006).
- **Bharti Airtel Limited:** has stated that it intends, through its CSR initiatives, to build and adopt under-privileged government schools, have better relations with the Community- the rural poor in particular, be responsive to the needs of its customers while continuously improving services innovatively and promptly.
- **Unilever:** education and skills development of children, students, teachers; protect the environment and cut costs by recycling waste from palm oil processing; plastic recycling reduce waste and create income for local people; helps farmers to cultivate new tree crops – job creation, enterprise development, biodiversity and forest management
- **Ghana Oil Palm Development Company:** certified organic palm oil producer and investing in jobs creation, enterprise development opportunities for small farmers, development of social infrastructure, and implement recycling of water and waste projects.
- **Agribusiness in Sustainable Natural African Plants Products:** recently launched a Lippia enterprise development project.
- **The Venture Capital Trust Fund:** offers financial support to small holder maize farmers

- **Ghana Chamber of Mines:** represents the interest of mineral exploitation companies, seeks to ensure that its members are honest, transparent and good corporate citizens.

There is in addition to the above also the following forums or initiatives:

- **Corporate Social Responsibility Movement** in Ghana facilitating business dialogue and forums on social responsibility with focus on protection of the environment (The World Guide to CSR, 2010).
- **Ghana Club 100:** Ranking top 10 companies, ranking criteria reflect development goals of the company, one of the criteria (10% weight) is CSR engagement
- **UN Global Compact Network (Ghana)** : UNDP Ghana set up an Advisory Council, a Coordinating Committee and three thematic sub-committees comprising business executives, representing local Ghanaian and multinational companies, representatives from government, trade unions, civil society groups and the emerging corporate social responsibility movement in Ghana. According to the Global Compact website, the Ghanaian network has 59 participants at the time of this writing (<http://www.unglobalcompact.org/>).
- **Business Sense 2011:** promotes the growth of the SME sector in Ghana by improving the capacity of entrepreneurs.
- **Private Enterprise Foundation (PEF):** private sector advocate for PPP's (CSR in Africa, 2006).
- **Ghana Business Code:** The Ghana Business Code is a set of principles introduced into the Ghanaian business environment. The GHBC emphasizes the triple bottom line (3ps) of corporate responsibility with regard to People, Profit and Planet (GHBC Web-page, 2012).
- **CSR Foundation:** The foundation seeks to promote and encourage corporate social Responsibility in Ghana. CSR Foundation Ghana is committed to helping achieve positive change through constructive engagement with all stakeholders and interest groups. Their professed mission is to help companies achieve sustainable growth and human progress by mainstreaming corporate social responsibility (CSR) into business practice (CSR Foundation Website, 2012).
- **Ghana Chamber of Commerce and Industry:** The chamber was established on the 8th November 1961 under an Act of Parliament (Executive Instrument No. 196) following the amalgamation of the then four existing Chambers of Commerce. The chamber serves the local business community with three core activities that are its founding principles. Providing leadership for the growth and prosperity of business in Ghana. It

expresses the equal responsibility of both the indigenous and foreign business concerns to keep the Ghanaian economy vibrant (GCCCI Webpage, 2012).

- **Western Regional Chamber of Commerce** has recently become the only integrated regional chamber, linking established business, the previously disadvantaged and emerging sectors, and government at all levels in the western region of Ghana (WRCC Webpage, 2012).
- **Ghana Chamber of Mines:** The Ghana Chamber of Mines is the main minerals industry association in Ghana. The Chamber represents the collective interests of companies involved in mineral exploration, production and processing in Ghana (GCM Webpage, 2012).

Summary: The nature and state of CSR awareness and advancement

The overall political, economic and social context of Ghana created a positive environment for CSR awareness and advancement in the private sector. Although it would seem that in general CSR activities have been approached from a more CSI and philanthropic point of view, multi-national companies seem to have a more strategic approach with some alignment to their core business. Most of the CSR activities in Ghana are focused on education, health care, safety, and environmental protection. Ghana is ready for the next CSR phase linking core business with CSR activities, implementing cross-sector partnerships, empowerment of public institutions, and the implementation of a CSR Index for Ghanaian companies (The World Guide to CSR, 2010).

4.3 Conclusions and recommendations

Table 10 and 11 present the conclusions and recommendations regarding CSR awareness and advancement in Ghana:

TABLE 10: GHANA CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	X
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	X
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	X
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	
ACADEMIA	There is no evidence of academic interest in CSR	
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	X
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	X
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 11: GHANA CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	
		CSR policy development	X
		CSR skills development	
	Within broader business circles	Chambers of commerce	
		Learning forums	X
		Industry protocols	
	Between companies and governments	National agenda for CSR	X
		CSR standards and protocols	X
		Public-private partnerships	
	Between companies and non-governmental stakeholders	Collaborative interventions	
		Social capacity building	
		CSR teaching and research	X
	Between companies and global role-players	Participation in global forums	X
		Application of international standards	
		International best practice case studies	

To sum up, Ghana seems to be ready to advance the CSR agenda to a national and also a global level through a diversified strategy. There is enough corporate involvement from a broad variety of industries to have learning forums. The CSR agenda of companies should by now become better aligned with strategic national priorities. Academia is in a position to make a constructive contribution through research and teaching. Finally, the country seems to be ready to advance towards participating in the global responsibility and sustainable development discourse.

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US Department of State (Country Reports): <http://www.state.gov.org>

Western Region Chamber of Commerce: <http://www.westernghanachamber.org>

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Zunia Knowledge Exchange: <http://www.zunia.org>

List of abbreviations

GoG: Government of Ghana

GSS: Ghana Statistical Service

MWRWH: Ministry of Water Resources Works and Housing

MoFEP: Ministry of Finance and Economic Planning

BARBER SHOP

VALENTINE

HAIR CUTTING
STYLE



1



2



3



4



5



6

KINYOZI WELCOME



5 Kenya

5.1 Factors defining the context for CSR

Political

Kenya was declared a British Colony and Protectorate on 1st July 1895. The ensuing years of colonial rule were characterized by punitive economic, social and political policies. These policies included land alienation for European settlers (Sorrenson, 1965), African taxation (Tarus, 2004) and African forced labour (Zezeza, 1992). Independence was attained in December 1963.

Kenya's independence story is one of endurance (Hornsby, 2012). Jomo Kenyatta, the first president of Kenya ruling for 15 years until his death in August 1978. He pursued a moderate pro-Western, anti-Communist economic philosophy and foreign policy (Miller, Norman and Yeager 1994). Although there was relative stability and economic growth during his presidency, Kenyatta's government was authoritarian, corrupt, tribalistic and oversaw massive land grabbing by the political and business elite (Karimi and Ochieng, 1980) (Ghai and McAuslan, 1970). Daniel Arap Moi took over from Kenyatta in 1978 and ruled for 24 years to 2002. His rule was marked with increased authoritarianism, rampant mega corruption and land grabbing (Harden, 1993) (Africa Watch, 1999) (Africa Confidential, 1991). To his credit, Moi maintained a unitary and disciplined government that ensured exceptional stability in a very turbulent region. In 2002, a coalition of opposition parties dubbed NARC defeated Moi's KANU and Mwai Kibaki was duly elected to the presidency.

A rift in Kibaki's government during the 2005 constitutional referendum resulted into a presidential challenge by a former ally Raila Odinga in the 2007 elections. Kibaki was declared the winner but the election results were violently disputed leading to the post-election violence of 2007/8 that resulted in 1300 deaths and 600,000 displaced (CIPEV, 2008). Peace was achieved by a power sharing deal between the presidential rivals with Kibaki as President and Raila Odinga as Prime Minister and resulting into a coalition government.

In August 2010, Kenyans voted overwhelmingly in favour of a new constitution. The constitution effects radical changes including an expanded bill of rights, a new model of devolved government, national values, tenets of leadership and integrity, enhanced political and electoral processes and institutions, improvements in public finance management and greater emphasize on the sovereignty of the people among many changes.

Economic

The Kenyan economy was greatly impacted by the colonial economic policies including concentration of economic activities in urban areas and limiting such activities to a few primary commodities around agriculture (Ake, 1980). Kenya is the largest economy in East Africa and is a regional financial, trade and transportation hub. The Kenyan economy

is primarily built around agriculture, tourism, trade and finance. Tea, fresh horticulture, floriculture and tourism are the biggest income earners. Kenya's main exports partners are the UK, Netherlands, Uganda, Tanzania, United States and Pakistan. It is also a member of two key trading blocs namely the East African Community (EAC) and The Common Market for Eastern and Southern Africa (COMESA).

The development of the private sector, including and specifically the SSME sector is a priority for Kenya. The infrastructure is still suffering from decades of neglect and deterioration, and remains a severe impediment to the market economy but the current government has invested heavily in the improvement and expansion of infrastructure (The World Guide to CSR, 2010).

Social

The following key indicators from the Bertelsmann Foundation's Transformation Index put conditions in Kenya in context.

TABLE 12: OVERVIEW OF KENYA'S SOCIAL CONDITIONS

Population (mn.)	40.5	HDI	0.509	GDP p.c. (\$)	1689
Pop. Growth (% p.a.)	2.6	HDI rank of 187	143	Gini Index	47.7
Life expectancy (years)	56	UN Education Index	0.582	Poverty (%)	39.9
Urban population (%)	22.2	Gender Inequality Index (GII)	0.627	Aid per capita (\$)	44.7

Source: <http://www.bti-project.org/home/index.nc>

Kenya is a poor country, despite its many positive aspects. Moreover income inequality and poverty have become more prevalent since independence (Ndege, 2008). It also ranks amongst the 30 most unequal societies in the world (SID, 2004). In the last three years, low income households have experienced the impact of the economic crisis, high inflation and steep price increases on food with annual inflation growing from 4.1% in 2010 to 14% in 2011 (Economic Survey, 2012). Some of the reasons put forward for high poverty rates in Kenya include: lack of income-earning opportunities; inadequate human capital investments; unfavourable agro-climatic conditions; the HIV/AIDS pandemic; and weak implementation of antipoverty interventions (NESC, 2012)

Public services particularly in health, education, housing, water and sanitation are generally inadequate. Health insurance is generally limited to Kenyans who are employed, though a move towards micro-insurance is providing medical cover to individuals who were predominantly left out by other health schemes. At the same time, the country's HIV/AIDS prevalence rates is high at 6.7% (UNAIDS). The infant and maternal mortality rates are high and have increased over the last decade (UNFP, 2011).

In pursuit of attaining Universal Primary Education (UPE) by 2010 and Education for All (EFA) by 2015, the Government introduced Free Primary Education (FPE) in January 2003. This increased the number of children enrolled in primary schools from 5.9 million in 2002 to 9.86 million by 2011 (Economic Survey 2012). The Net Enrolment Rate was 77.3% in 2002 rising to 92.5% by 2008 (Economic Survey, 2009), (UNESCO, 2010a). According to UNESCO there were over two million children out of school in 2002 but this declined to 771,000 by 2007. (UNESCO, 2010b). In 2005, free secondary education was introduced. Child labour is a common occurrence which negatively impacts on their opportunities for education. (KNBS, 2008)

Corruption is a major concern in Kenya. The country has always ranked among the most corrupt countries in the world over the past ten years based on the TI Corruption Perception Index. According to this index, Kenya was ranked 146 of 180 (in 2009), 154 of 178 (in 2010), and 154 of 182 (in 2011) (www.transparency.org). The Kenyan government is under increasing pressure to combat corruption swiftly, effectively and publicly but has proved generally reluctant in this quest.

Environmental

Environmental management is governed by the National Environmental Management Authority (NEMA). Although there has been a growing awareness of the importance of environmental protection and sustainability, there has also been major environmental degradation in many parts of the country. Kenya's most pressing environmental issues include deforestation, poaching, soil erosion and degradation, water shortage, degraded water quality, climate change impacts and air pollution (NEMA, 2010)

There are several laws that touch on the environment with the Environmental Management Coordination Act (EMCA, 1999) forming the key legislation. The law provides a holistic approach to regulations on the environment but the government has been weak in its enforcement.

Kenya is the home of the United Nations Environment Programme and partners in the International Renewable Energy Agency.

Summary: Development challenges

In summary it can be said that the shadow of the 2007 violence is still with Kenya. Long term issues covered under Agenda 4 of the National Dialogue and Reconciliation process in 2008 including land, youth unemployment, historical injustices, inequality, regional imbalances and institutional reforms touching on the civil service and police remain predominantly outstanding. (www.dialoguekenya.org). The economic situation is on the tender side and the type of economic activities that Kenya depends on, are sensitive

to changing circumstances. Education is well poised for improvement, but the health, housing and water and sanitation sectors need more radical interventions. One of Kenya's biggest opportunities to address many of the outstanding issues is the implementation of the 2010 constitution which provides a suitable and popular framework for far reaching reforms.

5.2 Role-players impacting on CSR awareness and advancement

International aid

- **Governments**
 - Foreign governments actively engaging in development cooperation in Kenya include, in alphabetical order, Australia, Canada, Denmark, Finland, Germany, Japan, The Netherlands, Sweden, the United Kingdom, and the USA.
- **Development agencies**
 - Australian Agency for International Development (AusAID) supports good governance, community development, educational scholarships, basic education, primary health care, water supply and sanitation, income generation, promotion of civil society, sustainable management of the environment, natural resources, renewable energy and appropriate technology. (www.kenya.embassy.gov.au/nair/cooperation)
 - Canadian International Development Agency (CIDA) engages in support to children and youth and democratic governance (www.acdi-cida.gc.ca/kenya-e)
 - Danish International Development Agency (DANIDA) works in the areas of good governance, health, private sector development, natural resource management and gender (www.kenya.um.dk/en/danida-en/)
 - Finnish International Development Agency (FINNIDA), Bilateral development cooperation between Finland and Kenya focuses on four key areas namely; a democratic and accountable society, an inclusive green economy, sustainable management of natural resources and protection of the environment and human (www.finland.or.ke)
 - Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) - Germany was the first country to recognize Kenya under international law after it gained independence (<http://www.bmz.de>). Priority areas of cooperation are support for private sector agricultural development, water and the health sector. Headway is also made in areas of governance, fostering transparency and development-oriented budget management (*Ibid.*). The Deutsche Gesellschaft für Internationale

Zusammenarbeit (GIZ) works in several areas including development of the Health Sector, private sector development in Agriculture, reform of the Water and Sanitation Sector, culture, sports and education, humanitarian aid, good governance, reform of Public Finance Management, education in Urban Slums and renewable energies and energy efficiency

- Japan International Cooperation Agency (JICA) provides development support in agricultural development, economic infrastructure development, environmental conservation, health support and human resource development (<http://www.jica.go.jp/kenya>)
- Netherlands Development Assistance (NEDA), Dutch aid to Kenya is focuses on good governance and human rights, business climate, environment and sanitation, culture and sports, women in leadership, sustainable energy, infrastructure development and humanitarian aid
- Swedish International Development and Cooperation Agency (SIDA) works in three key area focusing on democracy and human rights, environment and natural resources and urban development
- Department for International Development (DfID) works to reduce poverty in Kenya through support to governance reforms, healthcare, education, humanitarian assistance, social protection, trade, economic growth and private sector development (www.dfid.gov.uk/kenya)
- United States Agency for International Development (USAID) is working in Kenya to advance democracy and the rule of law, to increase access to and improve the quality of health and education services, and to modernize and grow the economy so that Kenya's wealth is shared by more. (www.kenya.usaid.gov)

Government

- **Strategic priorities:** The Government is responsible for the implementation of Vision 2030, the roadmap to make Kenya a globally competitive and prosperous country. The Vision is anchored on three key pillars: economic, social and political governance. (GOK, 2008)
- **Legislation:** A number of legislative reforms have taken place over the last decade. These include the areas of environmental management, ant-corruption, public procurement, labour and occupational health and safety (The World Guide to CSR, 2010). The New Companies Bill (2007) requires directors to have regard for community interest and social responsibilities. Kenya has also become a signatory to various international agreements including global and regional accords on the atmosphere, hazardous

substances, marine resources, and plant and animal resources in the sea, freshwater and on land. Legislation on labour rights, occupational health and safety, consumer protection and environmental stewardship are already in place.

- **Constitutional reforms.** There are several articles in the new constitution which have a bearing on CSR. These include article 26 on the right to life, article 27 on equality and freedom from discrimination, article 28 on human dignity, article 29 on freedom and security of the person, article 30 on forced labour, article 33 on freedom of expression, article 35 on access to information, article 36 on freedom of association, article 41 on labour relations, article 42 on the right to a clean and healthy environment, article 46 on consumer rights among several other provisions. In addition a considerable number of new laws are being developed and passed so as to ensure legislation is in tandem with the 2010 constitution.
- **Forums/Workgroups/networks:**
 - **Working Group On Business and Human Rights** – a civil society network of organizations interested in issues of business and human rights that is hosted by the Kenya National Human Rights and Equality Commission
 - **CSR Champions** – a forum of company managers engaged in or interested in CSR that is hosted by Ufadhili Trust

Civil society

Civil rights are guaranteed by the constitution, and since 2002, there has been significant progress in fostering a culture that respects civil rights. There are over 6000 registered NGOs (GOK, 2006) and other civil society organizations engaging constructively with the state in all areas of policy-making. Civil society organisations are also active in advocating further reforms and criticizing corruption and human rights abuses. Interest groups cover a variety of fields, including gender equality, fair trade and environmental protection. Focus on women and disabled people are aided by a variety of NGOs and development agencies.

Examples of civil society organisations are:

- **East African Wildlife Society:** a NGO that is dedicated to the preservation and sustainable utilization of the animal kingdom in East Africa, engaging in lobbying activities, promotes environmental education and efforts to raise awareness as well as nature conservancy projects
- **Ufadhili Trust:** promote social responsibility in East Africa among companies, governments, non-profit organizations and individuals (www.ufadhilitrust.org)

- **Business Ethics Network of Africa (BEN-Africa):** BEN-Africa strengthens the commitment and competence of Africans to do business with moral integrity by facilitating interaction between academics and practitioners who share an interest in business ethics (www.benafrica.org)
- **Act! Kenya (formerly Pact Kenya)** is a grant-making and capacity-building organization that works with civil society actors with the greatest potential to build large constituencies for critical reforms needed in the democratic governance, conflict resolution and natural resource management (NRM) sectors. (www.pactkenya.org)
- **Center for Corporate Governance** – a company limited by guarantee that endeavours to achieve high standards of corporate governance in corporations and institutions through training, education, research, advocacy, monitoring and evaluation. (www.ccg.or.ke)
- **Kenya Human Rights Commission** – an NGO that campaigns to create a culture in Kenya where human rights and democratic culture are entrenched (www.khrc.or.ke)

Academia

Kenya has a number of academic institutions involved in CSR related educational programmes and research. The Centre for Ethics and Governance at the KCA University facilitates discussions on the importance of global corporate responsibility in reducing social and economic threats to world peace and stability. The World Bank Institute and the World Bank country office in Kenya organized a “training of trainers” workshop on Business in Society together with the global student network AIESEC and the University of Nairobi. The Business School of the University of Nairobi is actively involved in research projects on CSR and CSR related topics. The Kiriri Women’s University of Science and Technology offers a Corporate Social Responsibility Course for senior officers in Government, non-Governmental Organizations and Companies in social projects (The World Guide to CSR, 2010). Most academic programmes on management have a component of CSR although fully fledged degree courses on CSR do not exist.

A number of international foundations are involved in CSR and CSR-related education within the country, for example:

- **Hanns Seidel Foundation:** promotes dialogue on security policy among the security sector, parliament and Kenya’s academic community
- **Konrad Adenauer Stiftung (KAS):** training local NGOs in the areas of conflict recognition, mediation and prevention; supporting civics classes in schools as well as teacher training.

- **Heinrich Böll Foundation** educating women who are running for political office.

Multi-stakeholder initiatives

- **Horticultural Ethical Business Initiative:** a multi-stakeholder forum to guide social auditing and accountability in the Kenyan flower industry.
- **Kenya HIV Business Council** is a membership, non-profit making organization that was started in the year 2000 by a group of businesses concerned with and looking for ways and means to mitigate the devastating effect of HIV and AIDS.
- **Kenya Flower Council** – A voluntary association of independent growers and exporters of cut-flowers and ornamentals, formed in 1996, with the aim of fostering responsible and safe production of cut flowers in Kenya.

The business response

Multi-national corporations have been the leading force of CSR efforts in Kenya, mostly working in their immediate areas of influence, for example by providing housing, education, transportation, medical services, pensions and health insurance for their employees and their families. Kenyan companies are also actively engaged in social issues, sometimes in response to the requirements of their foreign trading partners in such areas as labour standards and environmental protection. Fair trade standards are playing an increasingly important role in the coffee, tea, flower, food and textile industries.

Multi-national companies tend to be more performance-driven in CSR to maximise profits and enhance competitiveness, whereas local companies participate in value-driven CSR (good and the right thing to do). Drivers of CSR in Kenya are a combination of normative (to give something back to society), instrumental (for public relations and marketing purpose) and strategic (engagement in CSR as part of a company's mission and vision) (The World Guide to CSR, 2010).

Examples of CSR, from a business perspective, include (The Business of Sustainability in Africa, 2008):

- **Bamburi Cement Ltd:** reduces and manages environmental pollution, works on land reclamation and biodiversity (e.g., the world famous “Haller Park – quarry rehabilitation project) (The World Guide to CSR, 2010).
- **Safaricom:** introduced a new product, M-Pesa, allowing customers to transfer money by mobile phone text. Safaricom Foundation is the leading corporate foundation and focuses on health, education, water, arts and culture, environment, sports and economic empowerment and through the World of Difference Programme provides sustainable capacity building support to the Foundation's project partners

- **Unilever Kenya:** formed a coalition of 8 companies on education and prevention of Aids, also helped to set up the Kenya HIV/AIDS Private Sector Business Council to encourage companies to adopt workplace HIV/Aids programmes
- **OSRAM:** launched a pilot project in Kenya to produce light independent of a permanent power supply and without damaging the environment
- **Henkel Kenya:** educates employees about HIV/AIDS and provides effective medications for those who are already infected; the company also has a policy of non-discrimination and non-stigmatisation
- **Equity Bank:** innovative financial products for the “bottom of the Pyramid” and also active involvement in education through the Equity Group Foundation
- **Tata Chemicals Ltd** (previously known as Magadi Soda Company): Extensive CSR strategies and initiatives including building community relationships and strengthening community participation in local governance
- **K-Rep:** innovative finance products for small and micro-enterprises; HIV/Aids programmes for own staff and communities (CSR in Africa, 2006).
- **Unilever Tea Kenya:** creates a safe work environment for company employees through the implementation of lightning safety
- **Kenya Airways:** Carbon Offset Program that offers customers the opportunity to offset the Carbon dioxide (CO2) emissions related to their flights
- **Eastern Produce Kenya Ltd:** food security initiative
- **Bayer CropScience:** a training program for small-scale farmers to increase their productivity and enhance the quality of their products.

In addition to the above the following forums/ networks/initiatives also exist:

- **Honey Care Africa:** social enterprise to increase income of rural farmers through its “money for Honey” program which trains farmers in beekeeping and then buy the honey from them at a guaranteed price (The Business of Sustainability in Africa, 2008).
- **Fresh Produce Exporters Association of Kenya :** membership organisations seek to foster responsible and safe production of fruits, vegetables and cut flowers, promote safe working environment, ensure welfare of workers and safeguard the environment
- **Global Compact Kenya Chapter:** Launched in Kenya in February 2005, the Global Compact Network Kenya is the local country network for the UN Global Compact. In September 2009, the GCNK Secretariat was officially transferred to Kenya Association

of Manufacturers (KAM) under a project partnership with the Danish International Development Agency (DANIDA). Since then, the Network has experienced growth with more than 65 companies signed up by the end of 2010 (<http://www.globalcompact.or.ke>).

- **Caux Round Table**, an international network of business leaders working to promote moral capitalism currently hosted by KCA University in Kenya
- **EthicsEA**: vision is to be the leading ethics and integrity social and economic reference organization in the East African region
- **Kenya Federation for Alternative Trade**: an umbrella association of fair trade organizations in Kenya.
- **Federation of Kenya Employers (FKE)**: employers association that works of issues of labour relations and corporate social responsibility
- **Kenya Private sector Alliance (KEPSA)**: Overarching private sector association that engages in advocacy for an improved business environment
- **Centre for Corporate Governance**: promotes good corporate governance through training, education, monitoring and assessment
- **Uungwana Campaign Initiative**: a values campaign that includes aspects of ethical business

Summary: The nature and state of CSR awareness and advancement

In Kenya, CSR has traditionally been viewed from a philanthropic perspective (Ufadhili Trust, 2008). More recently there is a definite move from this approach to a more strategic CSR approach whereby CSR activities are more linked with the vision and mission of the company, and a number of companies have been successfully integrating CSR with their core business. This transition is led by multi-national companies focusing on more performance driven CSR activities. Local Kenyan companies are also making this transition as they are pressurised by their foreign trade markets to adhere to certain international standards relating to the social and environmental issues. However, the tendency of companies excelling in certain aspects of CSR while neglecting others is still a major challenge for the holistic integration of CSR.

5.3 Conclusions and recommendations

Table 13 and 14 present the conclusions and recommendations regarding CSR awareness and advancement in Kenya:

TABLE 13: KENYA CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	X
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	X
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	
ACADEMIA	There is no evidence of academic interest in CSR	
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	X
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	X
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 14: KENYA CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED	
	Within companies	Basic CSR orientation		
		CSR policy development		
		CSR skills development	X	
	Within broader business circles	Chambers of commerce		X
		Learning forums		X
		Industry protocols		
	Between companies and governments	National agenda for CSR		X
		CSR standards and protocols		X
		Public-private partnerships		
	Between companies and non-governmental stakeholders	Collaborative interventions		
		Social capacity building		
		CSR teaching and research		
	Between companies and global role-players	Participation in global forums		X
		Application of international standards		X
		International best practice case studies		

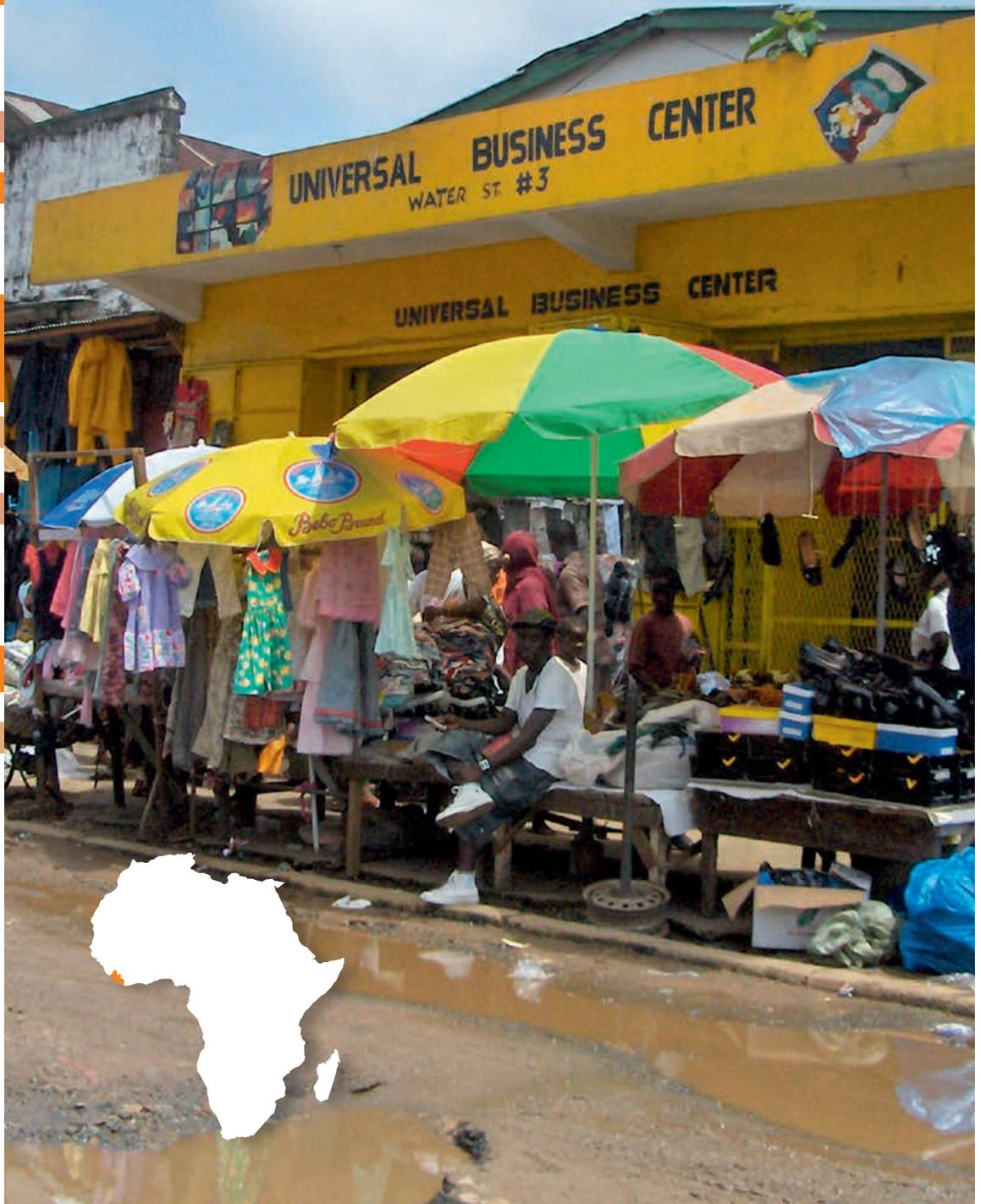
In Kenya, partnership agreements are led by the business and civil society sectors. Government does not seem to be an active stakeholder in driving and participating in CSR agreements. With such a multitude of role-players that seem to be committed to the social responsibility and environmental protection agenda, the time is ripe in Kenya to do more of (advance to) strategic CSR. Business association such as KAM and KEPSA could lead the way in engagement with government and CSOs. Academia and the presence of business schools may also have a positive influence on the way forward.

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6 Liberia

6.1 Factors defining the context for CSR

Political

Liberia has a history very unique to Africa, having never been colonized by Europeans and being established originally for and by repatriated black slaves from the United States of America in the 1820s. The slave trade also not only significantly marked Liberia as the country to become the place for the resettlement of former slaves from the United States of America, but also as a place of refuge for people of colour from all over Africa and the rest of the world. The most significant refugee group, in terms of subsequent economic, political development and governance, was an outgrowth of the slave trade. In response to the legacy of racism in the USA, and a clamour of fear of the rapidly growing group of freed blacks, American political leaders began the expulsion of blacks from continental North America and landed them on the West coast of Africa in 1821. This last arriving group of refugees resettled by the American Colonization Society (ACS), named their colony Liberia in 1823.⁵⁵

A military coup in 1980 led by Master Sergeant Samuel K. Doe ended the long reign of authoritarian rule in Liberia by Americo-Liberians. In December 1989, Charles Taylor launched a rebellion against Samuel Doe's regime that led to a prolonged civil war in which Doe himself was killed.

During the short period of peace in 1997, an election was organized and Charles Taylor won and became the President of Liberia but shortly later, civil unrest resumed in 1999. An August 2003, a Comprehensive Peace Agreement (CPA) jointly brokered by leaders of the Economic Community of West African States (ECOWAS) and the international community in Accra, Ghana, ended the Liberian civil war and prompted the resignation of former President Charles Taylor, who faces war crimes charges before the internationally-backed Special Court for Sierra Leone sitting in The Hague, The Netherlands, for his involvement in Sierra Leone's civil war.⁵⁶ The Special Court for Sierra Leone has sentenced him to 50 years in prison.

The country is currently headed by President Ellen Johnson Sirleaf, the first elected female Head of State in Africa today. The Liberian Constitution of 1986 was amended in 2011.

Economic

Liberia is an agricultural country blessed with abundant natural resources. Liberia's soil resource endowment contains huge expanse of arable land that supports agricultural and pastoral activities. While there are other contributing factors to this, the climate and land

⁵⁵ Liberia Retrospective Analysis

⁵⁶ Liberia Business Fact Sheet 2010–2011

feature play a critical part, providing conditions under which crops like oil palm, rubber, cocoa, and coffee can flourish.

The country is well endowed with plentiful fresh water, fertile lands, and large forest areas, possessing 42% of West Africa's remaining rain forest (USAID Land Tenure and Property Rights Portal), minerals including gold, diamonds, iron ore, bauxite, and recently discovered crude oil.

Despite all the wealth in natural resources, Liberia's 2010 per capita gross domestic product of \$150 makes it one of the poorest countries in Africa. At least two thirds of Liberians are poor; their poverty widened and deepened in the recent past due to the effects of the decade long fatal civil war. The country has the distinction of having the highest Foreign Direct Investment (FDI) to GDP ratio in the world. Outlooks for the near future are good considering the recovery in resource prices since the recession, although this hinges strongly on political stability, which is always in the balance. On the up side, Liberia's economy recorded its eighth consecutive year of post-war growth in 2011, expanding by an estimated 6.9% in the year. This was driven by the first iron-ore exports since the end of the war, strong rubber exports, and increased timber production. Foreign direct investment (FDI) in mine construction, rubber and timber exports, and recent investments in palm oil plantations will contribute to growth in the coming years. GDP growth is expected to increase to 8.8% in 2012 due to the first full year of iron ore exports, and to moderate to 7.2% in 2013.⁵⁷

Liberia is in transition from post-conflict reconstruction to medium-term growth and poverty reduction, and is preparing its second Medium-Term Growth and Development Strategy for the period 2012 – 2017, in line with a long-term strategy that envisions Liberia becoming a middle-income country by 2030. Long-term growth is expected to be driven by natural resource extraction, but to avoid the enclave sector growth without development of the past that contributed to the conflict; the country must enable broad-based growth and increased employment creation.

The government has simplified procedures for starting businesses and has improved access to credit, but the general business climate remains difficult and development is constrained by poor energy and transport infrastructures, particularly in rural areas. The country needs to increase the overall capacity of the labour pool and achieve a better match between workers' skills and private sector demand. Liberia is susceptible to external factors including global iron ore, rubber, and rice price shocks and the potential for reductions in FDI and donor contributions.⁵⁸

⁵⁷ Liberia Retrospective Analysis

⁵⁸ African Economic Outlook

Social

The following key indicators from the Bertelsmann Foundation's Transformation Index put social conditions in Liberia in context:

TABLE 15: OVERVIEW OF LIBERIA'S SOCIAL CONDITIONS

Population (mn.)	4.0	HDI	0.329	GDP p.c. (\$)	419
Pop. Growth (% p.a.)	4.0	HDI rank of 182	182	Gini Index	52.6
Life expectancy (years)	55	UN Education Index	0.439	Poverty (%)	94.8
Urban Population (%)	61.5	Gender Inequality Index (GII)	0.671	Aid per capita (\$)	127.7

Source: <http://www.bti-project.org/home/index.nc>

Liberia is a poor country. Although its economic prospects have improved since the new government was elected, the country remains fragile and heavily reliant on international development aid. It is estimated that more than 80% of the population is without formal remunerative employment, and 75% live on less than a dollar a day. Formal employment outside of the public and agricultural sectors remains scarce. Significant socioeconomic gaps exist between the vast majority of the population that continues to face extremely difficult living conditions and a small group of well-off individuals.

Specific social challenges exist in the following areas:

- The reintegration of refugees and internally displaced persons in society;
- The exploding youth population; violence against women and racial and ethnic discrimination;
- Access to health and social welfare services for the majority of the population; and
- The improvement of educational infrastructure, teaching capacity and school enrolment. All of these need to be done under the pressure of a relatively high population growth rate of 2.2% estimated for 2010 – 2030⁵⁹.

Harnessing the energy and creativity of its large youth population and ensuring that they are directed towards reconciliation, sustained peace, and national development will determine Liberia's future. This will require concentrated and holistic attention and investment, addressing the lack of educational opportunities, lack of access to health services, particularly sexual reproductive and mental health, limited livelihood options and job opportunities, and security risks they face through daily life in an impoverished fragile state. While ensuring basic social needs is critical, so is creating the conditions for

⁵⁹ http://www.unicef.org/infobycountry/liberia_statistics.html

inclusion so that youth are at the forefront of political and civic engagement, and integrated into the decision-making structures and processes in a meaningful way, at all levels of society. Building the capacity of youths and enabling their development and self-esteem will enhance their ability to act as the agents of change and leaders of national transformation that Liberia needs.⁶⁰

Having previously been one of the most corrupt countries in the world, Liberia has recently made significant progress under the Ellen Johnson-Sirleaf Administration. Out of the 47 African countries included in the 2010 survey, Liberia ranked 11th. Globally, Liberia climbed 51 places during the year, moving from 138th to 87th (www.allafrica.com).

Environmental

Liberia faces a myriad of environmental challenges that have the potential to derail the nation's development initiatives and impact on its ability to achieve the Millennium Development Goals. These challenges include deforestation of the tropical rainforests, soil erosion, loss of biodiversity, erosion of coastal areas, pollution of coastal waters with raw sewage, draining of and reclaiming of mangrove wetlands in urban areas, poor sewage and solid waste disposal and management, numerous climate change related issues including loss of productive farmlands and infrastructure along the coast, and intrusion of sea water into fresh water supply are increasingly a problem in post-conflict Liberia.

Although the Environmental Protection Agency (EPA), the successor of the National Environmental Commission of Liberia (NECOLIB) first established in 1999 with support from UNDP and UNEP has developed the infrastructure and staff to transform itself into a fully operational Environmental Protection Agency, environmental consciousness is not highly developed within Liberian society.

The environment sector is severely hampered by weak environmental governance, including limited compliance and enforcement capacity, lack of national environmental quality standards and relevant regulatory tools, limited implementation of environmental policy due to conflicting roles of governing bodies, low budget support which is the weakest link of environmental management to Liberia's economic development, weak public awareness and public participation in the promotion of environmental sustainability issues, particularly climate change, waste management, and conservation. Poor inter-agency coordination in the areas of effective Environmental and Social Impact Assessments (ESIAs), harmonized sectoral environmental laws and policies, and environmental reporting. Uncoordinated land use policy and practices that hinders the sustainability of agriculture and food security, inadequate trained personnel and lack of requisite logistics and

60 Agenda for Change (PRS II)

infrastructure, particularly in the area of assessment, monitoring and enforcement of compliance.⁶¹

Summary: Development challenges

Liberia has a promising but fragile political order in the context of which significant reconstruction and development processes have to be managed. The vast majority of people are poor, making employment, access to healthcare, educational and skills development important priorities for the country's future.

Economic growth in Liberia has been driven largely by the expansion of the so-called enclave sectors, largely mining, commercial forestry, rubber and palm oil concessions with dedicated financing and infrastructure. Although rubber and palm oil plantations have some potential to create employment for unskilled workers, especially when they reach their full projected productive capacity, most of the growth in the enclave sector is what the Liberian authorities term "growth without development" – economic activities that generate revenues for the government but has little or no other spill over effects into the general economy.

With a young, growing and largely unskilled and unemployed population, the challenge facing the country and the authorities include, from the security and political stability perspectives, is to accelerate growth outside the enclave sectors so as to create employment and income opportunities for all Liberians. However, the Liberian economy is characterized by a number of long-term structural factors that present significant risks to private investment and the supply response, and makes the task of achieving broad-based growth particularly challenging. These can be grouped into five main categories: 1) inadequate infrastructure, 2) undeveloped financial system, 3) insecurity of land tenure, 4) capacity gaps, and 5) potential for renewed conflict.⁶²

6.2 Role-players impacting on CSR awareness and advancement

International aid

- Governments
 - **United States:** US bilateral assistance totalled almost \$230 million in FY 2010. In July 2010, the Government of Liberia signed a \$15 million Threshold Program with the Millennium Challenge Corporation to strengthen indicators in land reform, girl's education, and trade.⁶³

61 Agenda for Change (PRS II)

62 Structural Impediments to Shared Growth (IMF Paper on Liberia)

63 <http://www.state.gov/r/pa/ei/bgn/6618.htm>

- **Germany** has bilateral development cooperation with Liberia in the context of regional/thematic programmes. The *Fragile States in West Africa programme* covers Côte d'Ivoire, Sierra Leone, Liberia and Guinea.⁶⁴
- **Sweden:** The unique character of the relations between Sweden and Liberia, led to the establishment of the LAMCO Joint Venture in 1953. LAMCO with branches in Yekepa, Nimba County and Buchanan, Grand Bassa County, respectively, was a major boost to the economy and provided job opportunities for thousands of Liberians. In 1962, a Technical Cooperation Agreement was signed that provided scholarships, seminars, and training programs for qualified Liberians in areas of Health, Commerce, Mining, Agriculture, and Hydro-Power general. During the crisis, Sweden provided humanitarian assistance to Liberia and support for the peaceful resolution of the conflict by providing financial and human resources to the United Nations Operations in Liberia.
- **Japan:** The government of Japan included in its aid package to Liberia the provision of rice and fuel that were monetized to fund projects that foster economic development, prominent among which was the paddy rice project implemented through the Ministry of Agriculture and the development of the road infrastructure in Monrovia.
- Development agencies
 - **GIZ:** GIZ has since 1995 been involved in the repatriation of refugees, humanitarian projects, capacity development for transport/roads sector, social integration, and the establishment of local government in the Lofa County. In addition, project is being implemented which is intended to support the government and the private sector in capacity development especially in the field of road construction. GIZ also helped set up the Corporate Responsibility Forum Liberia and through it advances responsible business investment and good corporate citizenship practices.⁶⁵
 - **Oxfam Liberia:** focus is on livelihoods, gender equality, peace building and water and sanitation.
 - **CARE International:** current project focus on helping young people in West Africa to find employment.
 - The **International Labour Organization:** facilitated a project on the construction of secondary roads in Liberia.

⁶⁴ <http://www.bmz.de>

⁶⁵ <http://www.gtz.de/en/aktuell/1168.htm>

- **USAID:** The United States Agency for International Development (USAID) is high and extensive and includes a number of development programs (www.state.gov) including: vocational training, business development, forest protection, basic education, primary healthcare delivery, development of the capacity of the Judiciary, community peace building and reconciliation, and strengthening of the legislature and political processes.
- **SIDA:** is the Swedish International Development Agency working in collaboration with the Ministry of Public Works to construct feeder roads in Liberia. All together, SIDA is constructing a total of 269.80 kilometers of feeder roads in Bong and Lofa Counties, with expansion plan in Nimba County and other parts of Liberia. The overall progress made so far in these road constructions for the fiscal year 2011/2012 is 30%, according to available documents.
- **JICA:** through the Japan International Cooperation Agency (JICA) has rehabilitated and made fully functional the Liberian-Japanese Friendship Maternity Hospital (LJFMH) that was constructed in 1981 with Japanese Grant Aide. JICA is also providing funding for the reconstruction of Somalia Drive, an important road that connects the Freeport of Monrovia with the Monrovia-Guinea Highway, which is part of the economic growth corridor that the government is developing.

Government

- **Strategic priorities:** The Agenda for Transformation is the Government of Liberia's 5-year Development Strategy. It follows the Lift Liberia Poverty Reduction Strategy (PRS), which raised Liberia from post-conflict emergency reconstruction and positioned it for future growth. The Agenda for Transformation in itself will, in its five-year timeframe, not be able to achieve all that Liberia is poised to do. Rather it is the bridge toward achieving goals set out in Liberia Rising 2030 – Liberia's long-term vision of socio-economic development. The Agenda for Transformation will set out the precise goals and objectives that Liberia will achieve in the next five years in order to take the necessary steps toward its long-term goals, which are to become a more prosperous and a more inclusive society.
- **Legislation:** The Liberian Anti-Corruption Commission, under the Anti-Corruption Act was established in 2008, and Education Policy was adopted in 2006, a court to deal with rape crimes was set up in 2009, the Freedom of Information Act was enacted in 2010 and a series of environmental policies and acts have been implemented as well. In June 2005, an Act was passed to amend Chapter 53, Section 53.2 of the Executive Law of 1972 to create the General Auditing Commission (GAC). The June Act 2005 created the GAC as an autonomous Commission reporting directly to the Legislature. Government

also entered into mineral and logging agreements emphasising issues of environment, workers rights, community development and sustainability (The World Guide to CSR, 2010).

- **Forums/Workgroups/networks:**

- **Kimberley Process (KP):** joint governments, industry and civil society initiative to stem the flow of conflict diamonds.
- **Extraction Industries Transparency Initiative (EITI):** coalition of governments, companies, civil society groups, investors and international organisations, sets a global standard for transparency in oil, gas and mining.

Civil society

To some extent, the government takes into account the interests of civil society actors. Donors in part due to the PRS conditions set this standard. Press freedom has improved substantially since the demise of former President Charles Taylor's regime; as the government hardly interferes with media operations, particularly radio stations and the print media. However, government has occasionally harassed media workers by detaining journalists and censoring news providers. Civil society organizations and human rights groups voice opinions on a wide range of urgent national problems, including the rampant corruption, labour conditions on the rubber plantations including Firestone Liberia, and environmental issues. Although sometimes slow and hesitant, the government does respond to these pressures and take them seriously.

Some of the most active Civil Society Organizations are The National Teacher's Association of Liberia, WONGOSOL (WOMEN NGO Secretariat), Liberia's Women's Initiatives (LWI), Catholic Justice and Peace Commission, Sustainable Development Institute (SDI), WANEP, WIPNET, Centre for Justice and Peace Studies, Liberia Democracy Watch, Liberia Marketing Association, Federation of Liberian Youth, Press Union of Liberia and the Centre for Transparency and Accountability.

Academia

In the past, Liberia was noted for its academic institutions of excellence. The country now has seven baccalaureate universities including the public-funded University of Liberia (UL) and Tubman University (TU); and the following faith-based universities – Cuttington University (CU), African Methodist Episcopal University (AMEU), African Methodist Episcopal Zion University (AMEZU), United Methodist University (UMU), and Stella Maris Polytechnic, as well as nine community colleges in various parts of the country. Currently, there is no evidence of specific CSR-sponsored courses or programs at the institutions of learning listed above.

Multi-stakeholder initiatives

The **CR Forum Liberia**: established with the support of GIZ, the Forum aims to promote responsible investment, good corporate citizenship and collective action for the sustainable development of Liberia. In 2010, it initiated its inaugural project, *Capacity Building for Better Business in Liberia (C3B)* in a bid to strengthen the capacity of business to deal with contemporary business and associated social issues that are relevant to the creation of a vibrant private sector in Liberia. At the time of writing, the Forum had 31 members (<http://crforumliberia.org/>).

The business response

Since the election of the new government in 2005, the country has signed several multi-billion dollar concession agreements with numerous multinational corporations. This has led to an influx of multinational companies into the Liberian business sector, which has had a significantly positive impact on the CSR landscape of the country. It is fair to say that these companies are currently instrumental, together with the international development community, in defining the CSR landscape of the country. In many instances these companies approach CSR from a more strategic perspective, and they are working actively together with government, civil society, employees and communities to address the economic, social and environmental challenges of the country.

Companies worth noting for their CSR initiatives are:

- **ArcelorMittal**: created much needed employment both directly and through contractors, re-opened two hospitals, and is supporting development of social infrastructure. The company's objective is to develop an internal Corporate Responsibility governance structure, enhancing its participation and contribution to the implementation of the Liberia Extractive Industries Transparency Initiative.
- **Liberia Bank for Development and Investment (LBDI)**: The mission of LBDI is to facilitate creation and expansion of small-medium scale productive businesses in the agriculture, industry and service sectors.
- **Monrovia Breweries, Inc.**: An award-winning contributor to the growth and development of the Liberian economy.
- **BHP Billiton**: Demonstrated commitment to and reporting on Sustainable Development Policies relating to health, safety, the environment and sustainable communities.
- **Total Liberia**: With commitment to create jobs and build infrastructure, empower, train develop and set business standards.

- **Buchanan Renewables:** Committed to being a highly successful growth company in the renewable power business with the underlying principle of creating wealth from projects that are environmentally and socially sound, with special emphasis on the reduction of greenhouse gases. Currently implementing plantation rejuvenation program aimed at helping independent rubber farmers harvest their non-producing rubber trees and replant their plantations, with the harvested trees being converted to high quality woodchips ideal for production of energy or fibre boards.
- **Firestone Liberia:** Providing funding for scholarships, employee welfare, health and education of employees and their dependants.
- **The Lone Star Communications Corporation:** The Lone Star MTN has launched a foundation intended to address, in a more sustainable way, Liberians' education and health needs.
- **American-Liberian United Mineral Incorporated (AMLIB):** As part of its corporate social responsibility, AMLIB recently constructed and turned over two elementary schools to inhabitants of Sayeweh and Dean Town communities in Kokoyah District, Bong County, Liberia.
- **Liberia Petroleum Refining Corporation (LPRC):** The LPRC Corporate Social Responsibility Program acts to provide financial, material and technical support for the management of projects belonging to communities.

Summary: The nature and state of CSR awareness and advancement

The Liberian government with international assistance to create a positive climate for economic progress and social development is doing a lot. This sets the scene for the private sector to do its part through the exercise of corporate social responsibility.

The establishment of the CR Forum is a significant step in the institutionalization of CSR in the country. Considering the current projects of the business sector, there are clear indications of a more strategic and integrated approach to CSR. Companies continue to focus on education and health issues as a priority, but there are quite a few examples of companies getting involved in building capacity within communities and creating enabling structures for sustainable job creation and income generation, focusing on and integrating health, education and environmental concerns. Many of these initiatives are also linked to the core business of the companies.

Institutionalization of CSR in Liberia is important in creating a positive climate for economic progress and social development. Before the outbreak of the Liberian civil war, agriculture provided a livelihood for about 70% of the population and accounted for roughly 40% of GDP. The rubber industry generated over US\$100 million annually in export earnings and, directly and indirectly, provided employment for some 50,000 people. Important

iron ore deposits had also attracted substantial foreign investments in the 1960s and first half of the 1970s, encouraged by the government’s “open door” policy, and by 1975, Liberia had become the world’s fifth largest exporter. The export oriented concession sector—iron ore, rubber and timber generated about one quarter of the country’s total output, most export earnings and about one third of government revenue. However, Liberia’s growth rates of 6% and in the 1960s and 4% in the 1970s, “characterized as growth without development” had relatively little impact on the overwhelming majority of Liberians, and mainly benefited a small urban elite.⁶⁶

6.3 Conclusions and recommendations

Table 16 and 17 present the conclusions and recommendations regarding CSR awareness and advancement in Liberia:

TABLE 16: LIBERIA CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	X
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	X
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	X
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	



⁶⁶ <http://us-africa.tripod.com/liberia.html>

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
ACADEMIA	There is no evidence of academic interest in CSR	X
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	X
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 17: LIBERIA CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	X
		CSR policy development	X
		CSR skills development	X
	Within broader business circles	Chambers of commerce	
		Learning forums	X
		Industry protocols	X
	Between companies and governments	National agenda for CSR	
		CSR standards and protocols	
		Public-private partnerships	
Between companies and non-governmental stakeholders	Collaborative interventions	X	
	Social capacity building		
	CSR teaching and research		
Between companies and global role-players	Participation in global forums	X	
	Application of international standards		
	International best practice case studies		

In Liberia, ArcelorMittal is already taking a strong lead in the CSR space due to its role in the recently established Corporate Responsibility Forum of Liberia. The company could be further engaged to lead the process of strengthening partnerships with other multinational companies in the private sector. It is fair to say that these companies are currently instrumental, together with the international development community, in defining the CSR landscape of the country. In many instances, these companies approach CSR from a more strategic perspective, and they are working actively together with government, civil society, employees and communities to address the economic, social and environmental challenges of the country.

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7 Madagascar

7.1 Factors defining the context for CSR

Political

Madagascar gained its independence from France in 1960 and from 1972 onwards took a socialist course that still influences the democratic political environment at present. In 2009, democratically elected President Marc Ravalomanana was ousted from power by Andry Rajoelina, who was heading the High Transitional Authority (HAT). The international community viewed the transfer of power as tantamount to a military coup and did not recognize the HAT. Recently, the HAT evolved into a transitional government being a partial political compromise, thereby maintaining an unresolved political crisis, which continues to have a severe impact upon the development of the country.

Economic

The economy of Madagascar depends on agriculture, and tourism. Agriculture provides 80% of employment in the country (www.wikipedia.org), but this only translates into 16% of GDP since 87% of arable land is used for subsistence farming. In effect the country battles to feed itself. Potential mining deposits and petroleum reserves could effectively turn the extractives sector into the country's largest industry in the future. Currently, mining consists of principally chromite and ilmenite, with nickel and cobalt coming on-stream in 2012. Meanwhile both on- and off-shore oil and gas reserves are being explored. Wealth is unequally distributed with 90% of the country's income in the hands of 10% of the population.

Social

The following key indicators from the Bertelsmann Foundation's Transformation Index put social conditions in Madagascar in context:

TABLE 18: OVERVIEW OF MADAGASCAR'S SOCIAL CONDITIONS

Population (mn.)	18.6	HDI	0.54	GDP p.c. (\$)	987
Pop. Growth (% p.a.)	2.7	HDI rank of 182	145	Gini Index	47.2
Life expectancy (years)	60	UN Education Index	0.68	Poverty (%)	89.6
Urban population (%)	29.2	Gender Inequality Index (GII)	-	Aid per capita (\$)	45.3

Source: <http://www.bti-project.org/home/index.nc>

The current and previous political crises aggravate conditions in a country already suffering from severe poverty. Donor funding has been frozen and the country has to rely on humanitarian assistance to keep basic social services running. However, there is insufficient funding for programmes related to agriculture, infrastructures and overall economic development.

On the health side it is reported by UNICEF that 70 000 children per year die before the age of five from preventable diseases, including diarrhoea, acute respiratory infections and malaria (www.unicef.org). These figures were not good prior to the political crisis, while humanitarian efforts have been raised during the current crisis in an effort to dampen economic impacts on poor people.

Limited access to education and poor quality education have characterised schools of Madagascar from the colonial period to the present. Gains that were made under the rule of president Ravalomanana have been lost during the current crisis. In 2010 the de-facto government even introduced measures that would limit the use and teaching of English.

Human rights in Madagascar are protected under the constitution. However the implementation of these rights is questioned. The 2009 Human Rights Report by the United States Department of State noted concerns regarding the suspension of democratic electoral processes as the result of recent political unrest. Reports of corruption, arbitrary arrest, widespread underage prostitution and child labour highlight the prevalence of human rights issues in the country. Accusations of media censorship have risen since 2009 due to the allegedly increasing restrictions on the coverage of government opposition. In addition, civil society is polarised with political alignments and virtually no signs of independence.

Environmental

The political turmoil of 2009 triggered a timber rush which saw thousands of loggers ransack national parks to feed export markets to principally China, and limited amounts for the United States and Europe. This illegal trade threatens the last of Madagascar's precious wood forests, and the communities and wildlife that live in them. More importantly the flagrant abuse of political power to exploit these woods is undermining years of efforts by national conservation programmes to instil good governance of natural resources.

Summary: Development challenges

The negative political conditions in Madagascar aggravate social and environmental conditions in a country where people are already poor and struggle to make a decent living. The absence of foreign investment places social services such as health and education under increased strain. The country is open for corruption and environmental exploitation and human rights abuses. Overall the country desperately needs to find a new path to succeed in the future.

7.2 Role-players impacting on CSR awareness and advancement

International aid

International aid is in the balance as a result of the political crisis. What is reported here is more representative of on-going international assistance despite the interruption brought about as a result of the political situation.

- **Bilateral and multilateral development agencies**
 - German Development Cooperation (GIZ) (environment, renewable energy, health, corporate social responsibility)
 - French development cooperation (Agence Française de Développement) (social development, environment, research, energy, health, agriculture, decentralisation ...)
 - JICA (Japan international cooperation agency) (health, water supplies and agriculture)
 - USAID (health and environment)
 - European Union (infrastructure, agriculture, energy, rural development)
 - World Bank (infrastructure, agriculture, health, decentralisation, environment, cash transfers, etc.)
 - UNAIDS, UNDP, UNICEF, WHO, UNFPA, UNIDO, IFC
 - Global fund for Aids, tuberculosis and malaria
- **NGOs** (estimation of more than 200 national and international NGOs active in Madagascar and many hundreds of local associations)
 - WWF, Conservation International, Blue Ventures and others bodies are international conservation NGOs focusing on terrestrial and marine conservation areas
 - CARE International (rural development, health, nutrition, etc.)
 - Catholic Relief Services Madagascar (health, rural development, food security, etc.)

Government

- **Strategic priorities:** In 2002 the government prepared a Poverty Reduction Strategy Paper and in 2002 it developed a recovery plan with the private sector referred to as “Friends of Madagascar.” During the Ravalomanana period a road map known as the Madagascar Action Plan 2007 – 2012 (MAP), was developed with a focus on water conservation, proper management of towns, reforestation, improvements in health

and education, and preparation for long-term development that would benefit future generations. Furthermore the government initiated continued efforts to accelerate development by combating corruption, supporting institution-building, fighting AIDS, and seeking international capital, investors, grants and donors. Most of these initiatives have been compromised by the current situation.

Forums

- **Extraction Industries Transparency Initiative (EITI):** coalition of governments, companies, civil society groups, investors and international organisations, sets a global standard for transparency in oil, gas and mining. Madagascar is currently suspended from EITI until a democratically elected government is restored.

Civil society

Civil rights and the freedom of association and expression are guaranteed and protected by the constitution. The practical application of these rights can however be questioned. A relative lack of proper civic engagement is rooted in widespread poverty, a declining middle class and a trend toward individual citizens opting out of civic activities. Madagascar consequently lacks a clearly defined landscape of social interest groups. Christian churches play a key role in everyday life for the Malagasy while providing social services such as education, health and a forum for social participation. However, civil societies and churches are politicised and polarised which brings their status and activities into question.

Academia

Although the country has a number of universities no evidence could be found of specific CSR-related courses or programmes. An online MBA degree is available from the University of Antananarivo, but no CSR topics could be found on the website. Studying CSR is currently not a priority, as there is an essential need to develop applied skills and training for a potential workforce in the future. CSR could be ensued through integral education support provided by companies, whereby corporations engage educational facilities and institutions to provide partnership programmes which encompasses the applied components of CSR in society.

The business response

With the government in turmoil, international aid flows being interrupted and a minimal impact from civil society, the private sector has largely been left to set the tone for economic progress and social development. Some multi-nationals and subsidiaries of foreign companies are beginning to drive the CSR agenda in Madagascar. These companies bring with them international standards regarding social and environmental development and

protection. Not only are they offering local people employment opportunities, but they are getting involved in education and health projects within their communities and also initiating environmental protection and reporting standards. However, these companies are limited in number and touch only a small percentage of the population and country.

Companies starting to set the tone, include:

- **Ambatovy Project:** mining company which will soon produce nickel and some cobalt with long-term commitments to internationally benchmarked standards on corporate social responsibility and environment (biodiversity offsets), health and safety; and audited for social and environmental compliance by independent third parties.
- **Rio Tinto/QMM:** mining company exploiting illmenite (heavy sands) involved with nature conservation offset initiatives and community development programmes.

Other relevant business forums are:

- The Chamber of Commerce, Industry & Agriculture of Antananarivo
- The Chamber of Mines
- National Tourism Office.

Summary: The nature and state of CSR awareness and advancement

CSR development is largely left to the initiative of companies. To date CSR activities are approached from a philanthropic perspective, although a few multi-national companies are making the transition to link their CSR agenda's with their core business design, and thus approaching it from a more strategic perspective. International companies are better prepared and willing to adhere to minimum international standards and regulations relating to employment and the environment.

As a result of the lack of government capacity to provide quality social services, companies (mostly multi-national) are involved in providing some of these services to their employees and neighbouring communities. Since 2009 there has also been an increase in the humanitarian assistance (shift from conservation funding) for education, health and social protection from the international community, working together with civil society and companies to address the challenges in the country.

7.3 Conclusions and recommendations

Table 19 and 20 present the conclusions and recommendations regarding CSR awareness and advancement in Madagascar:

TABLE 19: MADAGASCAR CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	X
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	X
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	
ACADEMIA	There is no evidence of academic interest in CSR	X
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	



ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	X
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 20: MADAGASCAR CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	X
		CSR policy development	X
		CSR skills development	
	Within broader business circles	Chambers of commerce	X
		Learning forums	
		Industry protocols	
	Between companies and governments	National agenda for CSR	
		CSR standards and protocols	
		Public-private partnerships	
	Between companies and non-governmental stakeholders	Collaborative interventions	
		Social capacity building	
		CSR teaching and research	
	Between companies and global role-players	Participation in global forums	
		Application of international standards	
		International best practice case studies	

In Madagascar, there appears to be an increase in awareness about the importance of responsible and sustainable development. This development seems to have been supported

by government in terms of economic, social and policy reform processes on the one hand, and the CSR standards and experience by international companies on the other. Rio Tinto seems well established and adhering to international standards. The company may lead the evolvement of CSR through broader business circles, e.g. chamber of mines, and from there facilitate policy input to government.

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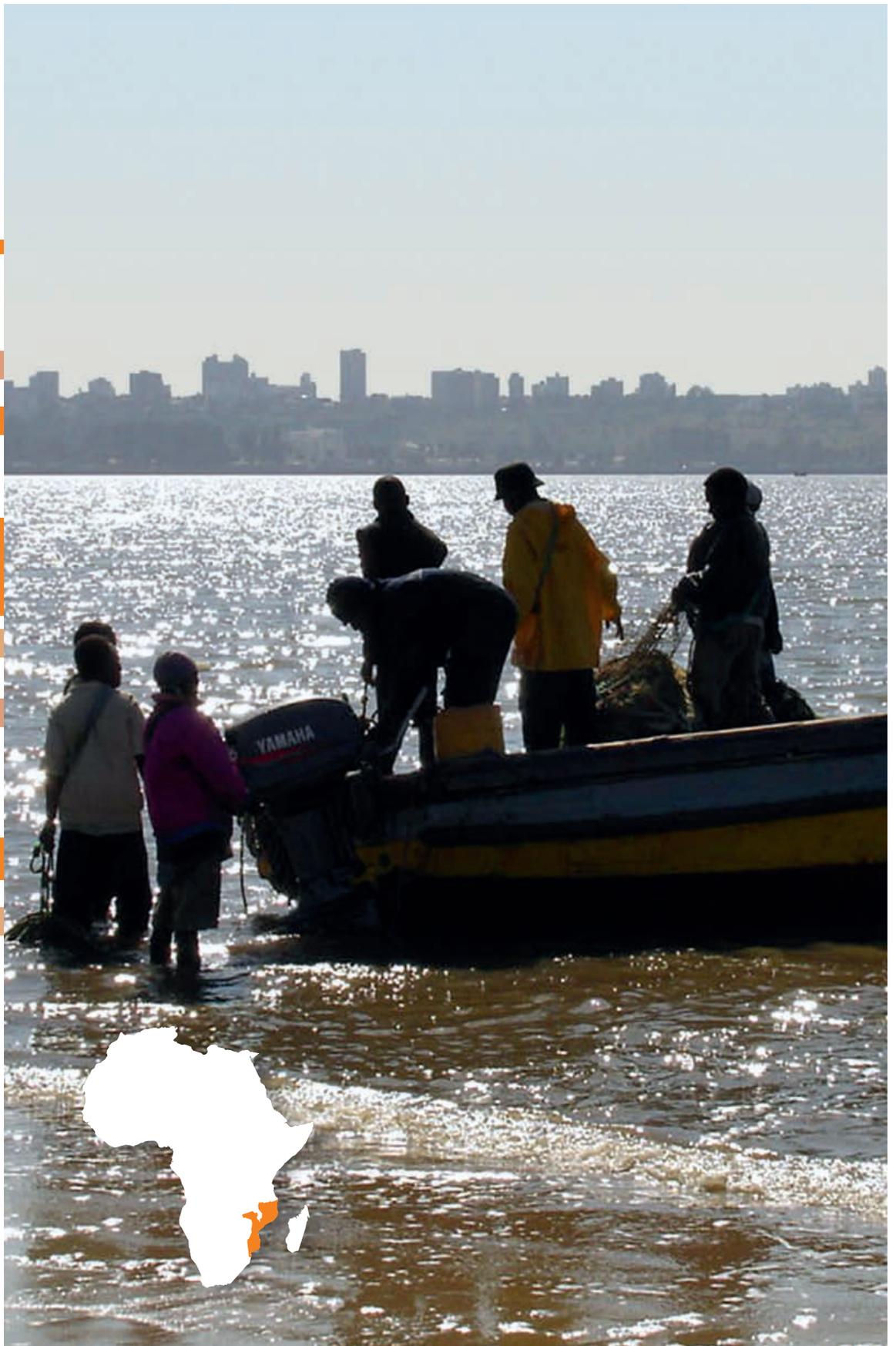
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8 Mozambique

8.1 Factors defining the context for CSR

Political

Under colonialism, the economic policy was dominated by Portuguese home-country interests with few investments in infra-structure and education. After independence in 1975 the Government opted for a central planning approach (nationalizations), with few incentives to the private sector and entrepreneurship (Krause/Kaufmann 2011). Following a 16 year civil war between the ruling and dominating party (Frelimo) and Renamo (an apartheid regime-supported rebel party), the country lay in social and economic ruin. The disastrous economic situation, poverty and a shortage of international credit forced Mozambique in the late 80s to cooperate with the West, namely with the IMF agreeing on a transition to democracy and structural economic reforms (multi-party system, liberalization, private property, easing of foreign investment, free trade etc.). The new constitution enacted in 1990 provided for such a multi-party political system and a market-based economy (EIU 2008). The Civil war ended in 1992 (Rome treaty) and free elections were held. FRELIMO dominated the political scene from the beginning winning all national elections. Since the nineties, Mozambique is considered stable and peaceful. After President Chissano, Armando Guebuza, from the ruling Frelimo party, won another term in office in the October 2009 elections with a landslide majority. Since then nationalistic accents are more pronounced aiming at enhancing party influence at various levels of government with a stronger and more centralistic “hands-on” approach. The opposition RENAMO is weak and lacking professional leadership. Local elections are held since the year 2003 starting in 33 local governments (municipalities). In 2009 some RENAMO “dissidents” founded MDM (Movimento Democrático de Mocambique), which managed to get into parliament in the 2009 elections and won two local elections (Beira and Quelimane).

Nevertheless institutions as well as civil society are still fragile in Mozambique, meaning that checks and balances are rather weak. Mozambique is still one of the most aid-dependent countries in the world (ca. 50% of state budget, Krause/Kaufmann 2011). Donors (IMF, World Bank, EU, bilaterals) play a crucial role in the development of the country, setting at least partly Mozambique’s agenda and influencing economic and social policies. According to the World Bank Governance Indicators, quality of Governance is mixed with little progress in the last ten years. Especially control of corruption (conflict of interests), voice and accountability and the rule of law are rather weak issues (APRM 2009).

TABLE 21: WORLD BANK GOVERNANCE INDICATORS FOR MOZAMBIQUE 2000 – 2010

GOVERNANCE INDICATOR	RELATIVE POSITION WORLDWIDE IN %		
	2010	2005	2000
VOICE AND ACCOUNTABILITY	45	50	45.7
POLITICAL STABILITY	57.1	48.6	38.9
GOVERNMENT EFFECTIVENESS	38.8	36.6	38.5
REGULATORY QUALITY	40.7	25.5	42.6
RULE OF LAW	37	31.6	29.2
CONTROL OF CORRUPTION	42.6	37.6	42
0% worst worldwide, 100% best worldwide			

Source: The World Bank, 2011

Economic

Since 2001 Mozambique is one of the world's top ten for annual average GDP growth in the world (around 7 % p.a.) (EIU, various years). The country's economy is considered one of huge potential. It is mainly based on agriculture and mining but other industries and services (Transport), especially tourism are growing as well (Krause/Kaufmann 2011). Nevertheless potentials are still not used properly and inclusively to fight poverty in the country properly. This for several reasons as discussed briefly below.

Aluminium production (MOZAL) accounts for about one third of exports and makes the economy highly dependent on volatile international prices. The same holds for gas (SASOL). There are a few big investments (so-called mega-projects) in the country, which work mainly with foreign capital, create relatively few value-added and jobs in the country and are not well linked to the rest of the national economy (Castel-Branco, Ossemame 2010). Exports are not well diversified; the country is suffering a chronic trade deficit. On top the mega projects enjoy generous tax exemptions and preferential treatment.

Due to the colonial history and the socialistic experiment (among other factors), there is also a lack of local entrepreneurship and competitiveness in Mozambique (Borowczak/ Kaufmann 2009). We find only few competitive national small and medium-sized companies (SME) in the country⁶⁷. (MIC 2008), the (growing) rest are informal companies (Krause et. al 2010). Value chains are usually not very long in the country, meaning a rather limited value added for Mozambique. The formal economy can be described as an extractive, fragmented industry with export of primary products (Castel-Branco, Ossemame 2010).

⁶⁷ Out of a total of an estimated 40.000 (MIC 2008, own estimates).

Main constraints to a sound development of the private sector are bureaucracy, corruption, access to finance and weak public services (KPMG 2011). This is also reflected in a rather bad position in the World Bank Doing Business Survey (139/183) and the World Economic Forum Global Competitiveness Index (133/142). The cost of doing business in Mozambique is high, productivity low, so that over all competitiveness is limited. Even in the sub-Saharan Africa context most companies/sectors are not competitive (Mosca et al. 2012/ MIC 2008). Given this background regional integration processes and namely the SADC is more seen as a threat than an opportunity.

Social

Social conditions and delivery of public services were extremely weak after the long civil war until 1992. In the last 20 years Human development indicators such as access to education (both primary and secondary) as well as to health services, particularly in rural areas, household ownership of durable goods and housing quality attest to important positive trends in long-term development (IMF 2011/UNICEF 2011). Nevertheless, the following social key indicators (HDI 184/187) characterize Mozambique despite the progress still as one the poorest countries of the world (APRM 2009):

TABLE 22: OVERVIEW OF MOZAMBIQUE'S SOCIAL CONDITIONS

Population (mn.)	23.4	HDI	0–1	0.322	GDP p.c. (\$)	942
Pop. growth (% p.a.)	2.3	HDI rank of 187	rank	184	Gini Index	45.6
Life expectancy (years)	49	UN Education Index	-	0.222	Poverty (%)	81.6
Urban population (%)	38.4	Gender Inequality Index (GII)	-	0602	Aid per capita (\$)	87.9

Source: <http://www.bti-project.org/home/index.nc>

Mozambique remains a country with significant income inequalities amongst the rich and poor, between urban and rural regions and with a very weak civil society (Fiege 2011). HIV/Aids, children suffering from chronic malnutrition and high child mortality are two of the most pressing health challenges (APRM 2009). Education also remains a stumbling block in addressing poverty and economic growth with an approximate 60% illiteracy rate amongst adults and here in particular women in the rural areas.

Despite the government's formal strong anti-corruption campaigns, corruption is still a major challenge and considered to be present in almost any citizen's daily life as well as being endemic in the country's executive and legislative branches (APRM 2009). The Transparency International Corruption Perception Index (CPI) for 2011 ranks Mozambique 120/182 with a score of 2.7 as "endemic corrupt". This picture did not change a lot in the last ten years.

Environmental

Official Government documents like the PARP⁶⁸ and the old PARPAs⁶⁹ make reference to “environmentally sustainable growth” as one of the aims of the Mozambican government. Mozambique is also committed to the UN MDGs which include the environmental sustainability as one of the development goals. Nevertheless – looking at the current PARP – it does not seem to enjoy a high priority (IMF 2011). Given the shortage of funds, Mozambique still invests little in environmental projects as part of government spending.

The necessary legal framework for environmental issues and assessments regarding private investments, buildings etc. exists in Mozambique. All new investments, depending on their volume and sector have to undergo an environmental study and impact assessment and need clearance and approval by the respective Ministry (MICOA⁷⁰). However, the weak institutional capacity of the controlling bodies and corruption can undermine compliance.

Summary: Development challenges

On the basis of the democratic system

- “Good governance” has to be improved and checks and balances strengthened.
- Capacity building will be essential in order to enforce existing legislation.
- Reduce dependence on donors.

Development challenges include also:

- poverty reduction,
- fighting corruption,
- improvement of delivery of social services like education and health (HIV/Aids), esp. in rural areas,
- private sector development (enabling environment) with job creation and links to the mega-projects,
- adaption to climate change and protection of the environment.

68 PARP: Plano de Accao para a Reducao da Pobreza; Poverty Reduction Action Plan

69 PARPA: Plano de Accao para a Reducao da Pobreza Absoluta, Program to reduce absolute Poverty.

70 www.micoa.gov.mz

8.2 Role-players impacting on CSR awareness and advancement

Under this section we look at role players already impacting on CSR awareness and advancement as well as on potential players. In general we feel that the impact of the below mentioned players is still rather limited on CSR topics and they are considered more as potential players.

International aid

- **Governments**

There is official development assistance in the form of bilateral technical and financial aid as joint budget support by the Program Aid Partners⁷¹ (PAP-G 19; 19 countries). Budget working groups discuss objectives and indicators with the Mozambican government. There is a “private sector working group” which deals with matters of the private sector but it is not an official working group of the budget support process. It does not deal systematically with CSR activities so far, but it could.

Bilateral donors run several private sector support programs like Germany, USA, Denmark, Norway, Italy, Sweden, and Netherlands (enabling environment, competitiveness, SME, sector promotion, value chains). Through supranational institutions and their activities in Mozambique like the UN, World Bank, IFC and EU most countries contribute to the economic and private sector development.

Germany is one of the ten biggest bilateral donors working within Mozambique (including sustainable economic development). Mozambique is one of the first countries in the world to receive direct and untied budget support from German development cooperation.

- **Development Agencies**

There is an uncounted number of NGO and governmental organisations working in Mozambique through projects and programs (including sustainable economic development). The ODA MOZ database gives an overview over the hundreds of official projects running in Mozambique. The main objective and focus of ODAMoz is to provide donors with a tool, based on international standards (e.g. OECD/DAC sector codification) and to deliver a profile of the donors working in Mozambique⁷². This database would make it easier to find potential players.

A few examples relevant for the topic:

- **GIZ** areas of cooperation include: basic education and vocational education, decentralisation for rural development, sustainable economic development (ProEcon), building

71 See Program Aid Partners PAP and respective documents on <http://www.pap.org.mz/>

72 See ODAMoz on <http://41.220.166.65/>

civil society structures and capacity. Germany also works with the World Bank and UNDP advocating a joint national programme to decentralise planning and finance. **KfW** manages the German contribution to budget support and engages in the financial sector development (microfinance, GAPI etc.)

- **UNIDO** supports the Ministry of Industry and Trade (MIC) and helps to introduce “business” as a subject into secondary schools.
- **The World Bank** runs a Private Sector development program (PACDE) through MIC
- **USAID** funds the SPEED program which supports private sector development
- **DANIDA** finances the FAN program, which intends to improve the Public-Private Dialogue system and to strengthen the voice of the private sector.
- **Swedish Cooperation** promotes private sector development in Niassa.
- **Italian Cooperation** helps to develop sustainable tourism in Inhambane through the CELIM NGO.
- **Aga Khan Development Network:** activities in Mozambique are concentrated in Cabo Delgado, the northernmost, and poorest, province of Mozambique, supporting the Coastal Rural Support Programme (CRSP), the Entrepreneur Development Initiative (EDI), and the Bridges to the Future (B2F) programme.
- **Millennium Challenge Corporation (MCC):** focusing on improving sanitation, roads, agricultural output and the business regulation environment.

Government

- **Strategic Priorities:** They are defined in the PARP as a continuation of PARPA II (IMF 2011). To achieve the objective of inclusive economic growth for reducing poverty, the government has defined general objectives, to which government efforts will be directed. These are: (i) to increase output and productivity in the agriculture and fisheries sectors; (ii) to promote employment; and (iii) to foster human and social development, while maintaining a joint focus on, (iv) governance and (v) macro-economic affairs and fiscal management.
- **Legislation:** There is no overall law of CSR activities known. Laws 11/2007 and 12/2007 regulated the distribution of parts of the benefits of extractive industries to local communities or “*other social investments*”. Nevertheless there are still no details or regulations published (Aschoff 2011). Broad CSR issues where you find framework

legislation⁷³ are for example: Anti-corruption Act (2002) and the creation of the anti-corruption office (GCCC)⁷⁴; labour law⁷⁵; whereas “Public servants code” and “conflict of interest laws” are still under discussion in parliament.

- **Forums/Workgroups/Networks:**

- There are a couple of potential forums for CSR activities,
 - **Program Aid Partners (PAP):** group of donors engaged in budget support with respective working groups.
 - **Conferencia Annual do Sector Privado (CASP):** Annual public meeting of Government and private Sector representatives (CTA).
 - **Joint Review (JR):** Annual joint assessment of the progress concerning the indicators of the budget support objectives.
 - The **Global Compact, Development Observatory:** set up by the government as part of its efforts to assess and monitor the implementation of anti-poverty programmes; a consultative forum which brings together, on an equal footing, representatives of civil society, the government and the donor community (G 20)⁷⁶.

Civil society

Domestic NGOs: Although there is more than an estimated 5000 civil society organisations/associations/NGOs, their participation and rights to participate in government affairs and public discussions (such as CSR) is still limited and in the early stages of its development (Fiege 2011). Mozambican civil society is strongly dependent on donors and tends to mostly work on projects on a reactive basis. Civil Society Organisations in the past (some still do) had strong affiliations with political parties consequently limiting their credibility within society.

The most prominent and more professionally run NGO such as the Centre for Public Integrity (CIP)⁷⁷ is to be the main civic for fighting corruption, reporting and investigating numerous corruption cases. They also started working on CSR matters of big mining companies. Another NGO, the Mozambican Debt Group (Grupo Mozambicano da Dívida, GMD)⁷⁸ has utilised the channels of interaction with the government, and exerted pressure for the cancellation of Mozambique’s foreign debt, and for better use of the resources

73 Find legislation under: www.portaldogoverno.gov.mz

74 See for example lei14/2012, GCCC: Gabinete Central de Combate a Corrupcao

75 Lei de Trabalho, Lei 23/2007, www.mitrab.gov.mz

76 G20-<http://www.iid.org.mz/>

77 www.cip.org.mz

78 <http://www.divida.org/>

generated, particularly in the present scenario of excessive domestic public debt. ORAM and Forum Terra are engaged in the notorious “land question”. ECoSIDA is a Mozambican private sector forum in the fight against HIV/AIDS which coordinated by the umbrella business association CTA in Maputo. They could be seen as potential participative CSR players.

In 2006 the “Institute of Directors of Mozambique” (IoD)⁷⁹ was founded with the help of IFC. This Governance and Development Institute, is an independent and not-for-profit civil society think-tank. GDI’s strategic intent is to serve as a catalyst for human development in Mozambique, by providing support to the building of capacity in public policy development, institutions, and programs contributing to poverty reduction and sustainable development. So far it does not seem to be very active.

Other domestic NGOs with (potential) relevance to the topic are:

KULIMA (community development)⁸⁰; Liga Mocambicana dos Direitos Humanos (Human rights)⁸¹, UNAC – União Nacional dos Camponeses (rural development, land question)⁸², Fórum Mulher (gender issues)⁸³ and Fundação para o Desenvolvimento Comunitário (civil society development, poverty)⁸⁴, Mozambique HIV/AIDS Partners Forum: a networking forum on HIV/Aids with donors (multilateral and bilateral) and civil society organizations and labour unions.

International NGOs as well as faith-based associations are numerous and their fields of activity not very transparent. The most prominent international NGO – among others – is the Bill Gates Foundation active in the country. Ford and Rockefeller Foundations work also in the field of social responsibility.

In Germany, the Koordinierungskreis Mosambik e.V. Bielefeld (KKM)⁸⁵ should be mentioned⁸⁶.

Various German and international church organisations (Caritas, Misereor, EED, AGEH and others) are working in the country as well as sects (Brazilian and others).

Since the formal installation of a multi-party democracy, the media have become more pluralistic (Hanlon/Smart 2008). Nevertheless the State continues to play an influential role with its own media (newspaper (Noticias), TV (TVM), radio (RM)). But there are inde-

79 www.gdi.org.mz

80 <http://www.kulima.org/>

81 <http://www.ldh.org.mz/>

82 <http://www.unac.org.mz/>

83 <http://www.forumulher.org/>

84 <http://www.fdc.org.mz/>

85 <http://www.kkmosambik.de>

86 KKM worked recently about the mining companies in Mozambique.

pendent and critical newspapers (O Pais, Savana, Zambeze) and radio stations as well and the trend seems to be positive (Fiege 2011). Mozambique has risen by over 30 places on the Press Freedom Index. In the 2011 – 12 index, published in January, Mozambique is rated 66th out of 179 countries. In the 2010 index it was in 98th position out of 178 countries, and in 2009 it was number 83 out of 175 countries⁸⁷. Recently there were a few critical articles published in the press about CSR activities of the extractive industries in the country.

Academia

The Eduardo Mondlane University (UEM)⁸⁸ is the oldest and, for a long time, the only one in Mozambique. Nowadays there are more than 20 private universities, with The Catholic University of Mozambique (UCM) being the biggest private University delivering courses in Management and Economics.

However, no evidence of formal CSR courses could be found. UEM provides a number of relevant courses through the Higher School for Rural Development, Higher School for Business and Entrepreneurship, and the School for Marine and Coastal Sciences. Specific CSR contents are not known at UCM; however environmental issues, human rights etc. are subjects of various courses.

With funding from UNIDO “business” is being introduced as a subject in secondary schools all over the country.

Despite some Universities having their own research and consulting departments, their capacity is still small and usually limited to some individuals. Outside the Universities two independent Think Tanks with relevance to CSR activities have to be mentioned:

- Institute for Social and Economic Studies (IESE⁸⁹, member of EITI)⁹⁰
- Research Institute Cruzeiro do Sul – IID, (member of the poverty observatory)⁹¹.

Especially IESE works about the megaprojects and their economic and developmental impacts (Castel Branco 2011).

87 <http://allafrica.com/stories/201202070080.html>

88 It was splitted up into UEM for the south of Mozambique, Universidade Zambeze fort he center and Universidade Lurio for the north of the country.

89 Instituto de Estudos Sociais e Economicos, www.iese.ac.mz

90 www.iese.de

91 <http://www.iid.org.mz/>

Multi-stakeholder initiatives

Potential CSR players along with the supra-national institutions would be for example:

- African Peer Review Mechanism (APRM): mutually agreed instrument voluntarily acceded to by the Member States of the African Union (AU) as an African self-monitoring mechanism. Mozambique is a member with the last official report about Mozambique published in 2009⁹².
- Extraction Industries Transparency Initiative (EITI⁹³): coalition of governments, companies, civil society groups, investors and international organisations, sets a global standard for transparency in oil, gas and mining. Mozambique's EITI application was rejected in 2011 and it still has the status of a "candidate". It is supposed to fulfil a set of preconditions in order to get full membership⁹⁴.

The business response

We can observe an increasing number of CSR projects and activities in the country. Nevertheless there is still no systematic approach or coordination through public authorities or the business sector itself. CSR is mainly driven by the private sector through philanthropy and charity supporting the local community on development priorities, mainly health, education and community development (own e-mail survey⁹⁵). CSR, as a concept, is mainly limited to large companies and foreign investors with international experience. First of all it is the mega projects that have their professional CSR departments and budgets. With the mining boom and more and more CSR experienced international players (Andarko, Rio Tinto, ENI, Statoil etc.) entering the country the potential will even be higher and can be more systematically used.

A few, partly state-owned companies participate, but CSR activities in these companies are mainly related to social politics. Many companies, especially national SMEs still do not have the CSR capacity or mind set to drive and implement a more strategic CSR approach.

As public institutions are weak, CSR in MOZ is at least partly about "CSR towards compliance" and less about "CSR beyond compliance". Strong views are expressed by civil society that for example the enforcement of labour legislation within companies is weak and hardly controllable by the government. This fact together with the corruption issue makes CSR towards compliance of existing labour, environmental and fiscal laws a highly important

92 APRM (African Peer Review Mechanism) (2009): Country review report. Republic of Mozambique, June 2009, Midland, South Africa: African Peer Review Secretariat (APRM Country Review Report No. 11).; <http://aprm-au.org>

93 www.eiti.org

94 <http://www.trademarksa.org/news/mozambique%E2%80%99s-eiti-application-rejected>, accessed 1.6.2012.

95 E mail survey among 50 stakeholders and multipliers, 17.5.2012.

and desirable topic. CSR beyond compliance is sometimes seen as “green washing” by big investors, benefitting from generous tax exemptions and special deals with the government. For example, paying taxes and thus enabling the state to deliver its (social) services would be the better way toward development. This matter would need a more in depth research as it is only a reflection of single opinions and the authors view. It can't be generalized.

The following companies offer examples of CSR involvement (not in order of importance or budget):

- **Kropfmühl AG:** The German mining company (graphite) engages through education programs, local infrastructure and community development in the villages near their mining operations in the north of Mozambique.
- **Motorcare:** significant contributions to HIV/Aids Programmes in the workplace.
- **MCEL:** actively involved in a variety of social development programmes, including education infrastructure (Media Centres), environmental and cultural development and health projects.
- **Mozfoods SA:** investing actively in agricultural production, committed to social responsibility through the integration of social and environmental concerns in a sustainable manner with clear medium to long term objectives.
- **Kenmare:** Engaged is supporting “Associação Kenmare para o Desenvolvimento de Moma (“KMAD”) in the area of community development, small business activities, local infrastructure.
- **TCT Dalman:** environmental protection, community development, schools.
- **Tangerine:** involved in environmental protection, beach cleaning.
- **Inpetro:** fire brigade, emergency rescues in the petrol port Beira.
- **MOZAL:** Community development within a radius of 20km of the factory through the *Mozal Community Development Trust* (MCDT) which receives a certain percentage of the MOZAL profits.
- **VODACOM:** ad hoc activities in sport, culture local development
- **Rio Tinto:** Health, community development, resettlement
- **Portucel, Green Ressources, UPM:** Forest Sector companies work with local communities in the forests. Companies supported by the American company “Tecnoserve” in Maputo in order to establish and improve their CSR schemes.
- **BIM and other commercial banks:** cultural activities /exhibitions among others

- **Vale:** various, but also heavily criticized.

In addition to the above the following forums/ networks/initiatives exist:

- **UN Global Compact Local Network Mozambique:** The Mozambique chapter of the UN Global Compact was launched in 2003 with its steering committee established in 2006. It is managed by the Environmental Business Forum FEMA and has 12 members. Recent reports are not available and the network does not seem to be very active.⁹⁶
- **ACIS**⁹⁷ – Associao de Comercio e Industria , Beira promotes CSR activities, offering the respective profiles of members and projects looking for partners.
- **CTA** – Umbrella Business Confederation in Maputo manages EcoSida, a network for HIV/SIDA issues.
- **IoD** – Institue of Directors of Mozambique, Maputo promotes business good governance and ethical codes. It recently launched a seminar about the elaboration of an ethic code for the Private Sector (CTA 2012).

It is worth to mention that also international CSR projects and networks without being based in Mozambique are implemented. The **German Munich Re** for example finances through its CSR foundation emergency warning systems in Mozambique and work on topics like climate change adaption.

Summary: The nature and state of CSR awareness and advancement

CSR awareness in Mozambique is growing: It is still in its infancy, but the “stage” has been set in the growing economy. In the beginning it was driven by MOZAL and other megaprojects, now spreading over the country including also medium sized companies. Nevertheless, currently CSR activities are mostly implemented by multi-nationals, their subsidiary companies and foreign capital, and tend to focus on employees, immediate families and the closer community mainly in the areas health, education, community development and sometimes environment. There remain doubts if many CSR activities are not just “green washing” and public “compensations” for non-compliance with existing rules and legislation.

With the increased activities of Transnational Corporations and the increased involvement from the international community real CSR opportunities can be optimised, a CSR dialogue implemented in order to address social and environmental priorities with all stakeholders within the country. Active civil society and local NGOs will have to play an important role to advance CSR activities.

⁹⁶ www.unglobalcompact.org

⁹⁷ <http://www.acismoz.com/?target=corporate-social-responsibility>

So far the state has no coordinating role, although it is stipulated that extractive industries should be subject of CSR activities. The range of CSR activities, volumes and impact are still fairly not transparent, with only little evaluations⁹⁸.

8.3 Conclusions and recommendations

Table 23 and 24 present the conclusions and recommendations regarding CSR awareness and advancement in Mozambique.

TABLE 23: MOZAMBIQUE CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	X
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	X
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	
ACADEMIA	There is no evidence of academic interest in CSR	X
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	



98 See for an exemption: CIP (2011): El Dorado Tete: Os Mega Projectos de Mineracao, Maputo.

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	X
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 24: MOZAMBIQUE CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	X
		CSR policy development	
		CSR skills development	
	Within broader business circles	Chambers of commerce	
		Learning forums	X
		Industry protocols	
	Between companies and governments	National agenda for CSR	X
		CSR standards and protocols	X
		Public-private partnerships	
	Between companies and non-governmental stakeholders	Collaborative interventions	
		Social capacity building	X
		CSR teaching and research	
	Between companies and global role-players	Participation in global forums	
		Application of international standards	
		International best practice case studies	X

In Mozambique, the MOZAL (BHP Billiton, Mitsubishi Japan, IDC of SA and the Mozambique government) partnership may be utilised as a leverage point for CSR advancement. The partnership can serve as a learning opportunity, within a PPP context, for CSR awareness and development and set the tone for a national agenda for CSR. There also seems to be potential in the variety of forums and networks listed – with a Global Compact Network amongst them. These forums offer ideal opportunities to stimulate the discourse and lead the learning process around CSR. Business associations like ACIS (and IoD and CTA) could be good leverage points. They also could lead a lobby to try to get tax benefits for CSR and reward publicly the best CSR projects. The private sector working group of the donors is another forum which should discuss the topic and link donor activities to private sector in Mozambique as well as to NGOs. The Ministry of Natural Resources should finally lead the process to implement the existing CSR rules for extractive industries and specify and complement the missing decrees and details. The development of CSR standards and protocol and best practise case studies will also be useful.

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List of selected web pages of stakeholders and actors in CSR (Mozambique), mentioned in the text.*Donors:*

<http://www.pap.org.mz>

<http://41.220.166.65> (ODAMOZ)

Government:

www.portaldogoverno.gov.mz

www.mitrab.gov.mz

NGOs:

<http://www.iid.org.mz> (G20)

www.cip.org.mz

<http://www.divida.org>

www.gdi.org.mz (IoD)

<http://www.kulima.org>

<http://www.ldh.org.mz>

<http://www.unac.org.mz>

<http://www.forumulher.org>

<http://www.fdc.org.mz>

<http://www.kkmosambik.de>

www.iese.de

www.cip.org.mz

Business Associations, Networks:

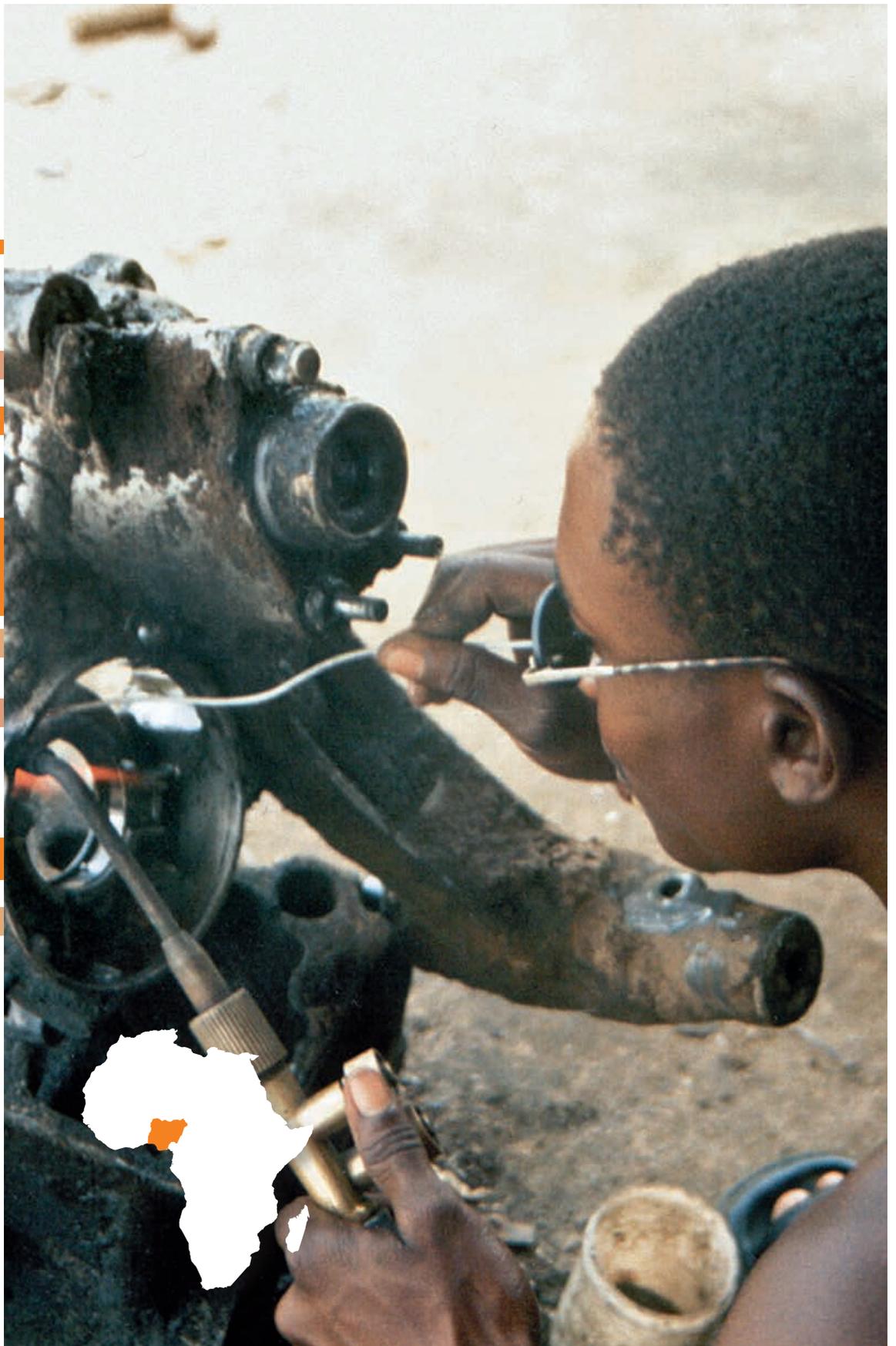
www.acismoz.com

www.cta.org.mz

www.unglobalcompact.org

www.eiti.org

<http://aprm-au.org>



9 Nigeria

9.1 Factors defining the context for CSR

Political

Nigeria has a constitutional democracy that is modelled within a framework of a federal and presidential democratic republic. Nigeria has 36 states in addition to Abuja (the Federal Capital Territory) and 774 local governments, which all have considerable policy and fiscal autonomy and responsibility for delivery of public services⁹⁹. The National Assembly is bicameral, with a Senate and a House of Representatives that are both distributed among the states by population. The judiciary has at the apex of its federal structure a Supreme Court of up to 15 justices. Each state has a governor (and, parallel to the vice-president at the national level, a deputy-governor), a unicameral House of Assembly and a judiciary arm.

Nigeria has had a long history of military rule, with about thirty-three years of military rule since the country achieved independence in 1960. Despite this, the country has improved democratically from military rule to uninterrupted democratic rule since 1999, with the advent of the Fourth Republic that commenced in 1999. While the country has a multi-party democracy, only 6 of the 55 registered political parties in Nigeria are represented in the senate, with the political terrain being largely dominated by the ruling party, the Peoples Democratic Party (PDP)¹⁰⁰.

In April 2011, Dr. Goodluck Jonathan of the PDP won the presidential elections, in what signified substantial progress in Nigeria's electoral and democratic development, and which were characterized by observers as the freest and fairest elections in Nigeria's history.¹⁰¹

Economic

Nigeria has one of the most developed economies in Africa. According to the UN classification, Nigeria is a middle-income nation with developed financial, communication, creative arts (including movies and music) and transport sectors. It has the second largest stock exchange in the continent.¹⁰²

Nigeria has a mixed economy with a modern segment dependent on earnings from the oil and gas industry, in addition to traditional agricultural and trading economy¹⁰³, with recent growth in industries such as banking and telecommunications, as a result of economic

99 World Bank, 2012: Nigeria: County Brief: <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/NIGERIAEXTN/0,,menuPK:368906~pagePK:141132~piPK:141107~theSitePK:368896,00.html>

100 United States Embassy, 2012: Nigeria Political Fact Sheet, <http://photos.state.gov/libraries/nigeria/487468/pdfs/January%20Political%20Fact%20Sheet.pdf>.

101 The World Bank: Nigeria Country Brief See <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/NIGERIAEXTN/0,,menuPK:368906~pagePK:141132~piPK:141107~theSitePK:368896,00.html>

102 Economic Watch 25 May 2010: See http://www.economywatch.com/world_economy/nigeria/

103 <http://www.iss.co.za/af/profiles/Nigeria/Economy.html>

reforms since the advent of the Fourth Republic. Nigeria is the 12th largest producer of petroleum products in the world. The oil and gas industry accounts for almost 80% of the GDP share and above 90% of the country's total exports.

Nigeria has an extremely vibrant and dynamic informal sector, which encompasses activities in all sectors of the economy that encompass a wide range of small-scale, largely self-employment activities. Most of them are traditional occupations and methods of production. Others include such financial and economic endeavours of a subsistence nature, such as: trade, transport, restaurant, repair services, financial inter-mediation and household or other personal services. While the informal sector substantially contributes to the general growth of the economy and personal or household income, it is not easy to measure activities within the informal sector in Nigeria.¹⁰⁴

The strengthening of democracy and subsequent economic reforms, have created an enabling environment for the country to pursue its full economic potential. Some of the recent key reforms instituted in the country include the power sector (electricity) reform initiative that was launched in 2005 as a critical leverage towards addressing the country's development challenges. Also, the Central Bank has been pro-active in boosting the macro economic climate in the country through providing regulation for the reform of the banking sector. The ambitious financial sector reform agenda includes the introduction of International Financial Reporting Standards (IFRS); the strengthening of banking supervision and governance across the financial sector and completing a program of special audits, by removing those responsible for the banking crisis and leading the Asset Management Corporation Act, under which a distressed asset fund (AMCON) purchased over US\$ 5 billion of problem loans from 21 banks since December 2010.

Nigeria's growth has continued to be broad based, oriented primarily toward the domestic market, and driven by strong performance of the banking, agricultural, trade, telecommunications, and manufacturing sectors. In 2012, the Nigerian economy measured by real GDP is projected to grow at 6.50%, a decline in the annual growth rate compared to 2011. However, in 2013, the economy is projected to grow at a faster pace as the effects due to the partial repeal of the PMS subsidy are expected to dissipate. The economy is expected to grow at a respectable rate of 7.43% in 2014 and 7.25% in 2015.¹⁰⁵ According to the Nigerian National Bureau of Statistics, "While shocks in the early part of 2012 may have marginally slowed economic growth, the economy is expected to rebound in 2013 and grow at respectable trends in 2014 and 2015. The projected growth rates in this report may be further accelerated due to economic reforms expected to kick-in in the near future. As the

104 I.A. H. Ekpo and O. J. Umoh I, *The Informal Sector*, 25 May 2012, see <http://www.onlinenigeria.com/economics/?blurb=495>.

105 *Review of the Nigerian Economy in 2011 & Economic Outlook for 2012 – 2015* by the National Bureau of Statistics, March 2012, Page 5.

current Administration is looking to reform key sectors such as agriculture and power, coupled with increased public (capital) expenditure, these are likely to put the economy on a higher growth path".¹⁰⁶

TABLE 25: NIGERIA – HISTORICAL AND PROJECTED ANNUAL GROWTH RATES FOR REAL GDP, INFLATION AND VALUE OF TOTAL TRADE (%)

YEAR	2007	2008	2009	2010	2011	2012f	2013f	2014f	2015f
GDP	6.45	5.98	6.96	7.98	7.36	6.5	8.04	7.43	7.25
TRADE	5.08	16.88	-3.00	57.49	47.87	-11.03	11.25	20.6	16.44
INFLATION	5.57	11.98	11.97	13.59	10.91	13.57	12.21	12.04	11.91

Source: Review of the Nigerian Economy in 2011 & Economic Outlook for 2012 – 2015 by the National Bureau of Statistics, March 2012, Page 5.

Several experts predict that Nigeria's economy may overtake South Africa's by 2025, to become the biggest economy on the continent as oil prices climb and consumer spending in Africa's most populous nation expands with rising wages and an increase in borrowing. According to Masia and Michael Kafe, economists at Morgan Stanley in Johannesburg: "The sources of output growth are broadening and accelerating, retail trade is vibrant and its financial markets are deepening...the economy is on a growth charge."¹⁰⁷

Social

In summary, the following key indicators from the Bertelsmann Foundation's Transformation Index put the Nigeria socio-economic position in context:

TABLE 26: OVERVIEW OF NIGERIA'S SOCIAL CONDITIONS

Population (mn.)	158.4	HDI	0.459	GDP p.c. (\$)	2381
Population Growth (% p.a)	2.5	HDI rank of 187	156	Gini Index	42.9
Life Expectancy (years)	51	UN Education Index	0.442	Poverty (%)	83.9
Urban population (mn.)	49.8	Gender Inequality Index (GII)	-	Aid per capita (\$)	10.7

Source: <http://www.bti-project.org/home/index.nc>

Nigeria is the largest country in Africa in terms of population, with the largest concentration of black people in the world. Nigeria's population is made up of over 200 ethnic groups, 500 indigenous languages, and three major religions – Islam, Christianity and African traditional religion. The largest ethnic groups are the Hausa-Fulani in the North, the

¹⁰⁶ Ibid. Page 6.

¹⁰⁷ Maram Mazen – June 28, 2011 <http://www.bloomberg.com/news/2011-06-28/nigeria-s-economy-may-overtake-south-africa-by-2025-morgan-stanley-says.html>

Igbo in the South-east, and the Yoruba in the South-west. The fragmentation of Nigeria's geographical, ethnic and cultural identity lines has influenced the country's adoption of a federal structure and the strong emphasis of the federal government on the representation of the six geopolitical zones and different ethnic and cultural identities. Though Nigeria's socio-political environment is fairly stable, there are pockets of instability in some parts of the country.¹⁰⁸

Despite a number of government driven poverty alleviation programmes, extreme poverty remains a reality in the country. Extreme income inequalities, discrimination against women and child labour continue to be growth areas facing the country. Education continues to be a challenge with adult literacy rates of around 60% and the perception exist that the level and quality of education has declined in spite of an increase in the number of public and private tertiary institutions. Nigeria has a community-based health care system, and health indicators and access to health care is poor as they struggle to cope with the increasing Nigerian population. Lack of clean drinking water and sanitation causes many health problems. Infant mortality indicators are high, and the country still suffers from periodic outbreaks of cholera, malaria, sleeping sickness and even polio.

Fighting corruption and ineptitude are some of the biggest obstacles facing Nigeria, which then exacerbate other socio-economic and political challenges. The contributors opine that some of the factors that make Nigeria particularly susceptible to corruption include: the link between political and economic governance, the failure of the state to provide basic amenities and infrastructure, the reliance on the extractive sector, the quest for control and allocation of resources, the extraordinarily lucrative political offices and associated electioneering processes, as well as the abuse of cultural practices such as the giving of token gifts as part of relationship building.

Environmental

The discovery of oil in Nigeria in 1956¹⁰⁹ provided needed leverage for Nigeria to develop economically and to position herself as Africa's leading producer of oil. However, decades of corruption and irresponsible oil exploration practices by multi-national companies¹¹⁰ has left certain regions of the country with environmental impacts of gross proportions. In one of the most complex on-the-ground assessment study by the United Nations Environmental Programme in 2011 (UNEP) in parts of Ogoni land of the Niger Delta region (based on an assessment of 5,000 medical records, 4000 water samples including 142

108 World Bank, 2012; Nigeria: County Brief, http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/NIGERIAEXTN/0_menuPK:368906-pagePK:141132-piPK:141107-theSitePK:368896,00.html

109 NNPC, 2012: History of the Nigerian Petroleum Industry <http://www.nnpcgroup.com/NNPCBusiness/BusinessInformation/OilGasinNigeria/IndustryHistory.aspx>

110 UNEP, 2011: Environmental Assessment of Ogoni Land, Pg 144, http://postconflict.unep.ch/publications/OEA/UNEP_OEA.pdf

groundwater wells drilled specifically for the study as well as soil samples extracted from 780 boreholes in the region), reveals an extensive pollution of the environment which include soil, land, sediments and swampland as well as gross contamination at two-thirds of all contaminated sites which exceeded the Nigerian National Standards, as set in the Environmental Guidelines and Standards for Petroleum Industries in Nigeria¹¹¹.

As a result, the Nigerian government embarked on strategic initiatives to help mitigate the long term multi-faceted effects of one of the most devastating environmental pollution in Nigeria's history, particularly as it affects the livelihood of the indigenous people. One of such initiative is the creation of the Ministry of the Niger Delta in 2008, aimed at addressing holistically, the environmental and social impacts resulting from oil exploration activities within the 9 states that make up the Niger Delta region¹¹². Also, the recent Gas Flaring Prohibition Bill of 2011 was introduced to stop gas flaring within a definite timeline and to curb the level of environmental degradation, not just in the Niger Delta, but across the country¹¹³. Other key initiatives undertaken by state governments include the Lagos State government multi-stakeholder climate change conference which is organised every year (for the past four years) to identify and address specific climate issues, and provide strategic environmental policy guidelines. Other states like the Delta and Cross River states (has 60% of Nigeria's Rainforests) have subsequently developed environmental policy road maps to tackle these related issues¹¹⁴.

Despite these efforts, environmental issues have not been properly addressed in the country¹¹⁵ and more effort is needed to address some of the major environmental challenges like gas flaring from the extractive industries especially in the Niger Delta region and erosion in eastern Nigeria. Other environmental challenges in Nigeria include:

- Inadequate policies and legislation around environmental practices. For instance, only the Oil in Navigable Waters Act CAP 337 LFN (1990) addresses pollution of the sea and navigable rivers.¹¹⁶

111 UNEP, 2011: Environmental Assessment of Ogoni Land, http://postconflict.unep.ch/publications/OEA/UNEP_OEA.pdf.

112 Ministry of Niger Delta Affairs, 2011: History see <http://www.mnda.gov.ng/aboutus/history.php>

113 Nigerian Senate Committee on the Environment Report, 2012: State of the Nigerian Environment, http://www.abubakarbukolasaraki.com/index.php?option=com_content&view=article&id=422:keynote-address-on-the-state-of-the-nigerian-environment-delivered-by-senator-bukola-a-saraki&catid=1:latest-news&Itemid=351.

114 Nigeriancan Newsletter, 2012: Promoting Local Action on Climate Change, http://nigeriacan.org/web/nletter/_1336400302.pdf.

115 Human Rights Watch, 2012: Country Summary: Nigeria, http://www.hrw.org/sites/default/files/related_material/nigeria_2012.pdf

116 Nigerian Senate Committee on the Environment Report, 2012: State of the Nigerian Environment, http://www.abubakarbukolasaraki.com/index.php?option=com_content&view=article&id=422:keynote-address-on-the-state-of-the-nigerian-environment-delivered-by-senator-bukola-a-saraki&catid=1:latest-news&Itemid=351.

- Nigeria is not on track for meeting its Millennium Development Goals (seven) of achieving sustainable environment (MDGs).¹¹⁷
- Environmental management requires more proactive attention and awareness from government, lawmakers and society. This is reflected in Nigeria's poor showing in the Environment Performance Index with a score of 40.2, which ranks Nigeria as 153 out of 163 countries.¹¹⁸
- Environmental degradation has been widespread particularly in the oil rich Niger delta, with oil spills in Nigeria receiving far less international attention, although they have been at the heart of social unrest for decades.¹¹⁹
- Access to clean water and improved sanitation facilities is a daily challenge for many Nigerians. This problem is particularly acute in northern Nigeria, where only 30% of the population has access to safe drinking water and adequate sanitation.¹²⁰
- Overlapping authorities and responsibilities between ministries and a lack of resources within key agencies¹²¹.

With a strategic approach to solving some of the most urgent environmental problems in Nigeria, the Federal Government has included environmental issues in the current reform agenda and provided policy thrust that will entrench peace and stability to drive sustainable socio-economic development in Nigeria, with the aim of reducing the high incidence of poverty, high rate of unemployment and high level of insecurity.¹²²

Summary: Development challenges

Despite the recent improvements regarding the culture of democracy and Nigeria's impressive economic growth over the last 3 years, the benefits are yet to be felt in other sectors of the economy. As a result, Nigeria has stalled in achieving its developmental challenges, particularly in meeting the Millennium Development Goals. Government efforts including policies and regulations are still weak and corporate involvement has not gained enough momentum. The country is grappling with the following growth areas:

- weak institutional capacity and efficiency of the nation state and public sector regarding service delivery;

117 UN, 2011: Millennium Developmental Goals Report 2011. <http://www.slideshare.net/undesa/millennium-development-goals-report-2011>.

118 BTI, 2012: Nigeria Country Report, Sustainability, <http://www.bti-project.org/country-reports/wca/nga>.

119 UNEP Year Book 2012: Emerging Issues in OUR Global Environment.

120 USAID 2012: Economic Growth and Environment, <http://nigeria.usaid.gov/program/1>.

121 UNEP, 2011: Environmental Assessment of Ogoni Land, http://postconflict.unep.ch/publications/OEA/UNEP_OEA.pdf.

122 Nigerian Tribune 2011: ABC of Jonathan's Transformation Agenda. <http://sunday.tribune.com.ng/index.php/politics/26650-abc-of-jonathans-transformation-agenda>.

- strengthening the electoral process to improve credibility;
- diversity management and unity of the various ethnic groups and geopolitical zones;
- human security, including dealing with sectarian violence in several parts of the country, such as the Niger delta (which has improved tremendously since the advent of the new administration) and northern Nigeria;
- corruption and improving the quality of governance, transparency and accountability especially regarding the utilisation of revenues from natural resources¹²³;
- improving the level of gender equality across the country as well as the level of socio-economic development towards achieving the millennium development goals and targets, especially poverty;
- economic growth in Nigeria is constrained by inadequate infrastructure, electricity, incentives and policies that promote private sector development and poor access to quality education¹²⁴;
- the level of employment and income inequality remains a major issue for Nigeria;
- agriculture has suffered from years of mismanagement, inconsistent and poorly conceived government policies, the lack of basic infrastructure and the reliance of Nigeria's economy on oil and gas earnings;
- weak environmental standards in terms of policies, regulations and enforcement of environmental best practices; and inadequate incentives to the informal sector to become part of formal economy.

9.2 Role players impacting on CSR awareness and advancement¹²⁵

International aid

- **Governments**
 - **United States** – Since the restoration of basic democracy in Nigeria in 1999, the bilateral relationship between Nigeria and USA has continued to improve. On April 6, 2010, both countries inaugurated the U.S. – Nigeria Bi-national Commission,

123 Nigeria has recorded another abysmal performance having been ranked 41st out of 53 countries in the 2011 Mo Ibrahim African Governance rating report released recently. The report shows that the country's overall governance quality has consistently deteriorated over the past five years, between 2006 and 2010. See Sun News Publishing Sunday, October 23, 2011 <http://www.nairaland.com/787892/nigeria-mo-ibrahim-governance-index>. Accessed 24/05/12.

124 USAID 2012: Economic Growth and Environment, <http://nigeria.usaid.gov/program/1>.

125 Note that the information highlighted below can by no means be comprehensive and is intended to serve as a baseline database that can be expanded upon.

a formalized commitment to hold bilateral talks on four key areas: good governance, transparency, and integrity; energy and investment; Niger Delta and regional security; and agriculture and food security. USA assistance aims to help Nigeria improve transparent and accountable governance; engaging civil society and government partners to battle corruption; increasing professionalism of the military and law enforcement agencies; strengthening health and education systems to deliver quality services; growing the non-oil economy; and improving the environment for regional and international trade. For national and local elections in 2011, efforts also focused on creating an environment for transparent and credible elections.¹²⁶

- **United Kingdom** – The UK Government is committed to working with the Nigerian Government to promote good governance and help Nigeria achieve the Millennium Development Goals. The UK's bilateral aid to Nigeria also supports work ranging from malaria prevention, to girls' education, to reform of the justice sector.¹²⁷
- **Germany** – Since the country's new democratic dawn in 1999, German development cooperation has been concentrated on supporting the reform efforts of the government in terms of reducing poverty, achieving pro-poor economic growth and fostering regional stability. Germany is also active in the priority area of sustainable economic development (private sector promotion and financial sector development). A new priority area is to be established in the field of renewable energies and energy efficiency, so as to foster the efforts of the Nigerian government to put in place a sustainable energy policy. Other German development projects are supporting efforts to strengthen the rights of women and vaccination programmes designed to fight polio.¹²⁸
- **Development Agencies**
 - **The United Nations Development Programme (UNDP)**¹²⁹ provides capacity building and policy development support to the Nigerian Federal Government and 21 states drawn from the six geo-political zones in four programme areas: Governance & Human Rights; Poverty Reduction; HIV & AIDS; and Energy & Environment.

126 USA Department of State, 2012: See <http://www.state.gov/r/pa/ei/bgn/2836.htm>.

127 Foreign and Commonwealth Office: See <http://www.fco.gov.uk/en/about-us/what-we-do/working-in-partnership/working-with-stakeholder-groups/086-diaspora-groups/Nigerian-diaspora/britain-nigeria/>.

128 BMZ (German Ministry for Economic Cooperation & Development) See http://www.bmz.de/en/what-we-do/countries_regions/subsahara/nigeria/zusammenarbeit.html

129 www.ng.undp.org.

- **The United Nations Children Fund (UNICEF)**¹³⁰ assists the Nigerian government at all levels, supports organizations, communities and families in providing children with the needed education, health care service, equality and protection.
- **The International Monetary Fund (IMF)**¹³¹ supports Nigeria through the surveillance of the country's economic performance, provides technical capacity assistance in government expenditure, taxation, financial sector and economic statistics.
- **The World Bank**¹³² assists Nigeria in fighting poverty and provides long term developmental strategies through the provision of loans and credit to help improve the living standards.
- **The World Health Organisation (WHO)**¹³³ assist in attaining the highest sustainable level of health by all people living in Nigeria through a collaboration with the government and other partners in health development and the provision of technical and logistic support to various country programmes.
- **The International Finance Corporation (IFC)**¹³⁴ promotes sustainable private sector growth and help improve lives of the people in least-developed economies of sub-Saharan Africa and in those recovering from conflict, by improving the investment climate and also in enhancing support to small and medium enterprises towards developing projects more proactively in sectors including infrastructure and agri business
- **The United States Agency for International Development (USAID)**¹³⁵ assists Nigeria in building the capacity of government institutions, improving the quality of basic education, supporting the government in developing poverty alleviation efforts, provide funding to combat HIV/AIDS, reduce TB transmission, improve diagnosis and manage multi-drug-resistant-TB cases, assist in family planning and reproductive health, maternal, neonatal and child health, including routine immunization, prevention and treatment of malaria.
- **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**¹³⁶ promotes sustainable economic practices in Nigeria by supporting economic reforms and in

130 www.unicef.org/nigeria.

131 <http://www.imf.org/external/country/nga/rr/whatwedo.htm>.

132 <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/NIGERIAEXTN/0,,menuPK:368902~pagePK:141159~piPK:141110~theSitePK:368896,00.html>.

133 www.who.int/country/nga/en.

134 http://www1.ifc.org/wps/wcm/connect/region_ext_content/regions/sub-saharan+afrika.

135 <http://nigeria.usaid.gov>.

136 <http://www.gtz.de/en/weltweit/afrika/nigeria/1604.htm>.

establishing market systems by improving the performance of micro, small and medium-sized enterprises.

- **Department for International Development (DFID)**¹³⁷ assists in providing children with quality education, supporting family planning and better health services, assist in immunisation of children, assist in the eradication of polio, distributing of anti-malarial bed nets, providing guidelines for better use of Nigeria's oil revenues and encouraging millions of people to use financial services to enable them build their savings and develop small businesses.

Government (The Federal Government of Nigeria)

- **Strategic Priorities**

This encompass macroeconomic framework and economic direction; job creation; public expenditure management; governance; justice and judiciary; foreign policy and economic diplomacy; legislature; education; infrastructure policies, programmes and projects; power (electricity); information and communication technology; socio-economic development of the Niger Delta and Transportation. The government has expressed determination to make job creation central to its economic strategy, and has specifically targeted the sectors of ICT, Entertainment, Meat, Leather, Construction and Tourism, as well as launching a comprehensive public works program to augment employment.

- **Legislation**

- The National Assembly has proposed a bill that proposes that businesses spend 3.5% of its gross profits on CSR is making its way through the National Assembly. The essence of the proposed legislation implies a form of "CSR tax".¹³⁸ The bill also proposes the establishment of a commission, whose duties include providing standards, integrating social responsibility and international trade issues, conducting research and investigations into community needs, informing businesses of requests, and ranking of organisations according to their CSR initiatives.
- Oil in Navigable Waters Act of 1990 addresses pollution of the sea and navigable rivers.
- Environmental Guidelines and Standards for Petroleum Industries (EGASPIN) establishes environmental guidelines for petroleum companies in Nigeria.

¹³⁷ <http://www.dfid.gov.uk/nigeria>.

¹³⁸ Mordi et al., 2012: Corporate Social Responsibility and the Legal Regulation in Nigeria. Economic Insights, Trends and Challenges, Vol. LXIV No. 1/2012, pp 1-8. http://www.upg-bulletin-se.ro/archive/2012-1/1.%20Mordi_Opeyemi_Tonbara_Ojo.pdf

- Nigeria Extractive Industry Transparency Initiative (NEITI) Act passed in May 2007 institutionalised NEITI and made Nigeria the first EITI implementing country to provide a legally enshrined framework for EITI.
- Through the Local Content Act of 2010, the Nigerian Government has set a minimum local content target of 75% for all works and contracts to be undertaken in or on behalf of all oil & gas companies operating in the Nigerian oil & gas industry. This target is fully supported by the oil & gas companies operating in Nigeria.¹³⁹
- **Key Agencies / Forums / Workgroups**
 - **Nigeria Extractive Industry Transparency Initiative (NEITI)**¹⁴⁰. By virtue of the NEITI Act, NEITI became both a formal government agency under the Presidency as well as a country chapter of global EITI.
 - **Niger Delta Development Commission (NDDC)**¹⁴¹ was established in 2000 by the Nigerian Government to facilitate sustainable development in the Niger delta region.
 - **Nigeria Governors' Forum**¹⁴² is a coalition of all 36 democratically elected governors of the Federal Republic of Nigeria. Their main objectives are to share experiences, promote cooperation, and serve as a mechanism for conflict resolution and an agent for dispute resolution.
 - **Economic and Financial Crimes Commission (EFCC)**¹⁴³ has the mandate to convict and recover corrupt funds in Nigeria.
 - **Nigerian Content Development and Monitoring Board**¹⁴⁴ supports the continuous growth of Nigerian content through a balanced programme of planning, target setting, monitoring, stimulating employment, improving contractor capability and capacity, while ensuring international competitiveness of the materials, equipments and services provided by Nigerian companies.

Civil Society

Traditions of civil society in Nigeria are still weak¹⁴⁵, particularly following the several years of enduring under the combined yoke of military dictatorship, socio-economic and

139 See <http://www.fairshoresltd.com/local-cont.html>

140 <http://www.neiti.org.ng>.

141 <http://www.nddc.gov.ng>.

142 <http://www.nggovernorsforum.org/index.php/en>.

143 <http://www.efccnigeria.org>.

144 <http://www.ncdmb.gov.ng>.

145 BTI, 2012: Nigeria Country Report, Transformation Status, <http://www.bti-project.org/laendergutachten/wca/nga/2012/#management>

civil strife.¹⁴⁶ However, there is a positive general trend in the development of civic interest groups, but they are yet to arouse broad citizen participation. This also holds true for the development of a civic culture that supports democracy and democratic institutions.¹⁴⁷ Several well-organized religious organizations, private sector associations, labour unions and a number of both local and international NGOs are well established. However, domestic NGOs continue to struggle to obtain the credibility to serve as intermediaries between state and society. The impact of these organisations still seems to be limited due to a lack of financial and human resources.

- **Local non-profit / NGO's include:**

- **Publish What You Pay**¹⁴⁸ has a local coalition in Nigeria that advocates for transparency and accountability among extractive companies and the government towards a more accountable system for the management of natural resource wealth.
- **Niger Delta Budget Monitoring Group**¹⁴⁹ promotes transparency and accountability in public resource management.
- **Nigerian Conservation Foundation**¹⁵⁰ is a charitable trust, playing a lead role in the promotion of nature conservation and environmental protection.
- **Action Health Incorporated (AHI)**¹⁵¹ is aimed at improving the health of Nigerian adolescents and works with youths, community leaders, policy makers, parents, state and federal government officials to design and implement innovative and participatory projects in education, healthcare and youth development.
- **Positive Action for Treatment Access**¹⁵² ensures access to affordable, ethical and human treatment in Nigeria.
- **Growing Business Foundation**¹⁵³ assists Nigerian corporations to promote CSR in the area of entrepreneur development and capacity building.

146 Ibok Ekpenyong.: The Civil Society In Nigeria: A Requiem in C Minor. See http://www.nigerdeltacongress.com/articles/civil_society_in_nigeria1.htm

147 BTI, 2012: Nigeria Country Report, Transformation Status, <http://www.bti-project.org/laendergutachten/wca/nga/2012/#management>

148 www.publishwhatyoupay.org/where/coalitions/nigeria.

149 www.nigerdeltabudget.org.

150 www.ncfnigeria.org.

151 www.actionhealthinc.org.

152 www.pata-nigeria.com.

153 www.gbfng.org.

- **New Nigeria Foundation**¹⁵⁴ provides a platform for mobilising and promoting public-private partnerships for sustainable development efforts in Nigeria e.g. integrated sustainable community development programmes.
- **The Women Trafficking and Child Labour Eradication Foundation (WOTCLEF)**¹⁵⁵ is a non-Governmental Organization (NGO), committed to building an international coalition that restores human dignity through empowerment, education and advocacy.
- **Environmental Law Research Institute (ELRI)**¹⁵⁶ is a research think tank whose objectives goes beyond research to creating awareness and increasing understanding of environmental laws to the public towards finding practical ways to protect the earth and improve people's lives.
- **Women Health and Action Research Centre (WHARC)**¹⁵⁷ promotes the health and social wellbeing of women and adolescents in Africa through systematic research, documentation and service delivery in sexual and reproductive health.
- **International NGOs include:**
 - **Environmental Rights Action/Friends of the Earth Nigeria (ERA/FoEN)**¹⁵⁸ is a Nigerian advocacy group dedicated to the defense of the human ecosystem in terms of human rights. ERA/FoEN is the Nigerian chapter of the Friends of the Earth International (FoEI).
 - **Action-Aid-Nigeria**¹⁵⁹ is an associate of Action-Aid International. It is the most visible rights-based organisation committed to poverty eradication in Nigeria.
 - **Amnesty International**¹⁶⁰ was established to promote the observance of human rights enshrined in the Universal Declaration of Human Rights and other international human rights standards.
- **Faith-based associations**
 - **Catholic Institute for Justice and Peace (CIDJAP)**¹⁶¹ is a social organ of the Catholic Church, committed to the implementation of catholic social teaching. CIDJAP's work includes: prison and human rights work, primary and secondary health care,

154 www.nnfng.org/mainpage.aspx.

155 www.wotclef.org.

156 www.elri-ng.org.

157 www.wharc-online.org.

158 <http://www.eraction.org>.

159 <http://www.actionaid-nigeria.org>.

160 www.amnesty.org.

161 www.cidjap.org.

housing, community development, micro-credit schemes and many other activities targeted at those living in poverty in Nigeria.

- The **Christian Health Association of Nigeria (CHAN)**¹⁶² is a non-for-profit organisation that focuses in delivering holistic, efficient, and responsive healthcare for all people in Nigeria.
- **Christian Rural and Urban Development Association of Nigeria (CRUDAN)**¹⁶³ promotes the growth of churches in Nigeria by supporting rural/urban developmental work that is part of her witness. It intends to serve the church all over Nigeria in holistic development work.
- **The Media**
Nigerian has a very vibrant media industry that includes private and government-owned media across the country¹⁶⁴. All 36 states run their own radio stations, and most of them operate TV services. In recent times, online media and social networks have grown in prominence and are increasingly been adopted as a new form of communication,¹⁶⁵ including the move towards establishing an online presence by many Nigerian newspapers.¹⁶⁶ The largest broadcasting companies are the government-owned Federal Radio Corporation of Nigeria (FRCN) and the Nigerian Television Authority (NTA). The NTA has two television services; NTA 1, which is distributed among Nigeria's six geopolitical zones and NTA 2, which is distributed nationwide. In all, NTA operates about 97 stations across the country, creating the largest television network on the continent. Both organisations, NTA and FRCN, along with two other government owned media outlets, News Agency of Nigeria (NAN) and Nigeria Film Corporation form the bedrock of the Nigerian media industry. There are about 17 private radio stations and 10 private televisions stations operating in the country. The likely explanation for the low ratio of private to publicly owned stations can be traced to the fact that both compete for the same pool of advertising revenue, while the state owned organisation have the luxury of offsetting high operating costs through public funding.¹⁶⁷

162 <http://www.channigeria.org>.

163 <http://www.accessnigeria.org/listing/3659.html>

164 Abgazue T., Interview, 24, May 2012.

165 Abdulrauf Aliyu Otaru, Daily Trust, Tuesday, 07 February 2012, See http://www.dailytrust.com.ng/index.php?option=com_content&view=article&id=154070:the-media-and-public-policy-in-nigeria&catid=7:opinion&Itemid=12

166 The New Nigerian: See <http://newnigerian.blogspot.com/2009/01/12-steps-communications-nigerian-media.html>

167 The New Nigerian; See <http://newnigerian.blogspot.com/2009/01/12-steps-communications-nigerian-media.html> Assessed, 1/06/12.

- **Labour**

- **The Nigerian Labour Congress**¹⁶⁸ is focused at organising and educating all categories of Nigerian workers, to defend and advance the political, economic, social and cultural rights of Nigerian workers in and outside Nigeria.
- **International Labour Organisation's**¹⁶⁹ aim is to promote local and international rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

Academia

There is a paucity of information regarding the provision of CSR education in the country. However, the Lagos Business School (LBS) at the Pan African University of Nigeria has since 2005 been running an annual CSR executive education programme for middle- and senior management in the main economic sectors in Nigeria, as well as NGO's. LBS also run an annual lecture series on corporate governance (The World Guide to CSR, 2010).

Multi-stakeholder Initiatives

- **Business Action Against Corruption (BAAC)**¹⁷⁰ is a collective multi stakeholder action by government and the private sector to tackle corruption, with an active local chapter in Nigeria.
- **Environmental Sustainability Policy Commission**¹⁷¹ strives to mainstream environmental issues into public policy process. The main focus areas are global warming climate change waste management environmental degradation (Land degradation, pollution/desertification/encroachment) Air pollution (waste burning/emissions).
- **Nigeria Economic Summit Group (NESG)**¹⁷² is a coalition of private sector and senior government officials to develop strategies that can be adapted towards tackling Nigeria's economic problems.
- **Nigerian Business Coalition against AIDS**¹⁷³ represents the private sector and the National Action Committee on AIDS and provides technical support to members setting up workplace programmes.

168 www.nlcng.org.

169 <http://www.ilo.org/global/about-the-ilo/lang--en/index.htm>.

170 www.baac.org.

171 <http://www.nesgroup.org/?cat=41>.

172 <http://www.nesgroup.org>.

173 <http://www.nibucaa.org/home.html>.

The Business Response

An awareness and involvement in CSR exists within the business sector. According to Tagbo Agbazue (2012), multi-national companies are engaging in CSR to make up for failures of the government and protect their businesses.¹⁷⁴ Local companies engage in CSR as a means to “give back” to the people of the country. Businesses have also collaborated with international organisations like the United Nations Global Compact to mainstream universally acceptable principles (i.e. human rights) as part of their core practices. Group collaborations are from the Nigerian Economic Summit Group (NESG), the African Leadership Forum (ALF), the Nigerian Institute of International Affairs (NIIA) and the Executive Office of the Secretary-General of the United Nations. The UN Global Compact continues to engage government and private sector actors to dialogue and agree on the best ways of deploying commitments to transparency and openness in all transactions, and to educate participants on the weight of global and national coalitions against corruption – especially in regards to bringing offenders to prosecution and appropriate sanctions in any country of the world. Also, the UN Global Compact has formally launched the Nigerian Collective Action Against Corruption (NCAAC) aimed at raising awareness about the UN Global Compact’s 10th Principle against corruption which promotes fair market conditions for all economic actors by employing a Collective Action strategy against corruption and fraud.¹⁷⁵

The view exists that although there is an obvious increased awareness of CSR in the country, it focuses more on philanthropy and has not been complemented with enough action. Drivers for CSR include local needs and public pressure (46%), globalisation (38%), competition (38%), public relations (38%), regulation (31%) and company success (31%) (The World Guide to CSR, 2010).

The following examples provide insight regarding the nature of CSR involvement by some companies in Nigeria:

- **Oando Plc**¹⁷⁶ is one of Africa’s largest integrated energy solutions company, with core focus areas in marketing, supply and trading, gas and power, energy, exploration and production and refining. The Oando ‘Adopt-A-School’ programme is a home grown initiative to adopt schools in communities along any of our pipelines. They aim to rehabilitate the structural facilities of 100 primary schools across West Africa by 2015;
- **Zenith Bank**¹⁷⁷ has instituted a full-blown corporate social responsibility organ. “Zenith Philanthropy”, through which it reaches out to touch its host communities

¹⁷⁴ Abgazue T., Interview, 24, May 2012.

¹⁷⁵ United Nations Global Compact, 2012: Nigerian Economic Summit Group Reaffirms Commitment to Ethical Business Practices <http://www.unglobalcompact.org/news/201-03-23-2012>

¹⁷⁶ <http://www.oandopl.com>.

¹⁷⁷ <http://www.zenithbank.com>.

and the larger society. Key need areas, including healthcare, education, ICT and youth empowerment, sports and public infrastructure development;

- **Diamond Bank Plc's**¹⁷⁸ policy is to touch the lives of its stakeholders, especially the indigent in the society, focusing on healthcare, education, and economic empowerment in CSR activities;
- **MTN Nigeria**¹⁷⁹, through the 'MTN Foundation' focuses on education, health and economic empowerment in Nigeria;
- **Nigerian Brewery Plc's**¹⁸⁰ CSR focus areas include education, healthcare, sport development, environmental protection, development of the young Nigerian entertainment industry, and promoting responsible drinking; and
- **United Bank Africa**¹⁸¹, through the 'UBA Foundation', UBA focuses on education, environment, youth development, and economic empowerment of communities in Nigeria

Summary: The nature and state of CSR awareness and advancement

CSR has not played a significant role in Nigeria to date. The country continues to be faced with basic challenges such as poverty and infrastructure and within this context CSR is approached from a philanthropic perspective, with some failure in mainstreaming CSR as part of the core business strategy of companies including valuing CSR's integration through the supply chain. Multi-nationals, local companies and the international community are actively participating in this philanthropic approach to CSR in Nigeria. The approach is further confirmed with an increase in the number of corporate foundations (telecoms and financial sector) in Nigeria, which mainly targets CSR activities relating to education, health, poverty alleviation, and the environment (The World Guide to (SR, 2010). The country (government, civil society and business) has however started on the CSR journey, and some multi-national companies are leading through a more strategic CSR approach.

It has been argued that the motivation for the CSR Bill in Nigeria is the lack of CSR initiatives by Nigerian companies. Apparently, the country's government has felt that legislation and a supervisory body to enforce the laws are adequate solutions, although it appears that the proponents of the Bill may have overlooked the notion that CSR means going beyond compliance.¹⁸²

178 <http://www.diamondbank.com>.

179 www.mtnonline.com.

180 <http://www.nbplc.com/csr.html>.

181 <http://www.ubagroup.com/csr>.

182 Daniel Chandranayagam, March 2, 2009, Nigeria: Legislating CSR. See <http://www.csrdigest.com/2009/03/nigeria-legislating-csr/>.

9.3 Conclusions and Recommendations

Table 27 and 28 present the conclusions and recommendations regarding CSR awareness in Nigeria.

TABLE 27: NIGERIA CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	X
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	X
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	
ACADEMIA	There is no evidence of academic interest in CSR	
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	X
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	



ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	X
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 28: NIGERIA CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	
		CSR policy development	X
		CSR skills development	X
	Within broader business circles	Chambers of commerce	
		Learning forums	X
		Industry protocols	
	Between companies and governments	National agenda for CSR	X
		CSR standards and protocols	
		Public-private partnerships	X
	Between companies and non-governmental stakeholders	Collaborative interventions	X
		Social capacity building	
		CSR teaching and research	
Between companies and global role-players	Participation in global forums		
	Application of international standards		
	International best practice case studies		

Building on recent improvements regarding the culture of democracy, Nigeria has started a CSR “journey”. The next step for Nigeria is for companies to start integrating CSR fully as part of their core business strategy in addition to their philanthropic efforts. Multi-national companies, such as MTN, Oando, Diamond bank and Nigeria Breweries can be utilised to turn the positive CSR awareness in the country into more structured actions addressing national priorities. Internal support for businesses can include the development of more CSR policies and building CSR capacity for implementation. Existing forums such as the Nigeria Governors’ Forum, Nigeria Content Development and Monitoring Board, Nigeria Economic Summit Group, Niger Delta Development Commission (NDDC) and Nigeria Extractive Industry Transparency Initiative (NEITI) could be utilised in “outside-in” initiatives to further sensitise the business sector and engage in CSR dialogue, also influencing the national CSR agenda. PPPs may be utilised to create opportunities for business, government and CSOs to “work together” on CSR projects, including initiatives such as the Employment-oriented Private Sector Development Programme (EoPSD).

List of Acronyms

AHI	Action Health Incorporated
AMCON	Asset Management Corporation Act
BAAC	Business Action Against Corruption
CHAN	Christian Health Association of Nigeria
CIDJAP	Catholic Institute for Development, Justice and Peace
CRUDAN	Christian Rural and Urban Development Association of Nigeria
EFCC	Economic and Financial Crimes Commission
EGASPIN	Environmental Guidelines and Standards for Petroleum Industries
ELRI	Environmental Law Research Institute
ERA	Environmental Rights Action
FOEN	Friends of the Earth Nigeria
NDDC	Niger Delta Development Commission
NEITI	Nigeria Extractive Industry Transparency Initiative
NESG	Nigeria Economic Summit Group
NLSS	Nigerian Living Standard Sur
NTA	Nigerian Television Authority
PMS	Premium Motor Spirit
PDP	Peoples Democratic Party
WHARC	Women Health and Action Research Centre
WOTCLEF	Women Trafficking and Child Labour Eradication Foundation

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10 Senegal

10.1 Factors defining the context for CSR

The political and economic outlook

Senegal is a Sahelian country located at the far west of the African continent with a total surface area of 196,722 square kilometres and a 500 kilometre-long coastline. Senegal is a member state of the West African Economic and Monetary Union (also known by its French acronym, UEMOA) and the Economic Community of West African States (ECOWAS).

Senegal is a model of stability and democratic maturity, a fact once again borne out by the successful conduct of presidential elections in March 2012 and subsequent handover of power (Macky Sall succeeded Abdoulaye Wade). Public freedoms and the smooth running of the democratic process sustain the country's good international image. Emergency measures announced by the new President of the Republic and his government focus on restoring ethics and good governance in society and in all the social institutions that have in recent times been corroded by non-transparency, corruption and the misappropriation of public funds. However, political leaders are now faced with the expectations of a mainly young population whose living conditions remain very difficult. The country is weighed down by the burden of underdevelopment: poor access to basic services, a narrow base of viable economic activity and the lack of opportunities for young people. The population is faced with major socioeconomic problems, exacerbated by rising global prices, a situation that gives rise to periodic outbreaks of tension (demonstrations against the high cost of living from late 2007 onwards, rioting in Kedougou in December 2008, demonstrations and riots on 23 June 2011 protesting the constitutional reform bill and on 28 June 2011 protesting electricity load shedding).

With an estimated 12.7 million inhabitants and an economy dominated by a few strategic sectors – such as peanuts, phosphates, tourism, fishing, and services – Senegal is a poor country, ranking 155th out of 169 countries in the UNDP's 2010 Human Development Index.¹⁸³ Poverty remains high particularly in rural areas. Gross national income (GNI) per capita was US\$1,090 in 2010.¹⁸⁴ In July 2010, the World Bank officially reclassified Senegal from a low income to a lower middle income country. However, this performance conceals a slow rate of growth in real GDP and in GDP per capita between 2005 and 2009. In 2010, Senegal's GDP per capita¹⁸⁵ (PPP, constant 2005 US dollars) was \$1,042 compared with \$1,056 in 2009. Indeed, between 2005 and 2009 the GDP per capita growth rate was weaker in Senegal than in over half of the other ECOWAS member

183 UNDP: <http://hdrstats.undp.org/es/paises/perfiles/SEN.html> (in Spanish)

184 World Bank: – <http://donnees.banquemondiale.org/indicateur/NY.GNP.PCAP.CD> (in French)

185 World Bank: <http://donnees.banquemondiale.org/indicateur/NY.GDP.PCAP.CD/countries> (in French)

countries and in over half of the other sub-Saharan African, lower middle income countries.¹⁸⁶

As a result of the world economic crisis, Senegal's economic growth has slowed, falling to 1.7% in 2009. This rate recovered to 2.7% in 2010 and should reach 4% in 2011.¹⁸⁷ The economy has suffered markedly from the rises in global prices, problems in the energy sector and arrears owed by the state to the private sector. Inflation remains high due to the impact of sharp price rises in basic foodstuffs and oil, in spite of subsidies and fiscal measures adopted by the authorities in these two sectors.

The primary sector (13.7% of GDP in 2010, 50% of the active population) is vulnerable to natural conditions and to the volatility of world prices. Agriculture remains one of Senegal's most important economic activities. It employs nearly 50% of the active population and persists as the main lever for developing the craft and industrial sectors. However, its contribution to gross domestic product remains low and varies year on year due to: climate constraints (irregular rainfall that impedes sustainable high-yield agriculture); economic constraints (drop in real income levels for farmers brought about by low productivity and poor market access for produce); political constraints (failure of agricultural policy); and organisational constraints (weak level of organisation among producers).

In Senegal, more than half of the country's forests have disappeared in less than 50 years. Climate change has degraded the environment and has had deep and long-term effects on the local population, who now struggle to ensure food self-sufficiency. Low agricultural productivity caused by overuse of natural resources (forests and pasture) leads ever more people to join the rural exodus. Almost half the population lives in an urban environment (with a fifth in the capital, Dakar, alone), as people move away from inhospitable rural areas. This exodus results in a proliferation of shantytowns and a high level of youth unemployment, both common features of Africa's overpopulated cities.

Secondary activities (20.5% of GDP) are based on: the extraction and transformation of phosphates; agri-food processing; and the construction and cement industries, which are supported by real estate investments by Senegalese expatriates (migrant remittances continue to be substantial, amounting to around €930 million in 2009) and major public works (notably the Dakar-Diamniadio motorway, Blaise Diagne Airport, and the special economic zone).

186 National report on Senegal's competitiveness (2010): http://sca.sn/images/stories/documents/RNCS_2011.pdf (in French)

187 The Economist Intelligence Unit, taken from the following French language website http://www.diplomatie.gouv.fr/fr/pays-zones-geo_833/senegal_355/presentation-du-senegal_1293/index.html

The tertiary sector (65.7% of GDP, including public sector services) is, in the main, informal. Tourism is affected by fierce competition amongst destinations worldwide. The banking and insurance sector is particularly dynamic and competitive.

Senegal's dependence on the outside world, or more precisely on West Africa and the European Union, is thus evident. The balance of trade deficit continues to deteriorate (by around 40% per annum). The growth of this deficit is primarily due to the drop in petroleum product exports and to the sharp rise in imports (20%), including foodstuffs (up 30%), petroleum products and technology goods. Migrant remittances, which make up more than 10% of GDP, have shrunk due to the effects of the world economic crisis.

Senegal is still a member of the group of least developed countries (LDCs), and the trend over the last five years demonstrates a constant level of poverty, in spite of improved access to certain basic social services. While school enrolment rates are improving (94% enrolment in primary education), the completion rate remains poor (56% completion in primary education and 3% in the Baccalaureate). However, it should be noted that, according to IMF figures, Senegal surpasses the upper threshold for LDCs (income per capita of \$967, against a threshold of \$965).

The Senegalese financial system has been strengthened over the last decade. However, access to finance continues to be seen as the greatest constraint for Senegalese business. Access to trustworthy information about borrowers is limited, creditor rights protection is deemed to be lacking and there are high rates of payment default, which means that banks view lending as a high-risk activity. Lack of access to finance and the high cost of credit remain major constraints, especially for small and medium-sized enterprises (SMEs), whose role is to increase the density of the nation's economic fabric.

Senegal boasts a number of frameworks and mechanisms to support public-private dialogue processes which focus on competitiveness. The Presidential Council for Investment (PCI) and the cluster promotion bodies associated with the Permanent Secretariat of the Steering and Monitoring Committee for the Accelerated Growth Strategy (French acronym: SCA) constitute, to date, the main instruments for public-private dialogue. The PCI has promoted important reforms which have contributed to improving Senegal's attractiveness. Sustained efforts will ensure that this momentum can be maintained, with a view to moving forward with the planned reforms and monitoring their implementation. As regards growth clusters, periodic evaluations will support and guide the organised development of sectorial or territorial clusters around high-potential product or service value chains.

The world recession has been accompanied in Senegal by national shocks, which engendered massive drops in private investment, tourism revenue and remittances from abroad.

The government must now capitalise on the stability of its tax revenues to reorganise its public funding strategy, while maintaining inflation at acceptable levels to improve the population's quality of life.

Societal challenges

Professional training and employment¹⁸⁸

The rate of labour productivity growth declined steadily between 2003 and 2008, and Senegal risks losing its lead over countries that currently do not perform as well in this area. This downward trend in labour productivity is influenced by the still considerable size of the informal sector (low productivity) and the low rates of job creation in the formal sector. Furthermore, the Senegalese workforce does not offer all the skills required by the private sector, and Senegalese businesses provide little in the way of training for their employees to remedy the situation. School dropout rates during and after primary education remain high, which limits the availability of a qualified workforce. The rigidity of work regulations deters the recruitment of new employees, and unemployment and underemployment among young graduates is yet another factor driving the country's brain drain.

Furthermore, the underdevelopment of rural areas and the 'streets paved with gold' perception of the cities are major factors which explain in large part the migration of young people from the country to the city. These young migrants' lack of professional training and their low level of education mean they are forced into informal sector activities.

Many people therefore migrate to urban areas and, in so doing, create major problems in the cities, particularly in terms of good quality water supplies, sanitation and solid waste management. It is very difficult for the urban job market to absorb the population influx, and many young people are left unemployed, which further adds to social conflicts. The objectives of the government's support programme to enhance agricultural production have not been met, although improvements in the production of meat, rice and other cereals have been recorded. To improve the programme's efficacy, additional rural infrastructure is required to strengthen the links between farms and markets.

Basic education

The funding of education is highly inadequate, coming in under the average of sub-Saharan countries. Education is obligatory and free up to the age of 16. While school enrolment rates are improving (94% enrolment in primary education), the completion rate remains poor (56% completion in primary education and 3% in the Baccalaureate). In the context of rapid population growth, important work remains to be done, given that many children

¹⁸⁸ Study on employment, unemployment and the illegal emigration of young people, National Council of Senegalese Employers (CNP), February 2009

still do not have access to formal education and the level of academic achievement is low. Also, while gender parity in elementary education is now within reach, this is still not the case at other levels. The quality of teachers and teaching is very poor, which is holding back the public education system. The high incidence of child labour also has a negative impact on school attendance, resulting in the country's high levels of illiteracy (almost 60%). Added to this, the processes for school and university enrolment are slow and often inefficient. Although substantial, the amount of public resources allocated to education remains insufficient to meet education objectives and needs.

Health¹⁸⁹

The health sector also desperately lacks funding, which results in poor healthcare service delivery and access. Infant and maternal mortality rates are very high, and malaria remains one of the principal causes of death in the country. Senegal has one of the continent's lowest rates of HIV infection (less than 1% of the adult population since 1997). Certain factors sustain this low rate of infection, including strong political leadership, early engagement with religious leaders who wield considerable influence, conservative cultural norms in terms of sexual practices, and the implementation of an overall strategic approach in the early stages of the epidemic. In spite of efforts to improve access to healthcare, the poor still experience barriers to access:

Nature conservation

Given the economic difficulties that Senegal regularly experiences, environmental concerns are often secondary to those of growth. In most of Senegal's regions, access to clean drinking water is insufficient, which means that the population and particularly children are exposed to water-borne diseases and other health problems. This lack of potable water also impacts on economic development, as people (mainly women) spend a considerable amount of time fetching water in rural areas. While nearly all town and city dwellers now have access to potable water, one third of Senegalese people still have no access to sanitation systems. In the countryside, many women still have to manually draw water from wells.

The country's natural resources are overused due to population growth, the weak economy and rural poverty. Deforestation reduces the country's energy resources and, as a consequence, has a negative impact on economic development. This discourages people from going into business and hinders the effective functioning of large businesses.

189 Senegal's National Health Development Plan 2009-2018, January 2009

Senegal ranks 143rd out of 163 countries in terms of environmental performance (2010).¹⁹⁰ The Senegalese Government has launched a Millennium Potable Water and Sanitation Programme (French acronym: PEPAM), with the aim of supplying sustainable drinking water to 2.3 million people and to increase the percentage of rural households with access to potable water from 64% in 2004 to 82% in 2015.

Good governance and the fight against corruption

Another major issue to be resolved is good governance and transparency within government and the business sector. In spite of government efforts, Senegal dropped 14 places in Transparency International's 2010 Corruption Perception Index, ranking 105th out of 178 countries. This infers that there is a growing perception of corruption and lack of transparency in the country.

The election of a new president (Abdoulaye Wade, who belongs to the Senegalese Democratic Party or PDS) and the installation of a new government in 2000 brought with it new hope for better governance in Senegal. Following Wade's election, several laws were passed, and institutions such as the Ministry of Good Governance, the National Programme for Good Governance and the National Commission to Fight Non-Transparency, Corruption and Misappropriation of Public Funds were created, with the objective of promoting good governance and combating corruption.

Despite these promising beginnings, the level and impact of corruption have remained high and are expected to continue to increase, as confirmed in a study commissioned by USAID in 2007.¹⁹¹ Even though it is extremely difficult to measure the extent of corruption accurately, there is a widely held view, as revealed in the interviews undertaken as part of this study with donors, non-governmental actors and even certain spheres of government, that corruption is widespread. The Senegalese interviewees indicate that they come up against administrative corruption daily in routine government services such as the police, courts, land registry and agencies that provide services such as the Ministry of Health, the Ministry of Education and the Department of Water, Forests and Hunting.

For many, including the media and educated elites, the most alarming form of corruption and bad management is the 'grand corruption' often exposed by the media. This refers to the use of State funds and foreign loans in public procurement activities undertaken by the government and, in particular, in relation to large-scale public works.

190 <http://www.populationdata.net/index2.php?option=pays&pid=194&nom=senegal> (in French)

191 'Evaluation de la corruption au Sénégal' (Evaluation of corruption in Senegal), USAID/MSI, 28 August 2007

The functioning of public administration

In spite of the progress achieved in improving the effectiveness of public services, public administration still faces a number of obstacles. The principal constraints are: (i) institutional instability and the challenges this brings for the ongoing coordination of initiatives that pursue the same objectives or require the same resources; (ii) increasing outsourcing of administrative functions to implementing agencies whose performance target commitments are not always contractually defined; (iii) insufficient monitoring and evaluation of public action; and (iv) the lengthy and cumbersome nature of certain administrative procedures. As a result, public administration fails to perform well, which translates into poor service provision and limited access to basic social services such as education and healthcare. This situation is basically due to a lack of human resources, centralisation and insufficient infrastructure. Poor coordination of public, private and civil society actors at different levels has also been observed. One of the Senegalese Government's priority areas is a move towards decentralisation, with a view to improving the quality of life of the rural population.

Foreign development aid

Senegal's domestic savings rate continues to be insufficient, meaning Senegal must draw on foreign savings in the form of foreign debt, foreign investment, and also remittances from Senegalese expatriates. Indeed, Senegal relies heavily on the aid it receives from donors and has committed to a programme of economic reform with the help of these donors. As a member of the West African Economic and Monetary Union (French acronym: UEMOA) and with the support of the IMF debt relief programme for heavily indebted poor countries (HIPCs), the country aims to improve its prosperity through regional and international commerce. Its principal exporting industries include fertiliser production, commercial fishing and phosphate mining, and the country is driving forward with prospecting for oil and iron ore deposits. Senegal has received the first instalment of its \$540 million grant provided for in the agreement reached and signed at the end of 2009 with the Millennium Challenge Account for infrastructure and agriculture development. Perceived corruption and the generally difficult economic climate have held back foreign investment in the country.

The key indicators of the Bertelsmann Foundation Transformation Index show the relative position of Senegal:

TABLE 29: OVERVIEW OF SENEGAL'S SOCIAL CONDITIONS

Population (mn.)	11.9	HDI	0.46	GDP p.c. (\$)	1737
Pop. Growth (% p.a.)	2.6	HDI rank of 182	166	Gini index	39.2
Life expectancy (years)	55	UN Education Index	0.42	Poverty (%)	60.3
Urban pop. (%)	42.1	Gender Inequality Index (GII)	-	Aid per cap. (\$)	67.9

Source: <http://www.bti-project.org/home/index.nc>

Development initiatives

Germany has been a trusted development partner of Senegal since 1960 and supports the country's economic development. At the behest of the German Federal Government, represented in Dakar by the German Embassy, two implementing organisations – GIZ and the KfW development bank – assist Senegal in different areas. Germany supports the socioeconomic development of the Casamance region with a view to establishing a sustainable peace there. Germany implements various programmes to promote decentralisation, rural poverty reduction, the improvement of youth employment prospects through the development of SMEs and access to electricity. Germany is also one of Senegal's principal multilateral donors.

Senegal also maintains a diversified policy in its diplomatic and economic relations with developed countries. For example, in September 2010, it signed an agreement with the United States Government granting it a Millennium Challenge Corporation subsidy. This agreement will provide the country with much needed liquidity given the decrease in direct foreign investment caused by the crisis.

Canada supports Senegal in strengthening the capacities of its people, improving the quality and management of education, developing food security, opening up access to microfinance in rural areas and promoting economic development in the natural regions of Casamance and the Senegal River and in the Niayes area. In addition, Canada supports the promotion of CSR in Senegal and West Africa from its Embassy in Senegal (Canadian Trade Commissioner Service in West Africa) as part of the Canadian Government's CSR Strategy for extractive industries operating abroad. It is through this framework that Canada is a partner in the 'RSE Sénégal' (CSR Senegal) business network and in the Steering and Monitoring Committee for the Accelerated Growth Strategy (French acronym: SCA) for the organisation of the Dakar CSR Forum. Senegal's approach to corporate social responsibility (CSR) is strongly underpinned by cultural values of solidarity and sharing. Muslims, who make up 90% of the population and whose religion holds that 'a good Muslim is obliged to be a philanthropist', carry out many charitable activities in the country. This belief is practised by the Senegalese individually and also by traditionalist organisations, such as the Mouride Brotherhood, which incorporates a mutually dependent economic model.

Today, these civil groups are organising themselves as socio-professional and religious associations, which also act as business incubators and ‘managers’ of local and international funds allocated to and distributed within the group.

10.2 Role-players impacting on CSR awareness and advancement

In Senegal, CSR is in its early infancy, yet there are already initiatives in place that suggest that the deployment of CSR is being firmly moved forward by different private, public, civil society and academic actors. The private sector – using its employer organisations, the National Council of Employers (French acronym: CNP) and the National Confederation of Senegalese Employers (French acronym: CNES), and with the impetus and technical support of RSE Sénégal – is working to put in place a reference framework in the form of a ‘CSR and Sustainable Development Charter’ for those companies wishing to engage further with strategic CSR. This instrument will put in place the framework that has already been mapped out in various existing national strategic documents covering the fight against poverty, accelerated growth, sustainable development, etc. and the laws and regulations governing professional practices at the national and community level.

However, the integration of CSR into public policy and corporate governance has not yet been achieved. With the arrival in the country of new mining companies, dialogue has been kick-started by local and international NGOs. CSR themes include poverty reduction, implementing democratic practices, good governance and the preservation of natural resources. Up to now, NGOs and public institutions have developed these themes; recently however, some companies have begun to join in. Senegal offers stable political conditions, which constitute a healthy foundation for sustainable socioeconomic development. Progress has been achieved on several fronts, but considerable problems remain to be resolved.

Government

The story of the Government’s adoption of CSR begins with the work undertaken in 2003 to develop the National Sustainable Development Strategy (NSDS) document and its component ‘Partnership with the Private Sector’, neither of which have been approved. An important observation at the time (some 10 years ago) was that the private sector was indifferent to sustainable development, which meant that businesses did not commit to a governance system based around sustainable development. It is important to note that the (unapproved) NSDS document has never been updated. That said, because of the requirements and pressures now being applied to businesses and organisations, the international context now favours the incorporation of CSR and sustainable development in public and private governance systems.

A notable public sector exemplar is the European Union, which encourages member states to integrate CSR into public policy. Senegal is a member of the UEMOA and ECOWAS economic commissions, and neither of these organisations has yet adopted any recommendations, programmes or incentives to promote CSR.

Within the Government of Senegal, there is little awareness of CSR, as it is generally viewed as a concept adopted exclusively and voluntarily by private businesses for philanthropic reasons. The authorities have forged no links with organisational social responsibility (OSR).

The National Committee for Social Dialogue (NCSD), a public body chaired by a (retired) private sector actor, has integrated CSR into its action plan as an essential lever for establishing 'a social stability and economic growth pact' in the country, recognised by all categories of economic and social actors. In 2011, as part of this work, the NCSD organised its ninth ordinary session with a specific focus on CSR. The NCSD deals specifically with areas linked to improving professional relationships through social dialogue, which is one of CSR's areas for action.

The Senegalese Standards Association (French acronym: ASN), which operates under the Ministry of Industry and Crafts, is a body that promotes CSR and, more specifically, the ISO 26000 standard on CSR. The ASN's mission consists of drawing up national standards and providing information, awareness raising and training for Senegal's economic agents – namely, industrialists, distributors, consumers and government officials – about the tools for achieving quality and the methods and procedures that businesses must adopt to implement these tools. The aim is to help define policy on the quality of goods, services and life. As part of the process to draw up guidelines for ISO 26000, published in November 2010, national mirror committees were put in place to work with the national standards bodies. These national mirror committees brought together diverse actors and stakeholders (public authorities, industries, non-governmental organisations, labour organisations, consumers and SSROs [service, support research and others]). In Senegal, this process was carried out with the ASN.

The Steering and Monitoring Committee for the Accelerated Growth Strategy (French acronym: SCA), which operates under the Prime Minister, is also heavily involved in activities undertaken by RSE Sénégal and the NCSD, notably through partnership agreements. The AGS aims to use CSR as a lever for the economic development of decentralised areas and to support rural entrepreneurship. The AGS therefore seeks to facilitate the incorporation of CSR into local governance and businesses, so that they adopt community social investment strategies as part of their community engagement policy.

So far, there has been little in the way of government policies or actions designed to encourage businesses to invest in social and societal spheres, and few specific support measures, tax incentives, suitable financial mechanisms, etc. have been implemented.

However, the CSR issue was raised for the first time in November 2011 by Senegal's Head of State at the Presidential Council on Investment (PCI). Here he publicly questioned if business should be solely dedicated to the pursuit of profits or if it should share its wealth with the community. One of the recommendations made at the PCI's tenth session concerned developing investment with a high social impact. Accordingly, the PCI recommended encouraging the creation and development of investment funds with a high social impact (in other words, which enrich the poor) and putting in place a specific incentive mechanism for businesses with a high social impact.

The Government has, since 2011, also been putting a regulatory framework in place to promote corporate sponsorship, with policies to fund and support cultural production.

Business

CSR in business is still in its early stages in Senegal. The promotion of CSR is being hindered by the fact that most business leaders have not formalised any medium-term vision or conducted any strategic analysis in their business areas and therefore have no understanding of the implications of the Millennium Development Goals (MDGs) for their activities. The large majority of big businesses still tend to develop, as a sideline to their main activities, actions paradoxically labelled as 'social' or 'development focused', which are largely based on the charity model. This indicates a radical disconnect between core business activity and national development. These 'sideline' quasi-sponsorship activities are funded and implemented by means of business foundations or internal corporate associations. The reality is that businesses carry out one-off acts of charity in the form of donations and sponsorship or grant social benefits to staff under the guise of CSR, rather than developing business projects that have a lasting effect on the outside community.

With regard to SMEs, initiatives mainly depend on individuals: those philanthropic leaders who are 'into' development.

However, the trend towards strategic CSR is now evolving positively, thanks to a number of 'willing and committed' business leaders and the advocacy work begun in 2008 by RSE Sénégal, a private collective initiative supported by 15 or so businesses and public partners (Accelerated Growth Strategy, GIZ, the Canadian Government, the French Development Agency). With the support and diversity of different partners, this body links up businesses and plays a unifying role in popularising CSR in Senegal, particularly in the private sector. A wide range of CSR-related activities are carried out by RSE Sénégal, which aim to:

- promote CSR among business leaders in Senegal and West Africa;
- raise the interest of public authorities on issues related to social responsibility; and
- kick-start economic development approaches and models that incorporate CSR.

At present, Senegal is the only West African country to organise an annual meeting that focuses specifically on CSR (the ‘Dakar Forum on CSR’¹⁹² whose third meeting took place in 2011), to regularly disseminate a specialised CSR e-bulletin and to maintain a website on this subject since 2008, which is updated on a daily basis.¹⁹³

While the majority of Senegalese businesses still carry out philanthropic and charitable activities or activities addressing social emergency situations (cash donations for works of charity, education and health) in benefit of their employees and local communities (as in the case of mining companies), African business models incorporating CSR in their governance systems are now being developed with the support of RSE Sénégal. Notable cases include SONATEL (a telecommunications company), Bolloré AFRICA LOGISTICS Sénégal (logistics service provider), IPS West Africa’s businesses FUMOA and COFISAC (packaging manufacturers), Siagro KIRENE (agri-food industry, a wholly Senegalese-owned SME) and the Banque de l’Habitat du Sénégal (Senegal Housing Bank, also wholly Senegalese-owned), which internally embed CSR by implementing an approach based on the ISO 26000 methodology. Other businesses support ‘social’ projects, which impact both on MDGs and on internal business productivity. These projects are initiated by businesses and are built using a project approach underpinned by sustainable partnerships with external actors. The commercial banks CBAO Groupe Attijariwafa Bank and **SGBS** operate projects in this way.

Senegal’s chambers of commerce and industry and employer organisations, through the National Council of Senegalese Employers (French acronym: CNP), the National Confederation of Senegalese Employers (French acronym: CNES), the Senegal Business Movement (French acronym: MEDS), the National Union of Traders and Industrialists of Senegal (French acronym: UNACOIS Jappoo) very often highlight in their respective activities how important it is for their business members to embrace the concept of CSR. The CNP and CNES are due to participate in an RSE Sénégal CSR initiative to develop the CSR and Sustainable Development Charter for Senegalese Business.

¹⁹² Web site with news and information on the ‘Dakar Forum on CSR’: “Forum International de Dakar sur la Responsabilité Sociétale d’Entreprise”, www.forumrseSenegal.org.

¹⁹³ Website with “news and information about CSR in Senegal: www.rsesenegal.com.

Civil society

Traditional civil society activities are relatively strong and have been underway for several years. Community social engagement has roots in the colonial period (in the 'Four Communes') and is traditionally promoted by the Muslim brotherhood system in rural areas. Senegalese civil society covers a broad range of interests and groups, often linked to funding opportunities offered by political alliances, migrant networks or donors. Senegalese NGOs, and particularly the human rights organisation networks, are among the most vocal and active in West Africa. Most are allowed to meet freely, with the notable and recent exception of support groups fighting HIV/AIDS active in the gay community. In January 2009, members of these groups were handed down heavy prison sentences. However, civil society essentially remains active in urban areas and relies primarily on donor funding, which in certain cases damages their credibility in the eyes of the public. It is difficult to affirm that civil society's approach indicates systematic participation, and this also limits its impact on the country's core social problems. Senegal is a member of the World Social Forum, and Dakar hosted its international meeting in 2011.

Academia

In Senegal, the notion of corporate social responsibility (CSR) is arousing growing interest in academic circles, and academics are becoming aware of the important role that they can play in encouraging businesses and organisations to adopt CSR. This is particularly the case in private higher education establishments, such as business schools, which have either incorporated courses in their syllabi, (such as the Higher Institute of Management's 'CSR and Social Entrepreneurship' course), or into their Bachelor's/Master's/Doctorate system with Master's programmes in CSR (such as the African Institute of Management's Master's degree in 'CSR and International Procurement').

At Cheikh Anta Diop University (French acronym: UCAD) in Dakar, CSR courses are provided by the Faculty of Economic Sciences and Management, as part of the Master's in Development Practice; and also by the Faculty of Science and Technology, as part of the Master's in Environmental Studies.

However, the Institute of the Sciences of the Environment (ISE) of Cheikh Anta Diop University in Dakar is the only centre of learning in Senegal to have set up a specialist unit for CSR research and professional training – namely, the 'Teaching and Research Unit for Ethics, Governance and CSR'. This unit was created in 2011 as part of a partnership with CSR Sénégal and with the support of GIZ, which provided the new unit with a grant to launch a professional CSR Master's degree (with a first intake of nine participants from professional environments) and for doctoral candidates to carry out CSR research (five studies completed). The ISE wishes to create the first CSR research and action group, which will comprise professionals who are versed in CSR, representing the four stakeholder cat-

egories (business, civil society, the state and academia). It will be tasked with reflecting on CSR and closely supporting the CSR movement in Senegal. A series of workshops has been planned for 2012, involving the CSR research and action group.

10.3 Conclusions and recommendations

Orientation

Like other African countries, Senegal appears to be evolving from a philanthropic/community social investment (CSI) approach towards a strategic CSR approach. However, most CSR activities are carried out in the form of philanthropy. Recently, the government, civil society and business have become more aware of the strategic importance of CSR, and multinationals in particular are moving towards a more strategic CSR approach.

Senegal needs to be able to raise the profile of new business models which incorporate CSR into their governance strategy. Some bodies, including RSE Sénégal, the National Committee for Social Dialogue, the Steering and Monitoring Committee for the Accelerated Growth Strategy and the Institute of the Sciences of the Environment, have initiated promotional activities. However, it is now incumbent on the Government of Senegal to put in place a mechanism to support and incentivise businesses that voluntarily engage in CSR approaches.

A strong steer in this direction was given by Senegal's Head of State at the Presidential Council for Investment in November 2011.

Thematic focus

Current business practice in Senegal in this area can be considered simple social, societal or environmental action rather than bona fide CSR projects.

Most of the philanthropic approaches mentioned above have focused on employees and their close relatives and communities. Very little attention is paid to environmental issues, and there are few instances of CSR activities focusing on the market or the consumer.

Although Senegal's economic actors are united in highlighting the growing issue of ethics and in bemoaning the loss of values and principles in business relationships (respect for commitments and keeping one's word, etc.), in particular between contractors and sub-contractors, not one Senegalese business has so far developed a capacity building programme for sub-contractors and/or an anti-corruption programme as part of a CSR framework. This is also true with regard to the relationship with and between the State, the civil service, the private sector, civil society and labour unions.

Regarding the environment, very few businesses have put in place CSR-related carbon offsetting programmes and/or natural resource conservation programmes.

Most businesses undertake community support activities based on a philanthropic approach, which does not involve businesses monitoring or evaluating projects other than in terms of corporate image.

Sectoral focus

CSR activities have primarily focused on rural areas, supporting national priority areas like education, health and SME development.

Given the relative ease of implementing philanthropic activities (which do not require monitoring), businesses provide such support for people and workers in a broad range of areas including education, health, cultural and sporting activities, solidarity finance schemes, social housing, etc.

In terms of individual sectors, there should be a particular focus on industry, banking and telecommunications, as these are the sectors that can effectively drive forward the CSR movement.

Actors that actively shape the CSR agenda

Listed below is an overview of the actors who shape Senegal's CSR landscape. If we understand CSR as the specific realm of business, the identification of actors with similar interests reinforces the idea that collaboration is necessary. For each of these actors, a brief description of their specific contributions is provided.

TABLE 30: SENEGAL CSR ACTORS AND INITIATIVES

ACTORS	INITIATIVES
PUBLIC SECTOR	<ul style="list-style-type: none"> • Priorities: stabilising the political and economic environment with a view to attracting foreign funds; poverty reduction; socioeconomic and environmental regulatory frameworks; mainstreaming CSR into public and sectorial policy; implementing measures to support and incentivise CSR practice in business.
PRIVATE SECTOR	<p>Private sector organisations</p> <ul style="list-style-type: none"> • RSE Sénégal is a business network dedicated to ensuring the promotion of CSR in Senegal and supporting businesses in their uptake of CSR. • CNP (National Council of Employers) and CNES (National Confederation of Senegalese Employers) defend the professional interests of their members and actively participate in development and in building economic and social prosperity. • UNACOIS Jappoo (National Union of Traders and Industrialists of Senegal) seeks to manage, support and promote income generation and job creation activities in Senegal, Africa and the world. It offers its members: advocacy services for public-private dialogue; investment and business growth advice; wide-ranging support services; and access to social security cover. • UNCCIAS (National Union of Chambers of Commerce, Industry and Agriculture of Senegal). As public professional bodies, chambers of commerce are tasked with representing the general interests of industrial, commercial and agricultural enterprises. Their overall mission is to support the economic and social development of their region and to represent the private sector business community. • SPIDS (Professional Union of Industries and Mines of Senegal) brings together industries from all sectors: agri-food, packaging, mechanics and maintenance, chemicals, building materials, oil and gas, and water. • APB (Professional Association of Banks and Financial Institutions) collectively represents Senegal's banks. • ISA (Institute of Directors of Senegal) brings together directors from public and private companies, who have worked on developing a Corporate Governance Code for Senegal. <p>Businesses</p> <ul style="list-style-type: none"> • Philanthropy <ul style="list-style-type: none"> • Sonatel contributes, through its foundation, to modernising health services and combating malaria. It also offers educational grants. • Eiffage Sénégal is a recognised sponsor of the arts and cultural heritage preservation. • Community social investment <ul style="list-style-type: none"> • Mining companies: Oromin and Teranga Gold (gold), Mdl Grande Côte (zircon), Industries Chimiques du Sénégal [Senegal Chemical Industries](phosphates), Sococim (cement). • Compagnie sucrière sénégalaise (CSS) [Senegal Sugar Company] contributes to protecting the environment and promotes biofuels. Significant social policy. • CBAO Groupe Attijariwafa Bank contributes through economic development and a paper reduction programme (environment). • Businesses developing a CSR strategy <ul style="list-style-type: none"> • (In development) The following companies have a framework in place to implement a CSR strategy: Bolloré AFRICA LOGISTICS Sénégal (logistics), Siagro Kirène (agri-food), FUMOA and COFISAC (packaging), Banque de l'Habitat du Sénégal (banking). • SGBS invests in a programme for nature conservation and energy efficiency. • (already operating a CSR strategy): Sonatel. • Businesses signed up to a sustainable development strategy <ul style="list-style-type: none"> • Sodefitex (cotton industry) operates many social and support programmes for cotton growers.



ACTORS	INITIATIVES
GOVERNMENTS, DEVELOPMENT AGENCIES AND INTERNATIONAL PROTOCOLS	<ul style="list-style-type: none"> • GIZ supports actors engaged in promoting CSR in Senegal, particularly through academia (CSR research and education) and fostering dialogue between actors. • Canada supports actors engaged in promoting CSR in Senegal, particularly through the organisation of the Dakar CSR Forum. • Comité National du Dialogue Social (CNDS)[National Committee for Social Dialogue] is a body tasked with facilitating social negotiation and dialogue between social partners and embedding CSR concepts in these activities. • Comité d’Orientation et de Suivi de la Stratégie de Croissance Accélérée (SCA) [Steering and Monitoring Committee for the Accelerated Growth Strategy] incorporates CSR in its development strategy for five clusters: agri-food; information and communication technologies; hotels, restaurants and tourism; fishing; and textiles – with a sixth cluster, the extractive industries, in the pipeline. • Association Sénégalaise de Normalisation (ASN) [Senegalese Standards Association] is a public-private association tasked with promoting standards in Senegal. The ASN has been an observer in the adoption process for ISO 26000, the international standard for CSR. Working with RSE Sénégal, the ASN has been able to use the Dakar CSR Forum framework to promote ISO 26000 nationally. • The role of the Agence de Développement et d’Encadrement des Petites et Moyennes Entreprises (ADEPME) [Small and Medium-Sized Enterprise Development and Supervision Agency] is to increase the density of the nation’s SME fabric and strengthen the competitiveness of businesses, so that they can effectively contribute to Senegal’s economic and social development. The agency offers technical support tailored to business needs. These interventions are carried out in synergy with existing support structures, employer organisations and unions, and lenders. • USAID focuses on activities to develop economic growth and the private sector. • World Business Council for Sustainable Development. • Oxfam focuses on strengthening peace, sustainable livelihoods and fair trade. • United Nations Development Fund for Women (UNIFEM), a United Nations thematic group on gender equality. • The African Fair Trade Society is currently involved in delivering three initiatives in rural areas in Senegal: Dakateli School – the deployment of funds to build a new school in Dakateli and to provide a school meals programme and school furniture (tables and chairs). • African Peer Review Mechanism: a mutually agreed instrument that the member states of the African Union (AU) can join on a voluntary basis, and which acts as a self-monitoring mechanism.
LOCAL NGOS	<p>Human rights</p> <ul style="list-style-type: none"> • Conseil national de rga contre le SIDA [National Council for the Fight Against AIDS]: oversees the successful implementation of the national programme to combat AIDS. • Fédération Sénégalaise des Associations de Personnes Handicapées (FSAPH) [Senegalese Federation of Associations for People with Disabilities] is an association that collectively represents people with disabilities in Senegal. Its aim is to: serve as a consultation framework and support the collective action of associations for people with disabilities; promote a partnership framework with public authorities and all national and international organisations working to improve the quality of life of people with disabilities; and steer and support state efforts to fully or satisfactorily apply United Nations regulations and standards appertaining to equal opportunities.

ACTORS	INITIATIVES
LOCAL NGOS	<p>Good business practice</p> <ul style="list-style-type: none"> • Forum Civil [Civil Forum], the Senegalese Chapter of Transparency International is a civil society organisation founded in January 1993 on the basis of a manifesto containing eleven guiding principles which inspire the Forum's work to: • promote a new global and participatory democracy in all its forms: political, social, economic and cultural; • foster a new concept of citizenship with active and responsible citizens capable of ensuring that policy-makers take into account their aspirations and of demanding respect for the principle of accountability; • ensure transparency, good governance and the fight against corruption; • promote national expertise and take greater account of objective technical considerations in decision-making. <p>Labour unions:</p> <ul style="list-style-type: none"> • Confédération Nationale des Travailleurs du Sénégal (CNTS) [National Confederation of Senegalese Workers] • Union Nationale des Syndicats Autonomes du Sénégal (UNSA) [National Union of Autonomous Trade Unions of Senegal] <p>Environment:</p> <ul style="list-style-type: none"> • IED Afrique (Innovation Environment Development Africa): IED Afrique is an independent, not-for-profit organisation based in Senegal, which draws on over 15 years' experience working in French-speaking West Africa. It works on issues around sustainable development and African citizenship, with a focus on methodological and participatory innovations. • International Union for the Conservation of Nature – Senegal has operated in Senegal for more than two decades and is one of the Senegalese State's principal partners in implementing its environmental and natural resources conservation policy. • WETLANDS: Wetlands International is an international not-for-profit nature conservation organisation working in over 100 countries. Wetlands International Africa (WIA) is the African branch of the organisation. With its regional office in Dakar, Senegal, WIA also operates in Mali, Guinea-Bissau, Sierra Leone and Kenya. However, the coastal and inland wetlands programmes cover the entire continent. <p>Consumers:</p> <ul style="list-style-type: none"> • Coordination Nationale des Associations de Consommateurs du Sénégal (CONAC) [National Coordinator for Senegalese Consumer Associations] • Union Nationale des Consommateurs du Sénégal (UNCS)[National Union of Senegalese Consumers] • Association Sénégalaise des Consommateurs du Sénégal (ASCOSEN)[Senegalese Consumer Association] • SOS Consommateurs [SOS Consumers] <p>Community engagement</p> <ul style="list-style-type: none"> • World Vision Senegal • Plan International • Oxfam America • La Lumière [The light] helps vulnerable people from disadvantaged backgrounds. It aims to promote human rights, combat child labour, promote preventative medicine, strengthen local capital, and combat poverty and social exclusion. • Senegal Ecovillage Microfinance Fund is a not-for-profit organisation dedicated to reducing poverty by offering affordable loans that enable clients to improve their skills and their livelihoods.



ACTORS	INITIATIVES
ACADEMIA	<ul style="list-style-type: none"> • The Institut des Sciences de l'Environnement (ISE) [Institute for the Sciences of the Environment] at Cheikh Anta Diop University, Dakar (UCAD) has set up, in partnership with RSE Sénégal and with the support of GIZ, a Teaching and Research Unit (TRU) on 'Ethics, Governance and CSR'. In 2011, the TRU launched Senegal's first professional Master's degree programme in CSR. • Faculty of Science and Technology (FST) at UCAD offers a Master's degree in Environmental Studies. • The private Institut Supérieur de Management (ISM) [Higher Institute of Management] and Institut Africain de Management (IAM) [African Institute of Management] have both launched a CSR Master's degree programme: the ISM's 'Master's in Social Entrepreneurship' and the IAM's 'Master's in International Procurement'. • Centre d'Etudes Supérieures en Gestion (CESAG) [Centre for Higher Studies in Management] provides courses in sustainable development.
MULTI-STAKEHOLDER INITIATIVES	<ul style="list-style-type: none"> • STEP is a partnership that is active in implementing the national strategy for social protection. It also participates in the coordination network for those active in the mutual healthcare society development programme in Africa. It has set up a social protection scheme for agricultural workers through the agro-sylvo-pastoral orientation law, as well as a health insurance scheme for road transport workers. • Senegal's government works in close collaboration with bilateral and multilateral donors to work towards achieving the Millennium Development Goals. Most of the projects are managed by means of partnerships. It would seem that in most of these partnerships the government takes the lead role, with businesses and civil society playing a supporting role.
NETWORKS, FORUMS AND THINK TANKS	<ul style="list-style-type: none"> • JOKKOLABS Senegal: an initiative inspired by the alchemy of combining the techlab, innovation hub, co-working space, incubator and think tank... The Jokkolabs initiative is born from the desire to fight inequality and to find solutions for the future which draw on the opportunities presented by information technology and collective intelligence. Launched in Dakar, it is a private international not-for-profit initiative and operates as an independent 'do tank' that identifies and supports the innovative ideas of entrepreneurs from the digital economy, culture industries and media, with the aim of advancing the competitiveness of nations and the prosperity of all.

Summary and recommendations

How can the above information be best used? What does it reveal about CSR awareness and how CSR is evolving in Senegal? And, above all, what might now be the most appropriate interventions to stimulate Senegal's progress and evolution towards more strategic CSR practices? Table 31 and 32 seek to respond to these questions.

TABLE 31: SENEGAL CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	X
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	X
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	X
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	
ACADEMIA	There is no evidence of academic interest in CSR	
	Academia is involved in policy critique and research with respect to the CSR practices.	X
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	X
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	X
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 32: SENEGAL CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	
		CSR policy development	X
		CSR skills development	X
	Within broader business circles	Chambers of commerce	X
		Learning forums	
		Industry protocols	
	Between companies and governments	National agenda for CSR	
		CSR standards and protocols	
		Public-private partnerships	X
	Between companies and non-governmental stakeholders	Collaborative interventions	X
		Social capacity building	
		CSR teaching and research	
	Between companies and global role-players	Participation in global forums	
		Application of international standards	
		International best practice case studies	

In Senegal, businesses can take advantage of internal support to develop a more strategic approach to CSR and to build CSR development and implementation capacities. With the support of chambers of commerce, businesses can engage in a dialogue around CSR and influence the national programme for corporate social responsibility. Public-private partnerships (PPP) can provide opportunities for business, the government and civil society organisations (CSOs) to work together to realise CSR projects.

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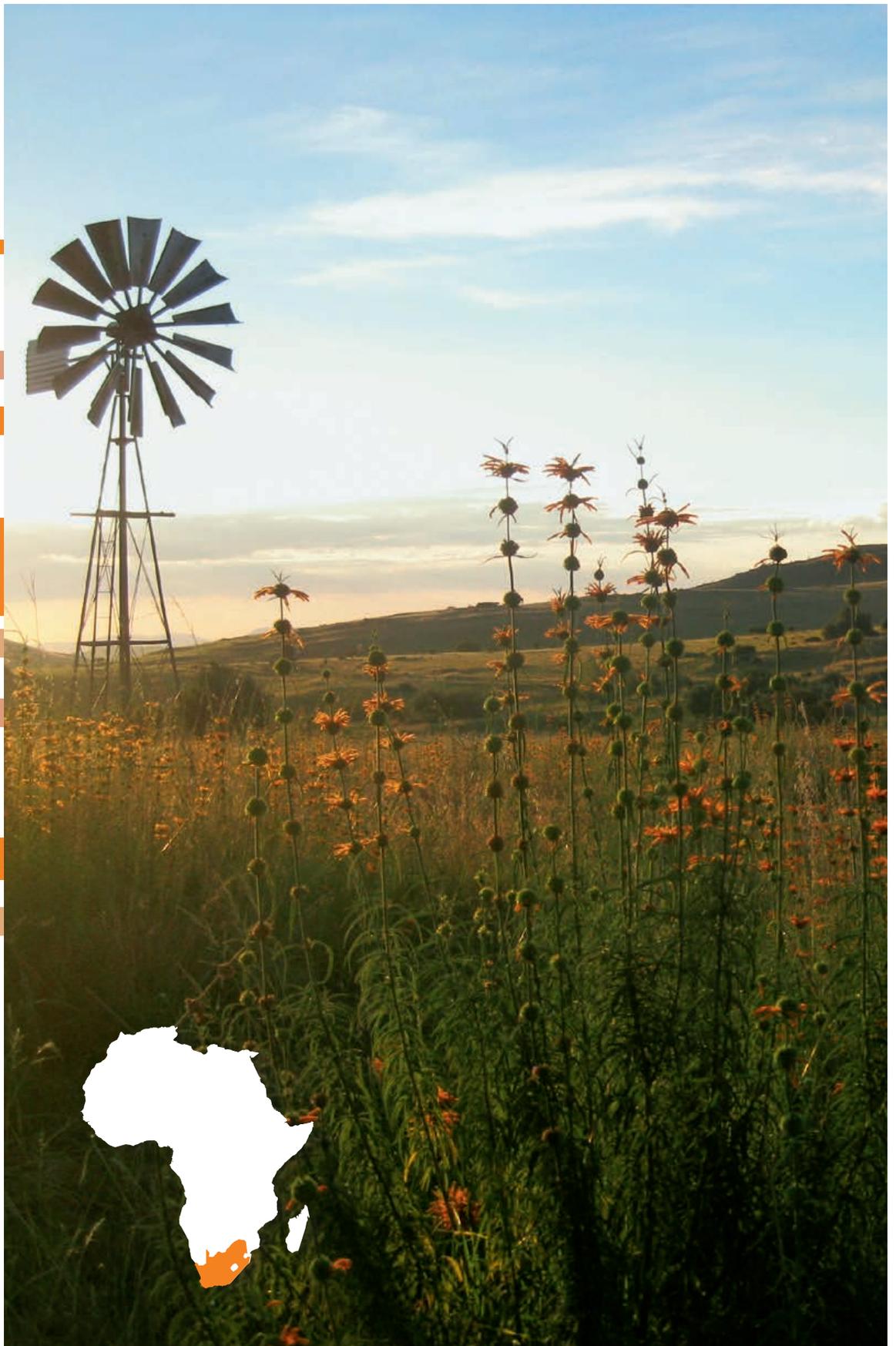
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11 South Africa

11.1 Factors defining the context for CSR

Political

South Africa is famous for its peaceful transition to democracy in 1994. The Constitution was adopted in 1997. This shift in democratic political governance political was paralleled in the corporate governance world with the intention of bridging the traditional economic gap between black and white South Africans. The first move saw the launch of the Reconstruction and Development Programme (RDP) in 1994, followed by many transformations in an evolving effort to create a supportive, stable and economically profitable environment. In 1996 the RDP was replaced with the Growth, Employment and Redistribution (GEAR) macro-economic policy and further in 2000 by the Black Economic Empowerment (BEE) commission to establish guidelines to ensure greater black participation in the economic future of the country. South Africa's position on the UN Security Council, G20 and BRICS grouping mark its status as a significant 'emerging power'. South Africa is leading driver in the 'Tripartite' of COMESA, EAC and SADC and is committed to establishing a free trade area across the 26 Member States – representing half of Africa. South Africa represents 40% of the sub-Saharan economy with important spill over effects across the region. In the 2009 national elections president Jacob Zuma was elected. South Africa held its fourth peaceful post-apartheid local government elections in May 2011 (www.state.gov).

Economic

South Africa has a two-tiered economy – a well-developed one based on mining, manufacturing, services, and agriculture, and another with only the most basic infrastructure. Without solving the labour market question, South Africa will not solve the inequality question. Labour market income was responsible for 83 per cent of income inequality in 1993 and 85 per cent in 2008 (Leibbrandt, Finn & Woolard, 2010). Besides taxation, economic redistributive policies consist of, on the one hand, direct social transfers (such as pensions) and, on the other, social services provision (such as education). Direct transfers include both social insurance and social assistance. The South African social insurance pillar (essentially unemployment insurance), is restricted in both its reach and duration. In 2009, it covered only around 10 per cent of the unemployed (Leibbrandt, Woolard, McEwen & Koep, 2010).

South Africa is rich in mineral resources and is the world's largest producer and exporter of platinum; is a significant producer of gold, manganese, chrome, vanadium, and titanium; and also exports a significant amount of coal. The country's manufacturing industry is a world leader in several sectors, including motor vehicles and parts, railway rolling stock, synthetic fuels, and mining equipment and machinery (www.state.gov). Primary agriculture accounts for about 3% of the GDP, and major crops include citrus and decidu-

ous fruits, corn, wheat, dairy products, sugarcane, tobacco, wine, and wool. South Africa is a net exporter of food. China became South Africa's biggest trade partner in 2011. Other major trading partners include Germany, the United States, Japan, and the United Kingdom, and the country's trade with other sub-Saharan African countries has increased substantially (CSR Navigator, 2007). Although South Africa has well-developed financial, legal, and communication services, the country's economic outlook remains hampered by structural issues surrounding energy and transport infrastructure.

Social

In summary the following key indicators from the Bertelsmann Foundation's Transformation Index put the South African socio-economic position in context:

TABLE 33: OVERVIEW OF SOUTH AFRICA'S SOCIAL CONDITIONS

Population (mn.)	50.46	HDI	0.619	GDP p.c. (\$)	9,333
Pop. Growth (% p.a.)	1.4	HDI rank of 182	123	Gini Index	57.8
Life expectancy (years)	52.8	UN Education Index	0.705	Poverty (%)	35.7
Urban population (%)	62.2	Gender Inequality Index (GII)	0.490	Aid per capita (\$)	21.8

Source: <http://www.bti-project.org/home/index.nc>

South Africa has two socio-economic systems i.e. the developed, prosperous and formal economy, and the underdeveloped, survivalist, and informal economy, resulting in a continued deep economic and social divide (CSR Navigator, 2007). In the first quarter of 2010, the unemployment rate for young people aged 16 to 30 was 40%, compared to 16% for those aged 30 to 65. Job losses were still more severe, as employment dropped by a million jobs from the end of 2008 to the middle of 2010 (NGP Framework). South Africa's HDI score, peaking at 0.69 in 2008, has a downward slide recording a far lower 0.619 in 2011. The country's performance, therefore, has been inconsistent and is vulnerable to external shocks. Since 1994 a multitude of legislative and policy instruments have been introduced to improve the situation of targeted groups: Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000, the National Policy Framework for Women's Empowerment and Gender Equality of 2000, the Children's Act 38 2005 (amended in 2008), the National Policy for the Advancement and Co-ordination of Children's Rights in South Africa of 2003, the National Empowerment Fund Act 105 1998, the Integrated National Disability Strategy White Paper of 2000, the National Youth Development Agency Act 54 of 2008, the National Youth Policy 2009–2014 and the Integrated Strategy for the Treatment of HIV and Aids (2008 – 2012).

Although South Africa is the continent's largest and most industrialised economy, issues such as corruption, poor government service delivery (for instance, 28% of rural households have no power, 5% have no access to water), housing, an unemployment rate of 24%, 85% of the population living with the daily reality of poverty and underdevelopment, scarce skilled labour resources, and almost one fifth of the adult population being HIV positive, continue to be a reality (Ethical Corporation, 2010). Overall poverty levels declined between 1993 and 2008. Looking at two alternative poverty line benchmarks, namely US\$1.25 per day and a more conservative US\$2.00 per day, the downward movement on both measurements is evident and corresponds with the findings of several researchers in this regard; unemployment, particularly amongst young South Africans, however serves to sustain these unacceptably high levels of poverty (Bhorat & Van der Westhuizen 2009; Van der Berg et al. 2008). The incidence of poverty rises rapidly for poverty lines between US\$ 1 and US\$ 3. Sixty percent of the population lives with less than US\$ 5 a day. (AfDB – Africa Economic Brief, 2011).

Environmental

South Africa is the 12th largest emitter of greenhouse gases globally (Ethical Corporation, 2010). Environmental challenges the country continuously face include climate change, water and sanitation, solid waste management, soils, biodiversity, coastal and marine resources. Energy conservation is one of the most important sustainability issues facing the country.

Yale University's Environmental Performance Index (EPI) for 2012 grouped South Africa in the category¹⁹⁴ of "weakest performers" with an aggregate EPI score of 34.55 out of 100 (<http://epi.yale.edu/epi2012/rankings>). A cause for concern as per the EPI 2012 assessment is that the country is placed in the quadrant: low performance, declining performance. The study highlights South Africa's main environmental challenges, in which quality is declining, to be in the area of ecosystem vitality, namely Air (ecosystem effects); fisheries, climate change; and water resources (ecosystem effects) (*Ibid.*).

Energy contributes about 15% of South Africa's gross domestic product (GDP). Eskom is one of the world's 10 biggest electricity generators, with projected R343-billion investment over five years to fund a new generation of coal-fired power stations, the first due to come on stream in 2013. Eskom is also considering bids from two overseas companies to build a new conventional nuclear power station. Although South Africa's own deposits of oil, like its natural gas deposits, are small, its refining and downstream oil sector is developing fast.

194 The 2012 EPI rankings are comprised of both a snapshot of performance based on the latest available data (the 2012 EPI) and a trend rank based on performance over the last decade (the Trend EPI). The five groups into which countries are categorised on the basis of their ranking are (in declining order): strongest performers, strong performers, modest performers, weaker performers, and weakest performers (<http://epi.yale.edu>).

The nuclear technology Pebble Bed Modular Reactor (PBMR) aims at economical electricity generation with associated high value co-products. It has grown into one of the largest nuclear reactor design and engineering companies in the world and it is a public-private partnership comprising the South African government, nuclear industry players and utilities.

Business in South Africa coordinated their approach before COP17 and established the CEO-forum comprising about 40 top CEOs, initiated by Sasol, Eskom and Impala Platinum, to ensure that climate-related legislation take into account South Africa's socio-economic resource constraints and business realities, including the broad-based impacts on jobs and the economy as a whole. Regarding the share of the global carbon budget that South Africa can expect, a range of 0.5% – 2% has been suggested, bearing in mind that South Africa contributes about 0.58% of global gross domestic product and 1.29% of global carbon emissions, which equated to about 35Gt in 2011 (Business Day, 20 Oct 2011). South African banks are working closely with the Department of Energy to move towards regulations governing and controlling carbon emissions. This input feeds into the investment banking arms of all South African banks to help grow South Africa's green economy and reduce its carbon footprint.

The Million Climate Jobs Campaign is a research and advocacy project developed jointly by over 40 key organised labour, social movements and other civil society formations which recognise the merit of simultaneously addressing unemployment and climate change. (www.climatejobs.org.za)

South African Corporate Leaders Group on Climate Change, is a select group of CEOs of large companies who are coming together to develop thought leadership around South Africa's move to a low carbon, climate-resilient economy.

Summary: Development challenges

A range of significant socio-economic challenges continues to exist in South Africa, including corruption, health, specifically HIV/Aids, education, job creation and skills development, housing and basic service delivery (water and sanitation) and environmental sustainability. State capacity and organization are arguably the primary constraints to South Africa becoming a fully-fledged developmental state measured on four dimensions: ideational, political, technical and implementation (Cummings & Norgaard 2004). There is wide recognition, also by the South African government, that the quality of education outputs does not render the expected returns on the budgetary investment (DBE 2010). According to Transparency International, the Corruption Perceptions Index (CPI) has deteriorated further, from 4.7 in 2009 to 4.5 in 2010 and further to 4.1 in 2011. 'State agencies tasked with fighting corruption are of the view that corruption is at a very high

level. Weak accountability and damaged societal ethics make corruption at lower levels in government almost pervasive. Corruption in infrastructure procurement has led to rising prices and poorer quality.’ (NPC, 2011). In November 2010, government outlined a number of measures to address these challenges in the New Growth Path (NGP) framework which will focus on: investment in infrastructure, skills enhancement, public service and regional economic ties. This framework, which sets a target of creating 5 million jobs over the next decade, addresses five key job drivers: *i*) substantial public investment in infrastructure; *ii*) targeting more labour-absorbing activities across the main economic sectors; *iii*) taking advantage of new opportunities in the knowledge and green economies; *iv*) leveraging social capital in the social economy and public service; *v*) fostering rural development and regional integration (Framework of the New Growth Path, November 2010:9) The NGP framework is supported by the National Skills Accord, (21 July 2011) Basic Education Accord (13 July 2011) Local Procurement Accord (21 November 2011) and Green Economy Accord (29 November 2011), all signed by business, NEDLAC community constituents, organised labour and government departments.

11.2 Role-players impacting on CSR awareness and advancement

International aid

• Governments

- **Germany:** According to the German Federal Ministry for Economic Cooperation and Development (BMZ), the priority areas of cooperation with South Africa are: energy and climate; good governance and violence prevention; and HIV/AIDS prevention. Germany is also involved in vocational training and. In future activities will also focus primarily on the development of occupations in the “green” sector and on eliminating skills shortages for the development of renewable energies (<http://www.bmz.de/>).
- **European Union:** biggest single ODA contribution with focal areas to promote pro-poor, sustainable economic growth, including in the second economy, improve the capacity in provision of basic services for the poor and promote good governance.
- **United Kingdom:** focus on wealth creation through promoting growth and jobs, climate change support to lower carbon pathway, health sector support target maternal, neonatal and HIV and governance support for improving government accountability.
- **United States:** focus areas are peace and security linked with governing justly and democratically projects, investing in people in health sector especially through President’s Emergency Plan for AIDS Relief (PEPFAR). Third focal area is economic

growth support through financial sector and private sector competitiveness SMME development & linkages with larger firms programs.

- **Development Agencies:**

- **GIZ** Bilateral cooperation with South Africa started as early as 1993 and an office was established by the then GTZ in 1996. GIZ's focus in South Africa is on: governance and administration; climate change and energy; HIV/AIDS; and climate change and energy. It has also other bilateral projects in the area of skills development, rural development, development partnerships with the private sector, and German South African Trilateral Cooperation Fund. GIZ also manages a number of Pan-African and regional projects in South Africa one of them being the Center for Cooperation with the Private Sector which works to support and advance CSR in collaboration with companies, business networks, academia and civil society (*GIZ in South Africa* Fact Sheet, 2011).
- **DFID:** TradeMark Southern Africa (TMSA) is a five-year, £100 million programme to improve trade performance and competitiveness of the Eastern and Southern Africa regions – contributing to sustainable, rapid and CSR inclusive growth focus and poverty reduction within 26-member COMESA-EAC-SADC Tripartite.

Donor coordination in South Africa is weak – a reflection of the limited value of donor harmonisation where ODA is less than 1% of national income. (DFID, South Africa Operational plan, May 2011, p.6)

- **South African Development Partnership Agency (SADPA)**

The South African government is in the process of establishing the country's own international development agency, the South African Development Partnership Agency (SADPA) and will replace the African Renaissance Fund in 2012. The main objectives will be to advance the African agenda, promote regional integration, promote South-South cooperation and promote the Millennium Development Goals with the objective of focussing on cooperation between South Africa and other African countries. The estimate is that SADPA will have a start-up fund of R3-R4billion (Parliamentary Monitoring Group briefing 2 Aug 2011, www.pmg.org.za).

- **BRICS – Brazil, Russia, India, China and South Africa**

The emerging reality of BRICS – Brazil, Russia, India, China and South Africa – as a geopolitical and economic grouping of nations introduced a new dynamic to global governance and economic relations relating to the shift in economic power southward and eastward. BRICS nations represent 42% of the world's population and 18% of its GDP. The BRICS nations not only reflect the shifting trends of the new global economic order but are increasingly shaping it. In the Sanya Declaration, BRICS, under the

banner, “Broad Vision, Shared Prosperity,” indicated its members’ common aspiration: *It is the overarching objective and strong shared desire for peace, security, development and cooperation that brought together BRICS countries with a total population of nearly 3-billion from different continents. BRICS aims at contributing significantly to the development of humanity and establishing a more equitable and fair world. The 21st century should be marked by peace, harmony, cooperation and scientific development.*” Sanya Declaration, Sanya, Hainan, China 14 April 2011

Government

The South African government plays a prominent role in CSR in the country. Some of the most important government contributions to CSR include the framework of Broad Based Black Economic Empowerment (BBBEE), Expanded Public Works Programme (EPWP) and Preferential Procurement policy. More recently the government has also become more active in their public commitment to sustainable growth. In 2010 South Africa hosted the Green Economy Summit in Johannesburg; President Jacob Zuma co-chaired the climate change discussion at the World Economic Forum’s annual Davos conference. The 2011 COP17 Global Summit was held Durban and chaired by South Africa.

South Africa has improved in the World Bank “*Doing Business*” annual reviews, indicating the commitment of government to create an enabling environment for economic growth through the private sector (*Doing Business 2012: Doing Business in a More Transparent World*). South Africa’s ranking in *The Global Competitiveness Report 2011–2012*, published by the World Economic Forum has improved from 54 to 50 among 142 countries.

- **Priorities:** corruption; education, healthcare (HIV/AIDS), skills development, housing and service infrastructure and delivery, environmental sustainability, unemployment
- **Legislation:** Black Economic Empowerment Act (2000), Employment Equity Act (1998), Skills Development Act (1998), Competition Act (1998), Electronic Communications Act (2005), National Environmental Management Act (2000), Promotion of Access to Information Act, Mineral and Petroleum Act (2002), National Credit Act (2007), New Consumer Protection Act (2008), and New Companies Act (2011).
- **Forums/ Workgroups/Networks:**
 - **National Economic Development and Labour Council (Nedlac)** is the vehicle by which government, labour, business and community organisations will seek to cooperate, through problem-solving and negotiation, on economic, labour and development issues, and related challenges facing the country, through four chambers: Labour Market Chamber, the Trade and Industry Chamber, the Development Chamber and the Public Finance and Monetary Policy Chamber. Nedlac has a

dispute resolution function between trade unions and Government &/or Business on issues of socio-economic policy.

- **Commission for Employment Equity** monitors employers who employ 50 or more workers, promoting equal opportunity and fair treatment to achieve a diverse workforce that is broadly representative of South Africa's people.
- **SA Government Employees Pension Fund (GEPF)** gave formal notice that they will release a policy whereby environmental, social and governance issues will be integrated with their investment decisions.
- The **Public Investment Company (PIC)**: becoming a major player in the responsible investment arena.
- **Industrial Development Corporation (IDC)** is a state owned financial institution providing funds for industrial and entrepreneurial development
- **Department of Trade and Industry (DTI)**: most active public sector actor with regard to CSR, responsible for the implementation of the BEE framework.
- **Small Enterprise Development Agency** with goal to develop the SMME sector in South Africa.
- **National Empowerment Fund (NEF)** is a statutory body established by the National Empowerment Fund Act No 105 of 1998 to promote and facilitate black economic equality and transformation.
- **National Development Agency (NDA)**: primary mandate is to eradicate poverty by granting funds to civil society organizations (CSO) that implement developmental projects of poor communities.
- **Independent Development Trust (IDT)**: mandate is to contribute to the government in meeting its social mandate of alleviating poverty in improving the quality of life of poor rural communities, as implementing agency focusing on development planning, implementation, and the coordination of government programmes
- **Centre for Development and Enterprise (CDE)** has led an initiative to establish an international consortium of policy think tanks from democratic developing countries. They INCLUDE initiative will involve research, workshops and debate among leading experts, politicians, officials, business organizations and leaders.
- **South African Local Government Association (SALGA)**: An autonomous association of all municipalities working at the cutting edge of quality and sustainable

services through advice and support, representation, employer body, strategic profiling of local government, business and civil society interaction.

- The **National Business Initiative (NBI)**: This is an independent, voluntary coalition of 140 member companies which is committed to shared growth and sustainable development in South Africa. In 2007, the NBI was appointed as the focal point of the Global Compact local network in South Africa. The Local Network, through consultation with a wide spectrum of stakeholders and its advisory committee, has taken the decision to place a particular emphasis on human rights and anti-corruption in South Africa, as well as the theme of responsible business practices by South African companies in other African countries (<http://www.nbi.org.za>).
- The **National Anti-Corruption Forum** founded in 1999 to bring government and business together to prevent and fight corruption.
- **Business against Crime**: supporting government's crime-fighting efforts with knowledge in the entrepreneurial and technological areas.
- The **Integrated Reporting Committee** launched a Framework for Integrated Reporting and the Integrated Report Discussion paper in January 2011.
- **African Peer Review Mechanism (APRM)**: mutually agreed instrument voluntarily acceded to by the Member States of the African Union (AU) as an African self-monitoring mechanism.
- **Kimberley Process (KP)**: joint governments, industry and civil society initiative to stem the flow of conflict diamonds.

Civil society

Civil society and churches has always played an important role in CSR in SA. Today the country has a growing distinct civil society, 49,000 in 2007/8 and more than 75,000 organizations in 2010/11. More than 75% of these NPOs operate in health, religion, social services, development & housing sectors. Gauteng has more than 32% of all NPOs. (State of NGO Registrations Report: NPO Database, Dept Social Development, 2011). Most of the NGOs that provide social services have positive relationships with the business sector. Civil Society stakeholders include: National Youth Development Agency (NYDA), National Women's Coalition, South African National Civics Organisation, Disabled People South Africa, Financial Sector Coalition and the National Co-operatives Association of South Africa, SA National Civil Society (SANCO); African Institute for Corporate Citizenship. NGOs to be mentioned include:

- **Business Map Foundation:** a not-for-profit research think tank that focuses on economic transformation in Southern Africa.
- **EthicSA:** a non-profit (Section 21) company and public benefit organisation with the mission to “building an ethical South Africa”. Core activities include: ethics advocacy, ethics education and training; and ethics advisory services.
- **The Sustainability Institute** is a non-profit trust, founded in 1999. As an international living and learning centre it focuses on studies and experience in ecology, community and spirit, and work in partnership with the School of Public Leadership (University of Stellenbosch).
- **The Ethics Resource Centre** is a private, non-profit organization devoted to independent research and the advancement of high ethical standards and practices in public and private institutions.
- **BenchMarks Foundation** is an independent faith based organisation monitoring corporate performance in the field of CSR with the focus on social sustainability and economic empowerment, especially in the SADC mining sector. The foundation is part of an international faith-based coalition that also has partners in Australia, Hong Kong, Canada, the USA, Colombia and the United Kingdom.
- **Southern African NGO Network (SANGONeT)**, founded in 1987 is closely linked to the social and political changes experienced by South Africa during its transition to democracy. The organisation is facilitating access, sharing information, building capacity, raising awareness, enhancing reach and impact, and linking people and organisations through the use of ICTs in Southern Africa.
- **Southern Africa Development Trust** was established in 2005 to support civil society organisations in Southern Africa to participate effectively and with credibility in policy dialogue so that the voices of the poor can have a better impact in the development of public policies. Their main CSR focus is through the B4D (business for development) program.

Academia

There has been a significant increase in the involvement of South Africa’s academia in the research and education on CSR. A number of academic institutions have established dedicated departments to study, research and educate both students and the business sector on CSR strategies and activities, including:

- The **Institute for Corporate Citizenship (UNISA)**: training, education, research and a forum for sharing and debates, consulting and advice services; offers a module “Introduction to Corporate Citizenship.
- The **Albert Luthuli Centre of Responsible Leadership (UP)**: aims to develop a new generation of responsible leaders, shaping local and international business practices and policies in support of social and environmental justice. <http://web.up.ac.za/>.The **Centre for Business in Society (USB Executive Development)**: partners with companies and organisations to create a sustainable business environment.
- **UCT Graduate School of Business (UCT GSB)**: SA’s 1st postgraduate programme in Corporate Social Investment (CSI).
- The **Sustainability Institute** (non-profit trust): partnership with the US in Masters and PhD degrees in Sustainable Development Planning and sustainable Agriculture, Early Childhood Development, Community Development Practice and Management and project facilitation to establish Sustainable Neighbourhood Developments.
- **BenchMarks Centre for Corporate Social Responsibility** was launched on 23 January 2012 and is a partnership between the North West University (Potchefstroom), Benchmarks Foundation, and the Swedish government. Their focus is mainly in the extractive industries in SADC region. Through the Centre, the University will offer certificates, diplomas on Corporate Social Responsibility.
- **Africa Institute of South Africa (AISA)** mandate is to produce knowledge aimed at informing sustainable political and socio-economic development in Africa. AISA is a statutory body under Department of Science & Technology and conducts some research on CSR.
- **Business Ethics Network of Africa (BEN-Africa)**: network of people with competencies in teaching and managing business ethics (CSR in Africa, 2006).
- International recognition for **MBA Programmes** from the “Beyond Grey Pen Stripes” which is an independent, biennial survey conducted by the Aspen Institute highlighting how academic institutions prepare students to meet the business challenges of tomorrow. Rankings are based on required and elective courses on social and environmental impact, and articles published on relevant topics; participating schools include: University of Pretoria; University of Cape Town; and University of Stellenbosch Business School (<http://www.beyondgreypinstripes.org/>).

Multi-stakeholder initiatives

- **Africa Carbon Asset Development:** a partnership between Standard Bank and the UN Environment Programme to stimulate growth in Africa's carbon market through investor outreach and seed capital.
- **The Partnering Initiative,** a programme of International Business Leaders Forum (IBLF), a UK based NGO has been working in collaboration with GIZ to build partnering capacity within government and business in South Africa.
- A cross sector partnership, "**Business against Crime**" with the goal to support government's crime-fighting efforts with knowledge in the entrepreneurial and technological areas.
- **South Africa Business coalition against HIV and Aids:** a member driven partnership with the aim to coordinate private sector response to HIV/Aids epidemic and lobby for policy change.
- Several **public-private partnerships (PPPs)** are providing support at workplace level in the form of programmes for HIV education and prevention, and for the treatment of those living with AIDS.
- Local government enters into many public-private partnerships with private business to assist them with knowledge and skills to build and develop infrastructure for service delivery.
- **GIZ** has entered into several development partnerships with the **private sector** (e.g. Woolworths, BMW SA, SAB Miller, Nike, SASOL and MTN) as part of its commitment to advance the issue of environmental and social sustainability. In addition, through its AwiSA project (AIDS Prevention and Health Promotion Workplace Programmes in Southern Africa) GIZ helps companies to develop HIV & AIDS policies, provide information sessions for employees on the disease and other health issues, to distribute condoms, and to run voluntary counselling and testing campaigns (*GIZ in South Africa* Fact Sheet, 2011).
- **CSImatters** is a corporate social investment communication and collaboration hub, open to contributions and conversations from all members of the CSI and development sectors.
- **Social Map** was launched in 2008 by three partner organisations: Trialogue, Africa-Scope and The Business Trust and offers business a benchmark for corporate social investment (CSI) activities, funding gaps in particular areas and find opportunities to partner or co-fund.

- **Tshikululu Social Investments NPC** was established in 1998 as a Section 21 company, association not for gain. Tshikululu provides comprehensive fund and project management of the corporate social investment programmes of large and medium-sized businesses in South Africa: CSI investments in excess of R2 billion in the last decade, supporting more than 15 000 projects.
- **GreaterGood South Africa Trust** is a public service organisation which connects people and companies wanting to link CSI with good causes. GreaterGood manages the SA Social Investment Exchange.

The business response

Since 1994 government has transformed the country's legal framework, laws on environment and corporate governance, labour, human rights and freedom on information which led to transformation of the corporate SA environment. In 1992, in an effort to support corporate SA, the Institute of Directors approached Professor Mervyn E. King to create a corporate governance solution for business. This resulted in the establishment of the King Committee on Corporate Governance, which in 1994 launched the first King Report that marked the institutionalisation of corporate governance in South Africa, followed in 2002 by King II Report, which included a far-reaching section on integrated sustainability reporting, setting out specific reporting, accounting and auditing guidelines for non-financial matters. Although voluntary at the time, the Johannesburg Securities Exchange requested that listed companies comply with the King II Report recommendations, or explain their level of non-compliance. This subtle pressure was seen as a turning point in the formal life of CSI. Government linked on to this with formal BBBEE scorecard for companies to measure and enforce compliance with BEE transformation initiatives. The scorecard contains seven elements: ownership, management, employment equity, skills development, preferential procurement, enterprise development and socio-economic development. Businesses CSI spend focus on the last two categories.

This resulted in CSR being taken seriously by SA companies. As sustainability has migrated from buzzword to the real world, many companies now also recognise the importance of environmental responsibility as part of corporate social and governance concerns. In the 2009/2010 financial year companies spent R5.4 b on CSR and CSR related initiatives. Many listed companies signed up to Global Compact, GRI and the JSE Social Responsibility Index (Ethical Corporation, 2010). Many companies have included Black Economic Empowerment as a key aspect of CSR practices. The business rationale for CSR revolves around addressing socio-economic challenges through economic access and opportunities to Previously Disadvantaged Individuals (PDIs), improving brand image and enhancing the implementation of core business. For example, a financial services company may recognise that low financial literacy skills – a broader social issue – can have an adverse effect

on its ability to expand market share, or offer complex and better-performing products. This can make the decision to invest in a literacy campaign – a business imperative that increases sustainable long-term performance.

Another growing trend is in staff volunteerism. Within the FirstRand group, 25% of staff volunteers for good causes. Any financial donation from a staff member of FNB, Rand Merchant Bank or Wesbank is matched rand-for-rand by the group.

79% of SA companies rate themselves as qualified to deal with the CSR challenges, and CSR projects typically include education and training, health, skills development, welfare and economic development. Dedicated CSR resources are present on middle to senior management level, and within a CSR department, CSR decisions are most often taken by CSR officials, senior management and boards (Corporate Social responsibility in sub-Saharan Africa, 2008). Larger and multinational companies seem to engage in social development projects as a part of their core business activities, whilst smaller local companies tend to focus on fulfilling their legal requirements, and make philanthropic donations. There are clear indications that the business sector increasingly believes engaging in CSR has a positive impact on profitability, is a source of competitive advantage and has positive impact on consumer and employment retention and image. The following listed companies have been ranked by the JSE Socially Responsible Index as best performers 2007 – 2010: ABSA, Anglo American plc, Anglo Gold Ashanti, Merafe Resources, Gold Field Ltd, Group Five, Standard Bank, Tongaat Hulett.

However, implementation of CSR by medium- and small-sized companies is not as far developed. These companies are keen to create their own CSR-policies or participate in existing ones. (SA-German Chamber, CSR report)

CSR assurance in South Africa

A global body of knowledge on CSR assurance is developing, providing a range of different assurance levels (Nitkin & Brooks 1998:1505). The extent to which CSR disclosures are accepted varies, with internal stakeholders (i.e. investors and employees) more readily accepting the disclosures, whereas other stakeholders tend to be more sceptical (CorporateRegister.com 2008:10). The King Report on Corporate Governance (King III) became effective on 1 March 2010 and of particular relevance, is the fact that principle 9.3 recommends that organisations not only disclose their corporate social responsibility impacts, but more importantly, that this should also be assured and as a principles-based code of conduct, organisations are required to explain the reasons for noncompliance (IOD 2009). Companies listed on the JSE are required to apply the principles of the King Code, it is expected that CSR assurance disclosure in South Africa is likely to increase over time. In a study by Ackers (MAR, 2009) analysis of the most recently available CSR disclosures of the

top 100 JSE-listed companies, South Africa features strongly, ahead of USA, Australia and Germany with 15% of these companies disclosed assurance statements. It is predicted that while stakeholders may accept explanations for not providing CSR assurance statements in the first few years, while companies establish their CSR assurance processes, they are unlikely to continually accept reasons for continual delays in applying all the principles.

While South Africa is increasingly playing a vital role in many African economies, and South African companies subscribe to corporate social responsibility (CSR) codes, little is actually known about the extent of the social responsibilities and investments of large South African companies in host African countries.

Examples of businesses with CSR initiatives are the following:

- **Anglo American Zimele** runs four enterprise development and investment funds, helps start and expand SMMEs. In two years Zimele has processed about R500-million in loans.
- **Clover** has the Mama Afrika flagship CSI project that aims to empower and support the communities who have long supported Clover brands. This corporate social investment initiative trains and empowers female community leaders nationwide; these Mamas are then able to empower others in their communities.
- **De Beers**: won the ACCA award for Sustainable Reporting in 2010; imported doctors to help with HIV/Aids on their workplace and local communities.
- **BMW SA**: had a partnership (with GTZ) on a work-place programme for Employee Financial Wellness from 2006 – 2008.
- **Woolworths**: is a sustainability leader in the retail sector with their award-winning “Good business journey” programme. It implemented a two-year (2009 – 2010) partnership with GIZ on sustainable waste-water management in its supply chain.
- **SABMiller**: plays an active role in enterprise development and business skills development initiatives; partners with WWF on leading water security projects. Currently (in 2012) SABMiller and WWF have a partnership with GIZ called “The Waters Future Partnership”.
- **MTN**: entered into a partnership with GIZ to manage the adverse impacts of electronic waste (E-waste).
- **Sasol**: contributes to dealing with HIV/Aids issues in South Africa; it has an on-going partnership (in 2012) with GIZ, i.e. Emfuleni Water Conservation Project and another one on Local Procurement and Supply Chain Development.

- **Nike:** has an ongoing partnership with GIZ (2012) on “Sports for Social Change Network”.
- **BHP Billiton:** a leader and innovator in institutionalising CSR within its business.
- **Unilever:** involved with various social and environmental projects including: Indigenous Trees for Life Project; Nelson Mandela Scholarship, HIV/Aids programmes, home composting waste programmes for community gardens, and establishing the Unilever Centre for Environmental Water.
- **Exxaro:** a black-owned and managed coal mine actively involved in sector-wide technical training.
- **Mercedes-Benz SA** strategic focus – 72% of its CSI budget goes to education and HIV/Aids and a regional focus – 45% of funding going to projects within the Border Kei region where the company’s plant is located.
- **M-Net Cares,** the broadcaster supports education and literacy in particular while also engaging in industry specific initiatives such as EdiT, Emerging Dynamics in Television.
- **Nedbank:** one of South Africa’s leading banks with sustainability awards including the leading ‘green’ corporate in the Ask Afrika Trust Barometer®, lead ranking in the South African Carbon Disclosure Project Leadership Index, and a four-star Green Star SA rating, the first such rating in the country. Nedbank Group is Africa’s only carbon neutral financial institution and one of South Africa’s greenest companies. It has substantially invested in its sustainability journey over the past twenty years.
- **Volkswagen Group** has ‘a programme of strategic giving’ which also entails ‘partnerships with NGOs, educational institutions and government’. Education attracts more than 30% of CSI spend) with more specific focus on early childhood development.
- Transnet Foundation, the parastatal, has the Sharp Minds! Get Ahead in Life programme offering learners in Grade 11 curriculum based tuition in Maths, Science, Technology and English. Retired freight containers get a new lease on life to deliver service to most outlying rural communities through Containerised Assistance Programme.
- In the SME sector it is worthwhile to mention **Impahla Clothing** and **Spier Wine Estate**.

In addition to the above the following business sector forums/ networks/initiatives also exist:

- **Organised business:** Chamber of Commerce and Industry (**CHAMSA**); Business Unity South Africa (**BUSA**); SA Chamber of Business (**Sacob**); The Foundation for African Business and Consumer Services (**Fabcos**); Afrikaanse Handelsinstituut (**AHI**); The

National African Federated Chamber of Commerce (**Nafcoc**), Black Business Council (**BBC**), Business South Africa (**BSA**) and Minara **Chamber of Commerce** representing South African Muslim business.

- **Organised labour:** three main labour federations in South Africa: Confederation of South African Trade Unions (**Cosatu**), Federation of Unions of South Africa (**FEDUSA**) and National Council of Trade Unions (**Nactu**). The labour unions are significant drivers of CSR in the workplace (Ethical Corporation, 2010).
- **Southern African German Chamber of Commerce and Industry** has commissioned a major research project documenting 31 case studies on best practice “*CSR in South Africa as practised by South African and German companies*” with Department of Social Development. Since 2008 very successful training and skills development programmes, CATS, BTC and PROFIBUS are in operation. The chamber recently established Competence Centre for Corporate Social Responsibility (CSR) and the centre aims to bring a more systematic approach to support member companies and expand collaboration of companies around CSR initiatives, aiming to deepen the socio-economic impact of such projects. The chamber also has an on-going partnership (in 2012) with GIZ called “South Africa-German CSR Initiative”.
- **Khula Enterprise Finance Ltd:** dedicated to the development and sustainability of small businesses in South Africa.
- **JSE Socially Responsible Index:** based on the FTSE4Good inclusion criteria, represents globally accepted standards of good practice in corporate social responsibility as they evolve. They are developed using an extensive market consultation process, and are shaped by a broad range of stakeholders including NGOs, governmental bodies, consultants, academics, the investment community and the corporate sector.
- **National Business Initiative (NBI):** voluntary coalition of 140 member companies committed to growth and sustainable development in SA since 1995, and dedicated to deal with the broader range of sustainability challenges i.e. climate change, human capital, skills and small business development. The NBI launched its first Water Disclosure Report on 15 November 2010.
- **Business Leadership Foundation:** an association of South Africa’s largest corporations and multi-national companies.
- **Dialogue**, established in 1999, is a leading CSI/CSR research consultancy and publisher, driving the development and management of knowledge within the sustainability and corporate social investment arenas. The Dialogue CSI Handbook, Sustainability Handbook, Environmental Handbook and quarterly Sustainability Review, are all

leading publications on South African CSI and sustainable business practice. They also present the annual South African CSI Conference.

Summary: The nature and state of CSR awareness and advancement

Post-apartheid South African landscape looks markedly different from its apartheid predecessor. Big business has been implicated in human rights abuses committed under apartheid but the apartheid history gave rise to early manifestations of voluntary initiatives to contribute to government policy changes and social development. From a developmental vantage point, however, the legacy of apartheid is still there for everybody to see, even though research findings suggest that the majority of public sector social policies have been towards the poor. CSR in post-apartheid South Africa is strongly influenced by a socio-political mandate of nation building, and therefore characterised by national priorities such as transformation and affirmative action, education, job creation, skills and development and HIV/Aids. In South Africa, CSR cannot be defined purely as voluntary initiatives as there are no clear distinctions or divisions between voluntary business actions and state-led interventions. The Broad based Black Economic Empowerment Act (BBBEE) continues to be a powerful driver in shaping the future of the South African CSR landscape, with “Ubuntu” (African humanism) as cultural driver, resonating the reciprocal nature of CSR (CSR Navigator, 2007). South Africa has taken significant steps in the areas of corporate governance and business ethics (King III Report), labour practices, and the measuring and reporting on the social responsibility of listed companies through the JSE Social responsible Investment Index (SRI). Although they do not constitute official legal documents they are internationally regarded as state-of-the-art guidelines regarding good corporate governance. South Africa is the continental leader in CSR practice with advanced CSR policies in place, significant CSR activities taking place, and partnerships established. The South African CSR approach has developed from purely charitable programs, into a more CSI and strategic philanthropic approach, to a more recent strategic and integrated approach to CSR by all role-players i.e. government, civil society and business. Extending CSR practice to medium and small business however remains a challenge. Within South Africa, with the pressures for a socially-engaged private sector, companies have found in CSI a useful tool to be perceived as socially responsible while also benefiting from this, but the actual impact of CSI programmes however remains an unexplored area.

11.3 Conclusions and recommendations

Table 34 and 35 present the conclusions and recommendations regarding CSR awareness in South Africa.

TABLE 34: SOUTH AFRICA CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	X
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	X
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	X
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	X
ACADEMIA	There is no evidence of academic interest in CSR	
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	X
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	X
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	X

TABLE 35: SOUTH AFRICA CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	
		CSR policy development	
		CSR skills development	X
	Within broader business circles	Chambers of commerce	
		Learning forums	X
		Industry protocols	
	Between companies and governments	National agenda for CSR	X
		CSR standards and protocols	
		Public-private partnerships	X
	Between companies and non-governmental stakeholders	Collaborative interventions	
		Social capacity building	X
		CSR teaching and research	X
	Between companies and global role-players	Participation in global forums	X
		Application of international standards	X
		International best practice case studies	X

In South Africa, companies may be internally supported to integrate CSR topics with existing BEE initiatives, and to develop a holistic, strategic and integrated CSR vision and strategy. Furthermore, support can be provided to develop internal CSR structures and capacity within companies to enable CSR project implementation and reporting. Learning forums can provide opportunities for CSR debate and dialogue, and to influence the development of a holistic and integrated national CSR agenda for the country. Opportunities exist to leverage multi-national companies to participate in global forums and engage in a process to further apply international standards and best practices within local, South African companies.

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12 Tanzania

12.1 Factors defining the context for CSR

Political

Tanzania is presently considered to be one of the most stable democracies in sub-Saharan Africa, an anchor for stability in a region that is prone to conflict. The country held its 4th multi-party general elections on 31 October 2010 and President Kikwete was re-elected.

Until 1980s, Tanzania was a socialist country pursuing social and economic policies dominated by socialist approaches. Following the Parastatal reform programme initiated in late 1980s – early 1990s with the aim to reduce Parastatal dominance and promoting a larger role for the private sector, the country engaged in massive privatization of the public owned enterprises. Around 400 state-owned companies, from handicrafts factories to the national airline, were sold off or privatized. Since then the number of private sector companies operating in the country has increased significantly.¹⁹⁵ The government has continued to implement strategies geared towards strengthening the enabling environment for cooperation with the private sector. Legal and regulatory framework has been put in place and the need for partnerships between the government and private sector is well understood and prioritized. This overarching development framework for partnerships is provided for by the Tanzania Development Vision 2025 and the National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA I&II) and endorsed by the Five Years Development Plan.¹⁹⁶

Although the concept of CSR is relatively new in Tanzania, private business support to local communities existed long before.¹⁹⁷ The government provides a certain amount of support for CSR activities in the country. The recently launched “Presidential Award on CSR and Empowerment” in the extractive industry is one of the examples of political backing provided by the government to promote CSR. The award is intended to align corporate policies and practices of companies in the extractive industry with sustainable development.¹⁹⁸ There is however minimal support from the active politicians towards CSR in Tanzania. Recent publications indicated that some companies have hitherto contributed less to government coffers in terms of taxes than they ought to have done in an environment of greater transparency and accountability.¹⁹⁹ This has been criticised to a great extent by the Tanzanian politician who also question the companies’ CSR activities.²⁰⁰

195 See http://www.fess-global.org/Publications/issuebriefs/Tanzanias_Gold_Sector.pdf

196 See Partnership Landscape: Country Profile Tanzania (2011).

197 Ibid

198 <http://www.tansheq.com/jk-launching-the-presidential-award-on-the-extractive-industry-corporate-social-responsibility-and-empowerment-programme-csre/>

199 The Guardian, 25th May 2012 “Cell phone firms should show that CSR matters”

See <http://www.ipppmedia.com/frontend/index.php?l=41936>

200 Ibid

Economic

Tanzania's economy has remained resilient to the global economic and financial crisis and is expected to remain buoyant with a GDP growth of 6.8% in 2012 and forecast of 7.1% in 2013.²⁰¹ Services, industry and construction continue to be the driving forces. Although agriculture constitutes the most important sector of the economy, with 80% of the population depending on subsistence agriculture for their living, the sector's contribution to GDP is declining.^{202,203} To overcome this challenge, the Tanzanian government has spearheaded the Kilimo Kwanza (Agriculture First) initiative to encourage private sector participation in agriculture.²⁰⁴ Cash crops, including coffee, tea, cotton, cashews, sisal, cloves, and pyrethrum account for the vast majority of export earnings.²⁰⁵ Prolonged drought causing food shortages and frequent power outages continue to hurt potential output. Estimates indicate that exports contribute to GDP growth at an average of 10%.²⁰⁶ The budget deficit stands at 5.5% of GDP an improvement from 6.6% of GDP in 2011, and 7.1% in 2010. Meanwhile, Tanzania's inflation rate for 2011, at 12.7%,²⁰⁷ jumped to about 19.7% in 2012.²⁰⁸ This rate is the result of higher food prices and reduced power production. The shilling has been under pressure since the beginning of 2010, falling by 10.6% in 2011 and making imports more expensive. Increased oil imports for power generation are driving strong demand for foreign currency.

Despite the economic challenges, Tanzania's strategic location makes it a natural East African hub for investors seeking to exploit not only resources but also a growing market of about 527 million consumers in East and Southern Africa.²⁰⁹ While it is challenging to measure the direct contribution of private businesses to the GDP growth, data and information available suggests that the private sector operations in the country accounts for a large part of economic growth.²¹⁰ On the same line, the economic contribution of CSR activities cannot be underestimated. CSR projects implemented in Tanzania have also managed to contribute to growth through local economic development programmes and projects. Multinational companies like BP have partnered with seven Tanzanian corporations and SBP (Small Business Project), an independent specialist support and research organization based in South Africa, to establish the "Private Sector Initiative" (PSI) a \$1.2 million program which enables Tanzania SMEs to acquire resources, skills and business.

201 <http://www.africaneconomicoutlook.org/en/countries/east-africa/tanzania/>

202 See Partnership Landscape: Country Profile Tanzania (2011)

203 The Tanzanian government has spearheaded the Kilimo Kwanza (Agriculture First) initiative to encourage private sector participation in agriculture. See Africa Human Development Report (2012) p.80

204 See Africa Human Development Report (2012) p.80

205 www.state.gov

206 <http://www.africaneconomicoutlook.org/en/countries/east-africa/tanzania/>

207 *ibid*

208 <http://www.reuters.com/article/2012/03/13/tanzania-economy-idUSL5E8EDABW20120313>

209 See Doing Business in Tanzania: Commercial Guide for U.S. Companies (2011)

210 See Lundsgaarde, Funk, Kopyra, Richter, & Steinfeldt, 2012

The program has helped to develop opportunities to build and strengthen business links between corporations and SMEs, helping to build up the local SME presence and to develop the local economy.^{211,212} Similar CSR initiative is reflected in the partnership between Yara International ASA, Norfund, Norad, the Rockefeller Foundation, Rabobank, the Agricultural Council of Tanzania and the Tanzanian authorities who have formed a broad partnership to improve the lives of small farmers in Tanzania. The partnership helps to build expertise in local institutions, and provides training and a credit line that ensures that farmers have access to small loans to buy the required input goods.²¹³

Despite the existence of such good viewed examples of CSR, there remain challenges on how these initiatives are regulated and the extent to which they affect the national economy. There is no evidence to show if there is an official agency to monitor and gather data on national CSR activities. Critiques have been raised on the use of CSR as a lens to view local economic development. The government is said to lose revenue through tax reductions as an incentive to companies with effective CSR programmes. While the government agencies are trying to lower exorbitant tariff rates on some services e.g. mobile phones, some companies are said to lure citizens with CSR activities while maintaining high charges on their products and services. In some places these have been what seem to be mere peanuts in forms of education, health facilities and other social services.^{214,215}

Social

Tanzania has made good progress in few MDGs but a lot remains to be done for Tanzania to meet all Millennium Development Goals (MDGs).²¹⁶ Recent data and review of achievement of the goals outlined in the Tanzania National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA) as well as the Poverty and Human Development Report (2011) show some positive trends²¹⁷: Indicators for living standards and social welfare are said to have improved: educational access has expanded at all levels; infant and under-five mortality has declined but maternal mortality remains high; HIV prevalence rates have declined and HIV care and treatment services show improvements, due in large part to external support. However, Improvements in water coverage are not evident; Child labour is high, especially in rural areas; Household poverty is highest among the elderly and in

211 See World Bank Institute, Corporate Social Responsibility through the Supply Chain: MNCs to SMEs

212 For the first three years, the program gained financial support from the British government's Department for International Development through the Business Linkages Challenge Fund (BLCF).

213 <http://www.regjeringen.no/en/dep/ud/documents/propositions-and-reports/reports-to-the-storting/2008-2009/report-no-10-2008-2009-to-the-storting/5.html?id=565961>

214 <http://www.thecitizen.co.tz/business/13-local-business/21107-what-does-it-take-for-tanzania-to-benefit-from-foreign-investments.html>

215 See http://www.taknet.or.tz/topics/FDI_LIVELIHOOD.PDF

216 See Wangwe & Charle (2010)

217 Adopted from Partnership Landscape: Country Profile Tanzania (2011)

terms of governance and accountability, the decentralization and the process of strengthening fiscal autonomy and transparency at local government level is slow.

It worth noting that some positive trends highlighted above are attributed to positive contribution of private sector companies through CSR programmes. On the one hand, a number of notable successful projects including construction of classrooms, health care facilities, sponsorship to health workers, access to clean water and sanitation, HIV&AIDS awareness campaigns, pollution control projects and the like have been made possible through companies' CSR initiatives.

On the other hand, research findings²¹⁸ reveal a variety of environmental and social issues such as environmental destruction, high death rates due to accidents, child labour, and human rights issues between small scale and large companies are said to be imposed through CSR. CSR projects are made to seem better than they are, many local people are disappointed with these projects, and the projects seem paltry compared with the wealth being taken out of the area and the environmental and social costs borne by local people.²¹⁹

TABLE 36: OVERVIEW OF TANZANIA'S SOCIAL CONDITIONS

Population (mn.)	44.8	HDI	0.466	GDP p.c.	\$	1433
Pop. Growth (% p.a.)	3	HDI rank of 182	152	Gini Index		37.6
Life expectancy (years)	57	UN Education Index	0.454	Poverty	%	87.9
Urban population (%)	26.4	Gender Inequality Index (GII)	0.59	Aid per capita	\$	67.1

Source: www.bertelsmann-transformation-index.de

Environmental

Tanzania has abundant natural resources, particularly for agriculture, mining, energy and tourism. The country has 44 million hectares of arable land, with only about 5% currently under cultivation. Resources include diamonds, gemstones, gold, coal, iron, nickel, forest products, domesticated livestock, wildlife, fisheries and marine products, natural gas and possibly oil. The country is also endowed with the highest levels of biodiversity in Africa and has more than 11,000 plant species, 310 mammal species, 960 bird species, 127 amphibian species and 244 reptile species.²²⁰ The land uses are diverse ranging from developed areas to dense forests and massive water bodies.

²¹⁸ See Emel, Makene, & Wangari (2012)

²¹⁹ Ibid

²²⁰ See <http://www.iss.co.za/uploads/ECPTANZREP211008.PDF>

The government of Tanzania through the responsible ministry for environment has developed policy and the respective guidelines to promote openness in information sharing, participation of all stakeholders and accountability in dealing with environmental issues. The policy stresses on the responsibilities of the local communities and business entities in planning, implementing programmes or projects that are reflecting their need and foster efficiency in resource utilization including reuse, recycling and reduction of waste. Other private institutions too have the role of participating in different forums including policy and legal formulation related to environmental management.²²¹

Environmental policy is strengthened by national, international NGOs and private companies engaged in environmental awareness as part of their CSR programmes.²²² Local communities have formed alliances, networks and partnerships in addressing environmental issues. The sector has also received attention from the local and international development partners who bring in financial and technical resources. These include: agencies such as DFID; ICUN, GEF; WWF; FAO; WB; USAID; UNDP; UNEP, CARE, as well as Governments of Finland, Norway, Denmark, the Netherlands and Sweden.

Summary: Development challenges

Although CSR is relatively a new concept in Tanzania, it has emerged as an important area of action for large, medium and small companies. The government, development partners and other stakeholders including CSOs and NGOs engaged in this topic forms an important arena in supporting CSR in the country. Companies are becoming more aware of this strategic approach and have started to align their CSR activities with their core business. They adjust their production or procurement policies to conform to environmentally friendly or socially conscious regulations. This holds true for small and medium-sized enterprises as well as larger companies, but the efforts of smaller businesses has tend to be somewhat scattered and take the form of donations of money, goods or services.

However, a number of social-economic challenges remain to be addressed for CSR to be effective and efficient instrument for both business performance and local economic development. There is a need to further improve business and investment climate to promote private sector development. Deficiencies in the energy and transport infrastructure are inhibiting economic growth through investments and will need specific focus to enable economic growth. Corporate Social Responsibilities programmes needs to be well coordinated with government development plans to ensure they contribute to long term

221 See <http://www.tanzania.go.tz/environment.html#Policies>

222 Artumas Group, Stan Aarts – BAM International, Tigo, CRDB Bank, Twiga Cement, and Vodacom are some of the many private companies with CSR programmes geared towards environmental awareness in Tanzania.

development agenda of the respective communities. There is a need to put in place a specific unit that will be responsible for regulation and documentation of CSR activities.

12.2 Role-players impacting on CSR awareness and advancement

Corporate social responsibility can be an effective vehicle for creating win-win partnerships opportunities among the three sectors (public, private, and civil society) in national development.²²³ While Business has a great convening ability and can bring money and other resources to the table, governments, donors, CSOs and NGOs can bring expertise, credibility, and resources that business may not have.

There is an increasing international pressure for good corporate citizenship through global CSR commitments of international companies, donor/UN-initiated schemes, and the governments. Tanzania, just like other developing countries is currently experiencing this. A number of stakeholders are becoming more active in coordinating and integrating CSR activities into wider development framework. In what follows, a description of role players impacting CSR awareness and advancement in Tanzania is provided. Some notable initiatives are also highlighted according to stakeholder category.

International aid

Foreign aid makes up a total of 28.2% of Tanzania national budget. This is relatively a significant contribution. However, the trend shows that the percentage contribution of foreign aid to the overall national budget has been decreasing from 42% in 2007/2008 to 28% in 2010/2011.²²⁴ To tap the potential of leveraging donor resources (funds, people, expertise, programmatic track record, solid base of operating networks and ability to mobilize private sector participation) and to better align donor inputs with the needs of the country, in 2006, Tanzania and the international donor community (UN, governments and donor agencies) adopted the Joint Assistance Strategy. This multi-sector strategy among other things aims to facilitate private sector development with the view to implement responsible business practices to better manage risks and costs; improve quality, productivity, and innovation; and harness new business opportunities and relationships.²²⁵

- **Governments:**²²⁶

Some of the foreign governments which are engaged in development cooperation with Tanzania are listed below:

223 See CSR in Practice Case Book (2002)

224 See <http://www.policyforum-tz.org/files/RevenueEnglish.pdf>

225 See <http://www.tzdpdg.or.tz/groups/private-sector-development-trade.html>

226 For a full list of Development Partners active in Tanzania and their Country Assistance Strategy/Program (CAS/P) main priorities see <http://www.tzdpdg.or.tz/external/dpg-tanzania/country-assistance-strategies-overview.html>

- The priority areas of cooperation agreed between the German and Tanzanian governments are: water supply and sanitation; health, including HIV/AIDS prevention; and decentralisation and local government (<http://www.bmz.de>). The German government also supports development partnerships with the private sector with the aim to systematically shape cooperation between the state, the private sector and civil society. These partnerships address mutual interests and leverage the strengths of each partner. As the result of such support, the government is enabled to independently initiate and implement partnerships with the private sector, and with civil society involvement. The private sector/businesses are strengthened to enable them to accept their social and ecological responsibility within society and see themselves as part of the solution to local and global challenges.
- The U.S. Government provides development assistance to Tanzania to support a wide range of programme in the areas of peace and security, democracy, health, education, economic growth, and natural resource management. Recent contribution include that of \$700 million in 2011, mainly on development and capacity building to promote transparency, address health and education issues, and target development indicators to sustain progress.
- Norwegian government supports private sector development in Tanzania. With particular focus to CSR, Norway is actively participating in efforts to strengthen international guidelines for CSR and encourages these guidelines to be applied in the local context.²²⁷ The Norwegian Embassy in Tanzania has developed “country paper on CSR” with the aim to give potential Norwegian actors and investors a useful information and guidance in a Tanzanian setting. In addition to this, it has also released a report on the Mining sector’s effect on environmental toxins, under the auspice of Norwegian Church Aid. Other activities include support to initiate dialogue and exchange of experience and knowledge between the Norwegian companies, organizations and authorities that have development experience, and between the private sector and local authorities and societal groups.²²⁸
- Other governments supporting private sector development and partnership models including CSR in Tanzania include: **Finland, Denmark, the Netherlands, Switzerland, Canada and Sweden.**

227 <http://www.regjeringen.no/en/dep/ud/documents/propositions-and-reports/reports-to-the-storting/2008-2009/report-no-10-2008-2009-to-the-storting/5.html?id=565961>

228 See Tanzania Country Paper on Corporate Social Responsibility

- **Development Agencies:**

- International Development Agencies such as United Nations, the Organization for Economic Co-operation and Development, European Union and others have developed guidelines, principles and other instruments that set the tone for social norms for governments and organizations. Though some of these are advisory for member states and organizations and not mandatory, a significant number of nations and companies do adhere to and have become signatories of these principles.
- The **International Labour Organization** plays an important role in integrating labour standards and social dialogue as key aspects of CSR in its member states including Tanzania. Whilst not binding on enterprises, the principles derived from ILO conventions are expected to guide enterprises' behaviour. The ILO Declaration on Fundamental Principles and Rights at Work, for which Tanzania has ratified, creates a requirement for the government to implement the principles of the ILO's core labour standards. On the other hand, the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy ("the MNE Declaration") provides guidelines on enterprise behaviour for governments, ILO constituents and enterprises.²²⁹
- The **U.S. Government** through its agency for international development (USAID) supports public-private partnerships that aim to significantly expand and deepen the impact of development assistance by linking U.S. foreign assistance with the resources, expertise, and creativity of private sector partners.²³⁰ This enables enterprises to rethink their appropriate roles as corporate citizens.
- **Norwegian Church Aid in Tanzania:** supports civil society in poverty reduction activities and environmental issues. Working in collaboration with the Lawyers Environmental Action Team (LEAT), this initiative aims to promote CSR in Tanzania.²³¹
- The **Tanzanian German Programme to Support Health** shares a goal with the Health Sector Reform to improve the health and well-being of all Tanzanians, with a focus on those most at risk and to encourage the health system to be more responsive to the needs of the people.²³²
- **The Global Reporting Initiative** is a partnership between the United Nations Environment Program (UNEP) and the Coalition for Environmentally Responsible

229 See ILO Helpdesk at http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_116336.pdf

230 See http://sa.usaid.gov/southern_africa/content/global-development-alliance

231 See Tanzania Country Paper on Corporate Social Responsibility

232 See www.tgpsh.or.tz/

Economies (CERES) aimed at developing voluntary guidelines for private sector companies and other enterprises to use as they report on the economic, environmental, and social effects of their activities, products, and services.²³³ This initiative is also operational in Tanzania.

Government (enabling environment)

- **Strategic Priorities:**

The enabling environment for cooperation with the private sector in Tanzania has become more favourable. Legal and regulatory framework has been put in place and the need for partnerships between the government, private sector and non-state actors is well understood and prioritized. This overarching development framework for partnerships is provided for by the Tanzania Development Vision 2025 and the National Strategy for Growth and Reduction of Poverty (NSGRP/MKUKUTA I&II) and endorsed by the Five Years Development Plan.²³⁴ As the result of the on-going government reforms, a specific “Private Sector Development and Investment Division” has been instituted under the Prime Minister’s Office to coordinate and provide guidance on private sector development and investments.²³⁵

- **Legislation:**

In terms of legislation, the government has instituted the national PPP Policy (2009), a PPP Act (2010) and related PPP Regulations (2011). Also in some line ministries there are PPP Policy Guidelines and Strategic Plans in place already, as in health and water sectors. These policy documents provide an overarching public private partnership policy framework. While the Act is viewed as a positive move, the real challenge is how to integrate the private sector in the development process and genuinely drive effective partnerships²³⁶ including clean CSR initiatives. Other legislations relating to CSR arena include Employment and Labour Relations Act (2004), Business Activities and Registration Act (2005), Special Economic Zones Act (2006), Tanzania’s Decentralisation Policy, Prevention and Combating Corruption (2007), Companies Act (2002), and Environmental Management (2004).

- **Forums/Workgroups/Networks:**

The institutional framework for partnerships including CSR and inclusive business models in Tanzania is divided into two parts, the public and the private institutions with the mandate to coordinate such partnerships. These institutions play an important role of promoting collaboration among the two parties.

233 See Rionda (2002) p. 53

234 See Partnership Landscape: Country Profile Tanzania (2011).

235 See <http://www.pmo.go.tz/department.php?cat=3&subcat=87>

236 See Partnership Landscape: Country Profile Tanzania (2011) p. 6

On the one hand, the public institutions in place include:

- **Tanzania investment centre** which is the government agency for coordinating, promoting and facilitating investments in Tanzania and to advise the Government on related matters.
- The **Public-private partnerships** coordination and finance units also play the role of coordinating such partnerships and link them with the appropriate ministries, agencies and departments.
- **Tanzania National Business Council (TNBC)** which was set up in 2001 with the view to reaching consensus and mutual understanding on strategic issues relating to the efficient management of resources in the promotion of social economic development in Tanzania. At its core, TNBC seeks to create a conducive environment for a private sector led economic growth in terms of wealth and employment creation and revenue generation in the poverty alleviation process.²³⁷
- **Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA)** established to mobilize private sector enterprise development through business advice, development and intermediary services. The TCCIA actively supports dialogue and partnership between the public and private sectors, as well as with media organizations and civil society, through its advocacy programme and Public-Private Sector Dialogue Conferences.

On the other hand, a number of private sector institutions and forums have been established with several objectives including fostering effective CSR and the related partnership models:

- **Tanzania Private Sector Foundation** – established in 1998 as the result of the pressure to unite the private sector voice – promotes private sector-led social and economic development by offering service to its members, representing their common interest and engaging in effective advocacy with the Government.
- **CEO Roundtable** – a policy dialogue forum that brings together CEOs of 60 leading companies doing business in Tanzania.
- **The Confederation of Tanzania Industries** – an independent body with a membership of 280 small, medium and large enterprises – works to ensure that the business environment enables industry to operate effectively so that it can prosper and contribute to national wealth and development.

²³⁷ See <http://www.tnbctz.com/>

Other institutions include:

- **Dar es Salaam Chamber of Merchants** and associations of groups such as bankers and miners with the common objective to further their cooperation and strengthen the business environment in the country.
- **African Parliamentarians' Network Against Corruption (APNAC)**: Africa's leading network of parliamentarians working to strengthen parliamentary capacity to fight corruption and promote good governance.
- **African Peer Review Mechanism (APRM)**: mutually agreed instrument voluntarily acceded to by the Member States of the African Union (AU) as an African self-monitoring mechanism for issues relating to democracy & good governance, corporate governance and social-economic development.
- **Kimberley Process (KP)**: joint governments, industry and civil society initiative to stem the flow of conflict diamonds.
- **Extraction Industries Transparency Initiative (EITI)**: coalition of governments, companies, civil society groups, investors and international organisations, sets a global standard for transparency in oil, gas and mining.

Civil society

Although a number of civil society organisations exist, their ability to implement and independently represent communities are questioned as a result of linkages with Government and a lack of capacity and skills to handle CSR matters. Civil society involvement in public private dialogue is generally weak and calls have been made for greater representation of civil society organizations in order to ensure broader and more inclusive dialogue process, particularly at local level.²³⁸ Despite these circumstances, the most active CSO in the country is the Foundation for Civil Society, a Tanzanian non-profit company that holds Public Policy Dialogues (PPD) to bring different stakeholders together to discuss developmental issues.²³⁹ Although there is no evidence on the direct involvement of the Foundation in CSR related activities in Tanzania, the Foundation in collaboration with other institutions like East Africa Association of Grant makers (EAAG) supports the recognition of outstanding contributions of individuals and organizations to strategic social development and to the growth of the philanthropic movement in East Africa.²⁴⁰

Religious institutions like Christian churches and the related organizations seem to play an instrumental and active role in social development initiatives, and informal networks

238 See Partnership Landscape: Country Profile (2011) p. 14

239 See World Guide to CSR, 2010

240 See <http://www.thefoundation.or.tz/foundation-news-view.php?newsID=450>

of extended families still provides the structure to confront the challenges that emerge from economic, social and natural disasters.

In addition to the CSOs, there has been an increase in the number of corporates partnering with NGOs and the Government to ensure successful execution of CSR and similar initiatives. It should be noted that most large companies either have their own foundations or contribute to other initiatives that directly support the community uplift, notably in health, education, environment and agriculture. International active NGOs operating in the country include: **Oxfam, Plan International, World Vision and Care International.**

Some other general NGOs contributing to increased partnerships include: the **National Council of NGOs (NACONGO)**, established by government in 2003 to coordinate and self-regulate NGOs operating in Tanzania. The **Tanzania Council for Social Development (TACOSODE)**, a national umbrella NGO with UN consultation status that works to empower local NGOs. Over 600 Tanzanian CSOs also form part of the **Tanzania Association of Non-Governmental Organizations (TANGO)**, an umbrella body that acts as a mandated national representative for CSOs across the country. TANGO's programmes include capacity-building for NGOs, policy engagement with other development partners at national and sub-national levels, as well as information gathering and dissemination for different stakeholders. **Lawyers Environmental Action Team (LEAT)**: most active NGO with goal to promote natural resource management and environmental protection. **Christian Church Council**: working with LEAT on promoting CSR in the mining industry. **BiD Network**: the mission is to encourage and promote entrepreneurship; it runs a matchmaking and entrepreneur network where promising entrepreneurs are connected with potential investors, partners and mentors. **Joint Environment and Development Management Action (JEMA)**: a non-profit education programme comprising of students, academic staff and graduates sharing and learning about environmental issues through collaborative actions and debates.

The media play an important role by conducting different programmes aiming at educating and empowering people on relevant issues reflected in CSR initiatives related to health, economy, education, security, politics and social.

Despite the low level of CSO engagement in CSR activities, the private sector attitude towards civil society in general is regarded as moderately welcoming, but the two do not regard each other in full trust. Perceptions that civil society interferes with personal matters would seem to play a large role in the attitudes of the private sector. On the other hand, civil society often regards the private sector as preoccupied with minor issues, such as sponsoring national football games and making occasional gifts, with only marginal effort directed to supporting key societal needs, such as poverty eradication programmes.

Academia

Although there is no specific evidence on long term CSR education in Tanzania, a number of academic institutions are taking up CSR as a crucial new dimension of governance, reflected in specific examples noted below:

- **CSR Management Training Programme** – designed to move companies from a philanthropic approach to corporate social responsibility (CSR) strategic approach that helps integration of responsible practice across a company. This initiative has been supported by the Aga Khan Development Network Civil Society Programme (AKDN-CSP) and the International Business Leaders Forum (IBLF), and jointly delivered by the University of Dar Es Salaam Business School (UDBS), and the Institute of Finance Management (IFM).
- **The Eastern and Southern African Management Institute (ESAMI)** in collaboration with the Maastricht School of Management does offer training courses on Competitiveness Aspects on Sustainable Business Development and Corporate Social Responsibility (CSR) in Arusha Tanzania.²⁴¹
- **Dar es Salaam University**, in collaboration with the University of Pretoria, hosts a Centre of Environmental Studies (CSR). Other CSR related Centres operative at the University is a Gender Centre and a Centre for Entrepreneurship Development (CEO).
- **Mzumbe University** in collaboration with Principles for Responsible Management Education (PRME) have included Corporate social Responsibility (CSR) and Ethical Governance as priority area for masters' level thesis dissertation and a number of students are already doing research on the related issues.²⁴²

Multi-stakeholder initiatives

Increasingly, business is engaging in international development issues individually and in partnership with other stakeholders. Engagement is taking place through core business activities, traditional philanthropy, and new multi-stakeholder alliances.²⁴³ Multi-stakeholder alliances have emerged because of a realization that many of today's social, economic and environmental challenges are too complex for one sector to tackle alone. They require new models of dialogue, consultation, and cooperation among nation-states; local, state and national governments within countries; civil society organizations; and private sector enterprises. To date, relatively few multi-stakeholder alliances have been subject to rigorous empirical analysis and evaluation. This is particularly the case for developing countries including Tanzania where the potential for multi-stakeholder engagement

241 See <http://www.roundtableafrica.net/getattachment/News-and-Events/RTA-News/Training-Programs-2011-2012/RTA-training-programs.pdf.aspx>

242 See <http://www.unprme.org/participants/view-participants.php?partid=2814>

243 See http://www.hks.harvard.edu/m-rcbg/CSRI/prog_bid.html

in promoting CSR activities is yet to be utilized. A limited number of cases reflecting multi-stakeholder initiatives in the area of CSR in Tanzania have been documented. Such engagement is categorized into three approaches:

- **Private sector initiative (PSI)**, a partnership between Tanzania-based companies and the Small Business Project (SBP), a South African business development and research organization. PSI's market-focused and market driven goal is to create a more 'joined up' economy by encouraging large companies to source from local SMEs. PSI holds training programs to help SMEs improve their businesses and their end products.
- **Growing Sustainable Business (GSB)** is a partnership between companies in different sectors, the Norwegian Ministry of Foreign Affairs, the Tanzanian government, and UNDP. The GSB addresses the challenge of creating market-based solutions to poverty with projects that have goals ranging from creation of new supply chains to improved access to telecommunications.
- **Cleaner Production Centre of Tanzania (CPCT)** is a partnership primarily among UNIDO, UNEP, the Tanzania Industrial Research Organization, and the Tanzanian Ministries of Finance and Environment. Its strategy is focused largely on working with local enterprises, and its advisory structure encompasses a range of other institutions. Its overriding goal is to promote and help Tanzanian industry and government implement cleaner production methods in a manner that is economically viable and beneficial.²⁴⁴

Other multi-stakeholder initiatives include the **Development Partners Group**, which comprises of 16 bilateral and 5 multilateral agencies (UN counted as one) working with the government and civil society to promote principles of Aid Effectiveness in development assistance to Tanzania. The **Canadian International Development Agency** works in close collaboration with other donors and the Government of Tanzania to strengthen the effectiveness of its aid through focusing on effective, transparent, and accountable country systems; increasing coordination and harmonization among donors; and reinforcing mutual accountability.

GIZ Development Partnerships with the Private Sector in Tanzania is meant to support community health insurance schemes and HIV&AIDS workplace programmes at affordable costs.²⁴⁵ To date GIZ has signed a number of partnerships with private companies like Biolands International, Twiga Cement, and Olam.

²⁴⁴ See Bekefi, (2006) p.19

²⁴⁵ See <http://www.giz.de/Themen/de/dokumente/2010gtz-en-private-companies-to-expand-insurance.pdf>

Partnership forums such as the **National Public Private Coordination Committee**, the coordinator of PPP's between government and private healthcare service providers.

SMART (Sustainable, Measurable, Attainable, Result-Oriented, Timely) is a partnership initiative to enable utilization of aids by putting minimum conditions which include clear national development vision upon where support can be anchored. It is based on the deliberate policy of cooperation with Government, the Private Sector, Labour, Academia, the Media, and Civil Society etc., aimed at transforming a country into a winning nation.

The **Mbeya Pediatric Centre** – established through a public-private partnership between the Baylor College of Medicine International Pediatric AIDS Initiative (BIPAI), Texas Children's Hospital, the Abbott Fund (from the global health care company Abbott), and the United States Agency for International Development (USAID) and the Government of Tanzania.

Barrick Gold Company which is currently considering financing the construction of transmission lines to the North Mara community, which will connect the area to the national power grid by early 2009. The power lines will be operated and maintained by the country's national utility, the **Tanzania Electric Supply Company (TANESCO)**. A 5-year project (started in 2006) between Marie Stopes Tanzania, 13 district councils, and the Canadian International Development Agency (CIDA) enabled the government to serve rural communities where the government alone could not have reached, to provide maternal and child health services to areas where these services were limited.

The **Tanzania Agriculture Partnership**: aims to improve effective use of agricultural inputs throughout the value chain.

FARM – Africa Forest Conservation Project: designed to contribute to the long-term conservation of Tanzania's New Forest ecosystems through developing and implementing sustainable community-led forest management systems; also seeks to develop strong community self-help groups that support poor rural households in earning regular income through non-timber forest products.

The business response

The idea that business is part of society, and therefore has community and national responsibilities is becoming more significant and established in the culture, and economic history of many African countries²⁴⁶ including Tanzania.

This combined with the influence of multinationals and international institutions such as the UN Global Compact means that CSR is being carried out both by local businesses

246 See Forstater et al (2010)

and foreign investors, and is increasingly encouraged by the governments. Companies recognize their role of not only giving back to community but to also manage risks, attract capital, drive innovation, develop new markets, differentiate products and services in a competitive market as well as comply with present and future regulatory requirements. Despite some critiques on CSR approaches used by different companies in Tanzania, encouraging progress is noted:

- Recently, the **Tanzanian Responsible Business Network (TRBN)** was launched. This private sector led initiative, with a membership of more than 40 companies, with the priority on business ethics and anti-corruption, aims to encourage integrity and sustainability on corporate level.
- **East African CSR Award** is an initiative pioneered by Bank M and the East African Business Council. The award is intended to honour and celebrate those companies in East Africa, who have excelled in executing corporate social responsibilities. These winners of this award are companies whose CSR activities have had far reaching impact in the community – not necessarily by the cost of the project, but by its impact to the community.
- Mining companies such as **Barrick Gold Corporation, Anglo Gold Ashanti and Resolute Mining Ltd** have made public commitments to CSR and reports to be actively involved in projects of healthcare, education and community support.
- **Tanzania Breweries Company Ltd**: active in its sponsorship of the fight against malaria and corruption.
- **Unilever Tea Tanzania**: project “Lightning Detection System” aims to create a safe work environment for company employees through the implementation of lightning safety.
- **Sandali Wood Industries Limited**: project “Responsible Chain of Custody” aims to achieve “maximal yield minimal harvest” was a category winner in the “Most Ethical and Responsible Business Practice for Supply Chains” in East Africa CSR Awards 2010.

In addition to the above the following initiatives also exist:

- **Agricultural Council of Tanzania**: works for poverty reduction and an improved standard of living for Tanzanians by unifying all members of the agricultural community in the country, promoting and coordinating agricultural interests and supporting and improving the economical and organizational environment for the agricultural sector.

- **Honey Care Africa:** a social enterprise to increase the income of rural farmers through its “money for honey” program which trains farmers in beekeeping and then buy the honey from them at a guaranteed price.

Summary: The nature and state of CSR awareness and advancement

The CSR dialogue and agenda has gained momentum with an increase in multi-national companies investing in the country, and is therefore driven by the business sector in Tanzania. As this concept is a rapidly evolving and expanding field in Tanzania, opportunities arising from working with the private sector are diverse and increasing. There is tremendous breadth and diversity in the types of corporate social responsibility activities, as well as the partnerships that are oftentimes needed to effectively implement them. The successes and lessons learned from the existing CSR initiatives and supporting programs in Tanzania could be used to a greater advantage in building blocks for expanding support towards attaining sustainable partnerships. However, it is important to note that as partnerships are strategic for business, relationships between the public and private sectors in many countries in Africa, including Tanzania, are marked by suspicion and mistrust.²⁴⁷ The lack of positive business environment is attributed by the private sector to weak state regulatory frameworks and procedures, while public agencies and civil society organizations are often concerned about the failure of business to promote Corporate Social Responsibility (CSR), adopt pro-poor business models and more deeply support development goals.²⁴⁸ In light of this, more efforts need to be invested in designing strategic and integrated perspectives that will help eliminating negative perceptions towards each partner. International support and expertise will be helpful to facilitate this transition as it is important to empower the people of Tanzania to build a sustainable nation.

12.3 Conclusions and recommendations

Table 37 and 38 summarize the conclusions and recommendations about the state of CSR in Tanzania and what needs to be done to facilitate further advancement of it.

²⁴⁷ See Partnership Landscape: Country Profile Tanzania (2011) p.8

²⁴⁸ Ibid

TABLE 37: TANZANIA CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	X
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	X
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	X
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	
ACADEMIA	There is no evidence of academic interest in CSR	
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	X
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	X
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 38: TANZANIA CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	
		CSR policy development	X
		CSR skills development	X
	Within broader business circles	Chambers of commerce	X
		Learning forums	X
		Industry protocols	
	Between companies and governments	National agenda for CSR	X
		CSR standards and protocols	
		Public-private partnerships	X
	Between companies and non-governmental stakeholders	Collaborative interventions	
		Social capacity building	X
		CSR teaching and research	X
Between companies and global role-players	Participation in global forums		
	Application of international standards	X	
	International best practice case studies	X	

CSR as a topic in Tanzania has been mainly driven by the business sector and CSOs. Although CSR as a whole is still in its infancy, a number of business, government and CSO structures have been established to facilitate the development of CSR in the country. The country seems to be ready to move to a next level into CSR development and implementation, and the business sector could continue to play a leading role in this process. Companies can be internally supported to develop a broader and integrated CSR strategy and build internal capacity for CSR development and implementation. The Tanzanian Responsible Business Network, once established, is expected to play an important role of coordinating business engagement in sustainable development partnerships including CSR. Through learning forums and chambers such as the BiD Network, Tanzania Agriculture Partnership, Tanzania National Business Council and the SMART Partnership, the business and national CSR agenda can be set and the existing successful practices of PPPs within the country can be further developed to build social capacity within the country and further enhance CSR teaching and research.

It is important to emphasise that with the new pace of CSR activities in Tanzania, the critical role of effective public policy, private sector commitment and donor coordination should be strengthened.

The following recommendations are made:

The government and development partners should focus on:

- Creating an enabling framework for private sector development in general;
- Providing targeted assistance to support pro-poor growth and enterprise development (for small companies);
- Creating support capacities for responsible business practices and improving aid effectiveness.

For the business, it is recommended to:

- **Engage and** involve local people in a meaningful way, so that company activities are responsive to their concerns, are recognised and are designed for sustainability and long-term handover to communities.
- **Manage CSR like core business** – CSR needs to be managed professionally and as an integral part of business operations. This means building capacity, setting clear goals, metrics and targets and managing performance.
- **Be transparent and communicate policies, contributions and success** – clear and open communication, aimed at a wide range of stakeholders, not simply government officials is crucial to gaining recognition and benefits from CSR.
- **Coordinate with national and local development goals**– businesses should go beyond their ad hoc philanthropic donations; critical is to work with local and national governments to contribute to overall development priorities and build the capacity for government to support broad-based development.
- **Evaluation** – along with innovation at conceptualisation and implementation, businesses should undertake evaluation and stricter accountability and transparency measures for their CSR programmes on regular basis based on internationally accepted formats and provide feedback to the public.
- **Report** practices that they do adhere to, to inform their key internal and external stakeholders of social responsibility practices. This could be done in collaboration with the Sustainability Reporting (SR) frameworks that help companies to conform to the global standards of disclosures for maintaining transparency with regard to its operations and value chain and ensuring accountability towards its internal and external stakeholders.

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13 Uganda

13.1 Factors defining the context for CSR

Political

Despite its prestigious record branding in 1908 by Britain's World war II Prime Minister Sir Winston Churchill, that is, "*Uganda is a Pearl of Africa, a beautiful garden where the staple food of the people grows without labour...*," the political scene challenges this branding. That is, since independence in October 1962, Uganda has been going through political turmoil, with a record change of 8 governments in less than 24 years (1962 – 1986). Some governments lasted less than a month (H.E. Paul Mwangi 12th May 1980 – 22nd May 1980) while others less than three months (H.E. Yusuf Kironde Lule, 13th April 1979 – 20th June 1979). All these governments were being characterised by dictatorship, brutality and economic upheavals. Political hope was restored in this country by the current H.E Yoweri Kaguta Museveni during the 'Post Liberation War' (1986 – 2000) following his military takeover and displacement of then 'political scene' in January 1986. Currently, Uganda is experiencing relative political stability under the leadership of President Yoweri Museveni. This stability is further signified by the relatively smooth electoral process which saw him being re-elected in February 2011 for another 5 year term. The Constitution of Uganda was restored in 1995 and it is the supreme law guiding this 'Pearl of Africa'. Also the country currently runs under 'multi-party' system since 1996. To this end, we can conclude that Uganda is a relatively politically stable country and its political climate offers a diversity of political opinions as regards a cross-section of issues that underpin human, social, economic and technological developments.

Economic

Since the mid-1990s Uganda has experienced consistent annual increase in economic growth (6.9%), higher than the African average of 5.4% (Africa Growth Indicators, 2007), but closer to the growth rates of East Asian and Pacific regions (Country Economic Memorandum – CEM, Kampala, September 11, 2007). However, in 2005/6 growth slowed to 5.5% and in 2010, economic growth was registered at 5.1% (UN Economic Commission for Africa (2011). This recent economic decline is by far attributed to the global economic activity slow down since the first half of 2010 to-date (Bank of Uganda, Feb 2012). What places hope in the economic climate of Uganda is that the country is well endowed with natural conditions that favour economic activities. For example, the historical success of Uganda's agriculture (which employs over 80% of the workforce in Uganda although it contributes 13.9% to GDP) largely depends on nature (Background to the Budget 2011/12 Fiscal Year, pg. 14). Interestingly, despite this dependency on nature, Uganda is Africa's second-leading producer of coffee after Ethiopia, followed by Ivory Coast. Other agricultural export income earners include apparel, hides, skins, vanilla, vegetables, fruits, cut flowers, fish, cotton, tea, and tobacco. The country has also picked in terms of industrial development

(manufacturing, mining, processing etc) though most industries are agro-based. Oil has recently been identified as a future income earner, and Ugandan and private oil companies hope to begin production in late 2012 or early 2013. However, it is worth noting that 'CIA – *The World Fact Book, January 2012*' indicates that industry, services and agriculture (to include forestry, fishing and hunting sectors) account for 26.1%, 52.1% and 21.8% of GDP respectively. In addition, the country still has challenges related to inflation that had declined from 13.4% in 2009 to 7.3% in 2010 but has gone up to over 17% since July 2011 and it is expected to remain above 10% for several months before dropping to the projected 5% in early 2013 (Bank of Uganda, 2012, pg 3). Also, the ease of doing business in Uganda dropped by 4, from 119 in 2011, to 123 in 2012 out of 183 economies (Doing Business, 2012). This is an indication that some critical elements and issues have to be dealt with especially starting a business, enforcing contracts, paying taxes, and protecting investors.

Social and human development

The Human Development Index (HDI) provides a good alternative to measuring and providing a broader reflection of a country's broader development stand especially from the social and human development perspective, as opposed to a mere 'level of Income,' and or 'rate of economic growth.' Summarizing the detailed HDI data into the 'Bertelsmann Foundation's Transformation Index (BTI),' provides a quick snap shot about a given country's social and human development. Hence the following key indicators from the HDI data of 2011 put Uganda's socio-economic position in context:

TABLE 39: OVERVIEW OF UGANDA'S SOCIAL CONDITIONS

Population (mn.)	34.5	HDI	0.45	GDP p.c. (\$)	1124
Pop. Growth (% p.a.)	3.2	HDI rank of 182	161	Gini Index	44.3
Life expectancy (years)	54.1	UN Education Index	0.48	Poverty ²⁴⁹ (%)	55.3
Urban population (%)	13.3	Gender Inequality Index (GII)	0.58	Aid per capita (\$)	54.6

Source: <http://www.bti-project.org/home/index.nc>

In brief, there has been a consistent positive Social and human development and growth which has been also largely complimented with consistent poverty reduction. Data from World Bank (2011) and UNDP (2011) reveals that from 1985, to 2000, a slower HDI growth rate was observed averaging 0.3 as opposed to the world average of 0.6, though almost equal to the sub-Saharan Africa's average of 0.31. However, from 2005 to 2008, a constant growth of over 0.41 has been registered against the sub-Saharan average of 0.45 and the world's 0.67. To date (2011), Uganda's HDI is at 0.446 against sub-Sahara's 0.463 and World's 0.682. This places Uganda at a rank of 161 when compared with 187 countries. However,

²⁴⁹ Percentage of population living on less than \$1.25 a day.

when a closer observation of the same data (World Bank, 2011; UNDP, 2011) is taken into the individual facets and indicators of the HDI (Health, Education, Income, Inequality, Poverty, Gender, Sustainability, and Demographic indicators) and matched against the progress to realise targets of the U.N. Millennium Development Goals (MDGs), the rate of social and human development growth is however slower than the 7% required to hit the targets by 2015. Hence there is a need to devise creative means and ways to accelerate the required growth rate especially the maternal mortality rate, the quality of education and environmental sustainability (Uganda MDG Progress Report, 2010). Further interventions are needed to address challenges like food security, income disparity, availability of clean drinking water and sanitation, health, and education as Nkiko & Katamba (2010) observed. Worth noting is that corruption (CPI of 2.4 implying existence of 'rampant corruption') continues to be a major challenge for all sectors in Uganda that would otherwise jointly pursue the realisation of a desirable growth rate and attainment of social and human development in Uganda (Transparency International, 2011)

Environmental

Whereas the ISO 14 000 family of standards offers a wealth of knowledge relating to environmental issues, the National Environmental Management Authority (NEMA), a body that supervises, assesses, coordinates and monitors all aspects of the environment in Uganda offers a localized interpretation of environmental issues. These include deforestation, soil erosion, uncontrolled expansion of agriculture land, decreasing availability of water, water pollution, decreasing fish stocks, degradation of wetlands and widespread poaching among others (National Environment Act, Cap 153). To date, a variety of legislations guide Uganda's natural environment impacting activities to an extent that an environmental five-year plan /program is reviewed every 5 years (Katamba, Tushabomwe-Kazooza & Babiha, 2012, pg 57). Currently, environment initiatives referring to renewable energy sources and efficiency, climate change, and management of emissions (effluents, waste, etc), as well as operations regarding land use and bio-diversity are brought forward by businesses. Uganda's EPI (Environmental Performance index for 2010 is 119 out of 163, with a score of 49.8 (Yale University, 2010) – relatively similar to its neighbours, Kenya, 51.4 and Tanzania, 47.9) but all below sub-Saharan Africa average. According to the EPI 2010, Uganda's environmental performance is particularly low in the categories, environmental burden of disease, environmental health and water (effects on humans).

Summary: Development challenges

On the basis of the Millennium Development Goals (MDGs) targets as anchors and based on UNDP (2011), World Bank (2011) and MDG Report for Uganda (2011, pg iii), Uganda still faces these development challenges:

- a. Ecological sustainability which currently stands at adjusted net savings –as % of GNI, 8.6 (UNDP, 2011);
- b. The country has only achieved target 8 (Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term).
- c. It is very slow on seven targets (2A, 4A, 5A, 5B, 6C, 7A, and 7B),²⁵⁰
- d. Experiences reversal in efforts to realise targets 6A & 8B (respectively being: Have halted by 2015 and begun to reverse the spread of HIV/AIDS; & Address the special needs of the least developed countries);
- e. It is on track regarding six targets (1A, 1C, 3A, 6A, 7C, & 8F)²⁵¹

13.2 Role-players impacting on CSR awareness and advancement

International aid

Uganda has a broader spectrum of foreign governments that support and jointly work with it to realize a cross-section of development priorities. For the purposes of this research and space, we highlight the following governments:

- **Germany:** Formerly operating through three organisations (GTZ, ded, InWEnt) and now having combined them into GIZ, with an overarching objective of reducing poverty, the German government has worked with Uganda since 1964 to-date. The current cooperation between these two governments is guided by the German-Ugandan bilateral negotiations of 2007, under which Germany supports Uganda in three

²⁵⁰ Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling; Target 4.A: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate; Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio; Target 5.B: Achieve, by 2015, universal access to reproductive health; Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases; Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources; Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss.

²⁵¹ Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day; Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger; Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015; Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it; Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation; Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications.

priority areas: Financial sector development; Water sector development; and Energy sector development.

- **US:** The President's Emergency Plan for AIDS Relief (PEPFAR) focuses on healthcare assistance with regard to malaria, family and reproductive health, child and maternal health, tuberculosis, and other infectious diseases. It also supports programmes to promote trade and investment, curbing environmental degradation, encouraging the peaceful resolution of local and international conflicts, and promoting an honest and open government.
- **European Union (EU):** With a combined membership of 27 countries, the EU is the biggest provider of financial assistance and advice to poorer countries (including Uganda) which are faced with complex and fragile situations that impact on social, economic and human development. Its support towards Uganda largely lies in infrastructure development, trade, conflict prevention, peacekeeping and anti-terrorism activities as well as problems related to global warming and the emission of greenhouse gases

Development agencies

It is important to note that there are over 30 development agencies operating in Uganda at the moment. For the purposes of this research and space, we highlight the following agencies:

- **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH:** Formerly operating through 3 organisations (GTZ, ded, InWEnt) and now having merged into GIZ as of January 2011, with an overarching objective of reducing poverty, the work of GIZ is relatively diverse. For example, with a record of being the first development agency (and so far the only one) to have a holistic budget to directly support the development and promotion of a multiplicity of CSR activities in Uganda, GIZ (formerly as ded) facilitated the formation of CSR Consultative Group with an overarching objective of putting an organised intervention into this field. In addition to the three core areas of operation featured in the bilateral agreement between Uganda and Germany, other development works of GIZ build on the seven partnerships it has with Uganda's private sector especially relating to offering peripheral support to DPP (Development Partnerships with the Private Sector)/CSR projects, vocational and technical training, the management of refugee camps, food and nutrition security, as well as offering advisory services to the Office of the Prime Minister and reforms in the Justice, Law and Order Sector. (<http://www.giz.de/en/worldwide/310.html>)
- **United States Agency for International Development (USAID):** With its assistance to Uganda dating back to immediately after independence in 1962, this agency branded Uganda as the "bread basket" of Africa for its rich natural resources, and significant

rural population engaged in agriculture. USAID's commitment to Uganda currently focuses largely on improving people's livelihoods in particular fostering economic growth, lowering poverty, reducing the rate of HIV/AIDS infections, and improving education. It also supports the U.S. policy objectives in peace & security, democracy & governance, health, education, economic growth, and humanitarian assistance. (<http://uganda.usaid.gov/>)

- **The Canadian International Development Agency (CIDA):** supporting primary education and peace-building efforts in Uganda through various channels, including multilateral institutions, regional initiatives, and partnerships with Ugandan advocacy groups, as well as bilateral or country-to-country assistance. (<http://www.acdi-cida.gc.ca/uganda>)
- **Department for International Development (DFID) /UKaid:** DFID's vision for 2011 – 15 is to support Uganda in its transition to a prosperous and stable democracy, positioned to exploit the benefits of oil for all Ugandans and able to protect the interests of the most vulnerable. Therefore, with an average spending of £98 million per year in Uganda until 2015, DFID's top priorities are: Improving the quality of essential services, especially for the most vulnerable; supporting the recovery in northern Uganda; improving maternal and reproductive health; driving growth through training, job creation, financial services and trade; and improving government accountability and transparency so that future oil revenues are spent effectively. It also to a certain extent supports efforts and programs aimed towards democratic and political reforms in Uganda. (<http://www.dfid.gov.uk/uganda>)

Government

- **Priorities:** These are clearly outlined in three documents: (i) Poverty Eradication Action Plan (PEAP) and they are: poverty reduction, education, health, job creation, water and sanitation; (ii) Peace, Recovery and Development Plan (PRDP) and they are: enterprise development, economic reforms, privatisation, peace-building, corruption, environmental sustainability; and, (iii) National Development Plan (NDP) which is the custodian document outlining the overall national development strategy highlighting priorities in 10 sectors. The Background to Budget 2011/12 Fiscal Year, pg 59, and the NDP (2010, pg 56) highlight Uganda's priority as: The Works and Transport sector (currently projected to receive the largest proportion of aid over the medium term (37%), followed by the Energy and Mineral development (15%), Health (12%), Public Sector Management (9%), Education (8%), Water and Environment (5%), Agriculture (4%) and Accountability sectors (3%), and Justice Law and Order Sector (2%). The NDP (2010:56) also outlines a number of priority areas for intervention which remain 'unfunded' under the available budget resource envelope. Hence, we can conclude that the priorities

center on: promoting economic growth, job creation, and improving service delivery (Background to Budget 2011/12).

- **Legislation:** Uganda has a basket of statutes, laws, policies, regulations, rules and procedures. However, whereas most of them are not adhered to, a few of them were drafted before the ruling government but only became operational /amended during its reign (like the Act of Parliament of June 1983 that became operational in 1989 establishing UNBS). Nevertheless, notable operational existing legislations include: Traffic and Road Safety Act (1998), Income Tax Assessment Act (1997 as amended), Labour (2006), Occupational Health and Safety (2006), Fisheries Policy, Mining Act (2003), Forest Policy (2001), National Energy Policy, National Environment Act (1995), Tree Planting Act (2003), Uganda Wildlife Act (1996), Wetlands Policy (1994) and Wildlife Policy (1999).
- **Forums/Workgroups/Networks:**
 - **National Environmental Authority (NEMA):** A government organisation responsible to monitor and coordinate environmental aspects within the country.
 - **African Peer Review Mechanism (APRM):** This is a mutually agreed instrument voluntarily acceded to by the Member States of the African Union (AU) as an African self-monitoring mechanism and Uganda is a signatory. Its reporting and compliance to the APRM is coordinated through its governmental agency 'National Planning Authority (NPA)'. The APRM is aimed at ensuring that the policies and practices of participating states conform to the agreed political, economic and corporate governance values, codes and standards contained in the Declaration on Democracy, Political, Economic and Corporate Governance. (<http://www.undp.or.ug/news/111>)
 - **African Parliamentarians' Network Against Corruption – Uganda Chapter:** Established in August 2000 in Uganda, this local representation is part of Africa's leading network of parliamentarians (APNAC) working to strengthen parliamentary capacity to fight corruption, promote good governance and strengthen anti-corruption systems. (http://www.parliament.go.ug/index.php?option=com_content&ask=view&id=144&Itemid=90)
 - **United Nations Global Compact (UNGC) Local Network:** This is a UNGC representation in Uganda that calls for companies to embrace within their spheres of influence four main CSR issues from a global / international perspective, that is, human rights, labor, environment and anti-corruption. However, they are not binding to any business entity but rather rely on public accountability, transparency, and the enlightened self-interest of companies, labor and civil society to employ

and pursue these principles. The network that was launched in Uganda on 27th July 2010 with the technical and financial help of the then ded (now GIZ), has 14 active members. (<http://www.unglobalcompact.org/news/55-07-27-2010>)

- **Uganda Human Rights Commission (UHRC):** Established by an act of parliament, it is a control and complaint-processing body for human rights violations. However, it is worth noting that records (Hamann, Woolman & Sprague, 2009) front Uganda as one country where violations of human rights has greatly prevailed and hampered business and human development. (<http://www.uhrc.ug/>)
- **Uganda National Chamber of Commerce and Industry (UNCCI).** This was established by an Act of Parliament in February 2003, and it is basically representing the business sector's interests within the country. (<http://www.chamberuganda.com/>)
- **Uganda National Bureau of Standards (UNBS):** This is a statutory organization established by an Act of Parliament of June 1983 and became operational in 1989. It is an agency meant to enhance national development through the application of standards in trade, industry and consumer protection. We can comfortably say that it is shaping the 'Market place' dimension of CSR in Uganda. (<http://www.unbs.go.ug/>)
- **Cotton Development Organization (CDO):** Created by an Act of parliament in 1994, this semi-autonomous body was instituted to support farmers by supplying high-quality seeds and pesticides at affordable prices. (<http://cdouga.org/>)

Civil society

According to DENIVA²⁵² "Civil society are organizations, organized groups, individuals that come together voluntarily to pursue those interests, values and purposes usually termed the 'common good'. It further asserts that, "CSOs are diverse and include Non-governmental organizations (NGOs), community groups, labour unions, professional associations, faith-based organizations, and parts of academia and the media. They operate at all levels, from the village and community through to national and international levels. CSOs are self-governing, voluntary and non-profit distributing. They often work in partnership with governments; Some CSOs are involved in commercial activities but any profit is used to further "common good" objectives," (CIVICUS Civil Society Index Project, 2006, pg 22).

Civil Society in Uganda seems to be more actively involved in the economic, social and environmental issues of the country compared to many other African countries. Active CSOs include:

²⁵² Development Network of Indigenous Voluntary Associations (DENIVA)

- **The Uganda AIDS Orphan Children Foundation:** a non-profit charity that helps vulnerable children and those orphaned by AIDS in Uganda. (<http://www.uaocf.org/>)
- **Uganda National NGO Forum:** an independent and inclusive National Platform for NGOs in Uganda. It provides a space for collective reflection and action by NGOs on matters of interest to their work and Uganda's governance and development aspirations. (<http://www.ngoforum.or.ug/>)
- **The Anti-Corruption Coalition of Uganda (ACCU):** brings together 70 civil society organizations, individuals, religious leaders, academics, media practitioners and key institutions involved in the fight against corruption in Uganda. (<http://www.accu.or.ug/>)
- **Green Alternatives and Peace:** Promotes, advocates, enhances, and acts for environment, natural resources, peace, human rights, conflict resolution, social justice, grass-roots empowerment, sustainable livelihood and development for all. (<http://www.cfa-international.org/NGO%20directory/DFA-666.htm>)

Academia

- **Makerere University:** This is the largest university in Uganda and it seems to be in the driving seat for the CSR agenda in Uganda from a formal education perspective. The University is home to 'Child Health and Development Centre (CHDC),' – a centre of excellence for sustainable interdisciplinary and multi-sectoral national capacity building for improving the health of children and women; The Human Rights and Peace Centre (HURIPPEC) – the first human rights centre of its kind in sub-Saharan Africa to foster teaching, research and activism on human rights and peace issues. The University also has a few schools where CSR-related subjects are taught including the School of Public Health and the School of Forestry, Environmental and Geographical Sciences. (<http://mak.ac.ug>)
- **Makerere University Business School – MUBS** (whose name is soon to be changed to, 'Metropolitan Universal Business School – MUBS): This school has proactively taken on the education scholarship in CSR through financing CSR related research projects and integrating CSR knowledge in its existing and new academic programs. The school also has a 'Leadership Centre' and 'Entrepreneurship Centre' through which it fosters its CSR activities like extending free basic business, leadership and management education. In addition, the school runs formal business education in Luzira prison and it graduates inmates as part of its CSR. (<http://www.mubs.ac.ug>)
- **National Council for Higher Education (NCHE):** Last year (2011), this education regulatory body financed a record academic research, "Profiling Corporate social respon-

sibility for private companies to liaise with government in the realisation of MDGs.” When completed, the research’s findings are expected to be instrumental in shaping CSR scholarship as well as practice in Uganda. (<http://www.unche.or.ug>)

- Other universities involved in CSR-related seminars, conferences and training programmes include: **Kampala International University, Uganda Christian University and Uganda Management Institute.**

Multi-stakeholder initiatives

- **Development Finance Company of Uganda – Bank (DFCU Bank):** contracted the services of Microcare, a local health insurance services provider to provide medical coverage for HIV/AIDS; worked with Microcare in conjunction with the Workers Treatment Centre, a healthcare facility, to offer Voluntary Counselling and Testing (VCT) services to its staff and their family members. (<https://www.dfucgroup.com>)
- **GIZ Public Private Partnership (PPP) Programmes in Uganda (currently called Development Partnerships with the Private Sector):** Since 2003, nineteen PPP/DPP projects have been implemented by companies with financial and/or personnel support of GIZ Uganda covering the terrain of HIV/AIDS, workplace and/or community programmes, a pre-loan mentorship programme, a consumer finance education programme, etc. (<http://www.giz.de/en/worldwide/310.html>)
- **HIPS (Health Initiatives for the Private Sector) Project (2007 – 2012):** Funded by USAID, this project works with the Ugandan business community to find cost-effective ways to ensure access to vital health services for company employees, their dependents and the surrounding community members. (<http://www.cardnoem.com/ContractReader.aspx?CID=2a6f3650-2e57-4738-aab2-c300cdf04d3a>)

The business response

Since 1990, local companies and even SMEs joined the CSR journey and have actively implemented CSR initiatives within their companies. In the classical works of Katamba & Gisch –Boie (2008), companies were reported as mainly involved in CSR activities in an effort to ‘give back’ to the community and further some social good, but a broader CSR perspective that calls for a holistic stakeholder management within the spheres of their operations was lacking. Hence, most companies confirmed the need for strategic CSR interventions and the importance of such activities. Recently, Katamba, Tushabomwe-Kazooza, Babiiha, Nkiko, Nabatanzi & Kekeramu (2012) revealed that whereas ‘corporate philanthropy’ was giving way for other forms of CSR approaches, some sort of ‘strategic CSR approach’ had begun entering the business organisations in Uganda mostly through environmental, supply-chain and community relations.

Examples of businesses with CSR initiatives are the following:

- **Bank of Africa-Uganda:** the bank's 'Reach Out initiative' is designed to create opportunities for customers to participate in its Corporate Social Responsibility programmes. Customers nominate a charity/orphanage/individual of their choice to receive a donation. A winning charity organisation is selected every three months from the entries received. (<http://www.boa-uganda.com/socialresponsibility.html>)
- **Uganda Telecom Limited (UTL):** stated commitment to become Uganda's premier corporate citizen, with social investment initiatives in education, sports, ICT for development and empowering of disadvantaged children. The company also sponsored the Leadership Lecture Series in order to bring together members of the private, public and academic sector who can engage in intellectual discourse and make a collective contribution to charitable activities. (<http://www.utl.co.ug/utl.php?i=132>)
- **MTN Uganda:** signed up the first Android-FROYO powered mobile phone in Uganda, the IDEOS U8150 which will allow even average users to take advantage of the 3G+ data network. MTN implements its CSI initiatives through the MTN Uganda Foundation of which projects include: health, education, arts and culture, community development and environment. (<http://www.mtn.co.ug/MTN-Foundation.aspx>)
- **Tullow Uganda:** The company states its CSR mission as: "we believe that working together, profitably and responsibly, helps build a more sustainable business and society". In 2010, the 'East Africa CSR Awards' organisers, crowned Tullow overall winner in the Award category of '*Most Sustainable and Scalable Community Investment*' in the East Africa region. (<http://www.tulloil.com/files/pdf/Uganda/csr.pdf>)
- **Bee Natural Uganda Ltd:** provides employment opportunities to mainly women (70%) who come from a low educational background; beekeeper groups are of mixed gender and provide realisable prospects for a sustainable income stream for the rural poor; beekeepers receive continued training introducing them to modern hives and improved harvesting techniques, as well as subsidised financing to grow their business. (<http://www.beenaturalproducts.com/>)
- **Dunavant Uganda Limited:** In Public-private partnership (PPP) with USAID Uganda, it runs programs to improve the livelihoods of farmers in northern Uganda. Under the partnership, over 12,000 farmers in Lira, Kitgum, and Gulu and Pader districts received agricultural inputs and training, to increase their cotton and food crop production. Also the partnership aims at developing strong producer organizations for group marketing of agricultural products grown in northern Uganda. It has also launched a mobile van clinic project. Nurses are volunteering and local permanent medical workers are being trained to take over the clinic. The team includes a doctor, laborato-

ry technician and two nurses who will operate the mobile van equipped with modern facilities. (http://www.ecoprofiles.org/ad_details.php?co=92)

- **Nile Breweries Ltd (NBL – SAB Miller) – Eagle Lager project:** By switching to an indigenous raw material (sorghum) and using small-scale farmers in Uganda to supply it, the company was able to successfully replace expensive imported ingredients and convince the Ugandan and Zambian Governments to cut excise duties by at least half which arrangement saw the emergency of a brand / product ‘*Eagle lager.*’ This is one of the few projects in Uganda that has woken up companies to tap into the benefits of a strategic CSR project (where there is a sustained win-win situation for the engaging companies and the target beneficiaries). See: (http://www.nilebreweries.com/publications/publication_3.pdf)
- **Merck:** This Company is a global leader in healthcare issues ranging from pharmaceuticals to chemicals production. Its commitment to alleviating human health problems have seen it fathering the GAVI²⁵³ Alliance (GAVI), a PPP committed to improving the health of children worldwide by strengthening health systems and extending the reach and quality of immunization coverage in least developed countries. “As part of its commitment to GAVI, Merck initiated the Merck Vaccine Network – Africa (MVN-A), a multi-year philanthropic initiative to help increase the capacity of national immunization programs in Africa by supporting academic partnerships in the development of sustainable immunization training program. In early 2011, Merck established the Access to Health Initiative (A2H), an initiative designed to assess its role in improving access to medicines for patients in developing countries and Uganda is one of the beneficiaries (Merck Group, 2011)
- **Standard Chartered Bank (SCB):** In addition to its worldwide known ‘Seeing Is Believing’ CSR program which saw it winning the prestigious UCCSRI award ‘*CSR Exemplary Award,*’ the bank also has ‘Here for Good’ campaign through which it constantly innovates specific financial and banking products intended to stimulate growth of SMEs in Uganda. With an overarching objective to reduce poverty, enhance quality of health, stimulation education ensuring sustainability in the communities in which the bank operates, SCB’s CSR focuses on 7 key areas. These are: sustainable lending, access to finance, tackling financial crime, environment, employee wellbeing, community, responsible selling & marketing. Most importantly, SCB has demonstrated its commitment to the community through the various community projects it has undertaken in partnership with the Ministry of Health, Uganda Red Cross, Sight Savers International,

World Vision, Church of Uganda, Water Aid, Land O' Lakes and Ministry of Education. (<http://www.standardchartered.com/ug/sustainability/en/>)

- **Sugar Corporation of Uganda (SCOUL):** This company is part of the Mehta Group and is popularly known for its '*Lugazi Sugar*.' Katamba (et al., 2012) have established as one of the oldest CSR agents in Uganda and emerging to be the best at CSR in Uganda. SCOUL Uganda provides housing and free medical facilities to 40,000 family members of the employees. It has a dedicated 60 bed hospital at Lugazi, in addition to 10 Dispensaries at various locations to provide basic healthcare to all workers and their families. The medical services provided are basic maternity services, hospital treatment for illnesses such as malaria, minor surgery and out-patient services. Counselling is also provided to families – mainly mothers – on matters of hygiene, managing child health and similar topics. A basic pathology laboratory provides testing for malaria and a few other basic tests. One clinic manned by a nurse is set up in almost each camp. SCOUL operates 2 Nursery Schools, 13 Primary Schools and 1 Secondary School to provide education for more than 6,000 children from within our staff as well as the local population. With an aim to support meritorious students meet their career goal, Dr. Savitadidi Mehta Foundation was established in 2008, to provide scholarships to needy students. Lastly, the company's commitment towards environment has always been. For example, to date, it has planted more than 500 hectares with trees. (<http://www.mehtagroup.com/csr.html#>)
- **Uganda Baati Ltd (UBL).** Established in 1964, this is company does not only lead in producing quality and reliable steel products, but it is one of the best examples in CSR one would emulate in Uganda. They sharpen, review and design their CSR strategy and approaches in a way that meets national human development priorities, especially MDGs. (<http://ugandabaati.com/projects.html>)

In addition to the above the following forums/ networks/initiatives also exist:

- **Uganda Manufacturer's Association (UMA):** Established in 1960, this association is focused on promoting and protecting interest of the industrial sector private players. In support of the CSR agenda in the country, UMA partners with development agencies especially USAID and GIZ, to manage projects aimed at extending selected CSR development capacity to its members. (<http://uma.or.ug/>)
- **Airtel Uganda:** This is the oldest and pioneer of private mobile communications in Uganda originally registered as Celtel, and now Airtel. Through its CSR programme, "Build Our Nation", the company is engaged in a variety of CSR activities though largely engaged in primary education development for the remote and rural districts in Uganda especially through the provision of textbooks, constructions of schools as well

as extending scholarships. (http://www.africa.airtel.com/wps/wcm/connect/africaairtel/Uganda/Home/About_Us/Social_Projects_Social_Activities.)

- **Institute of Corporate Governance Uganda (ICGU):** Established in late 1990's following the economic reforms in Uganda that saw public entities being privatised, with a major view to help in setting governance standards in the country, this organisation is now a not-for-profit membership based organization that fosters corporate governance issues in Uganda. See: (<http://www.icgu.or.ug/>)
- **Business Against Crime Uganda:** Inspired by the Inspector General of Government (the commander of Uganda Police) and formed in 2010 shortly after the '2010 world cup 7/11 terror attack on Uganda,' it is an association of mainly rich corporate business entrepreneurs who jointly work with Uganda police to fight terrorism related crimes.
- **Uganda Chapter for Corporate Social Responsibility Initiatives (UCCSRI):** This is the leading Ugandan organisation that provides CSR information and advisory services. It is also popularly known for its national mandate to coordinate private sector CSR activities in Uganda. (<http://www.uccsri.com/>)
- **CSR Consultative Group,** initiated by GIZ, this is a network that brings together CSR promoting organisations in Uganda. Currently, it comprises of: CSR Chain Link, Institute of Corporate Governance Uganda, Living Earth Uganda, Makerere University Business School, Uganda Chapter for Corporate Social Responsibility Initiatives, and Uganda Manufacturer's Association. (<http://csrconsultativegroup.com/>)
- **CSR Training supported by the Aga Khan Development Network (AKDN) and the International Business Leaders Forum (IBLF),** and delivered by the Uganda Chapter for Corporate social Responsibility Initiatives (UCCSRI) and the Institute of Corporate Governance of Uganda (ICGU), this training programme is designed to move companies away from a philanthropic approach to corporate social responsibility (CSR), to a strategic approach where CSR helps to integrate responsible practice across a company as well as ensuring a win-win scenario.

Summary: The nature and state of CSR awareness and advancement

CSR is not a new concept and practise in Uganda. It is embedded in the cultural, religious traditions and value systems whereby it is the duty of every person to support welfare and take care of those that suffer (Nkiko & Katamba, 2010). In addition to a general limited knowledge about the concept and its strategic practice, to date, there has not been a specific CSR model / approach /framework applied in Uganda. For example, although it would seem that certain CSR approaches (especially stakeholder management model / framework, and to a lesser extent, some portions of Carroll's CSR Pyramid) tend to

dominate (Katamba, et al 2012), efforts to ensure existence and prevalence of the would be other relevant and dominant models (especially Carroll's Corporate Social Performance model, complimented with Moral Managers Model, Business Excellence Model, and Business Inclusive Models) are missing. However, according to Wayne Visser & Nick Tolhurst (The World Guide to CSR, 2010) there seems to be a dominant CSR approach across most sub-Saharan African countries focused on the workplace, community, marketplace and environment and this is actually true also for Uganda. Furthermore, the practitioners and the seminal works of Katamba & Gisch-Boie (2008), confirm that economic and philanthropic CSR in many instances, specifically by government, is prioritised above other concerns such as legal and ethical issues. Lastly, the floor is open for CSR initiatives to be launched in Uganda in as far as the undertakers can manage since the government is very slow in responding to and shaping the CSR agenda. Hence, borrowing from the 'Background to the Budget, 2011/12 Fiscal Year, pg. 78,' the relevant CSR initiatives would be those targeted towards improving the welfare conditions as well as those addressing sectoral challenges. In particular, such initiatives would revolve around measures to curb low human productivity; unemployment (especially among the youth); growing pressure on food security due to high population growth and climate change; and inadequate public service delivery.

13.3 Conclusions and recommendations

Table 40 and 41 present the conclusions and recommendations regarding CSR landscape in Uganda.

TABLE 40: UGANDA CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	X
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	X
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	X
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	
ACADEMIA	There is no evidence of academic interest in CSR	
	Academia is involved in policy critique and research with respect to the CSR practices.	X
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	X
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	X
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 41: UGANDA CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	
		CSR policy development	X
		CSR skills development	X
	Within broader business circles	Chambers of commerce	X
		Learning forums	X
		Industry protocols	
	Between companies and governments	National agenda for CSR	X
		CSR standards and protocols	
		Public-private partnerships	X
	Between companies and non-governmental stakeholders	Collaborative interventions	
		Social capacity building	X
		CSR teaching and research	X
	Between companies and global role-players	Participation in global forums	
		Application of international standards	
		International best practice case studies	

In Uganda, companies can be internally supported to develop a broader and integrated CSR strategy and build internal capacity for CSR development and implementation. A number of companies in Uganda can be partners in driving this process – for instance MTN, Tullow Uganda, Uganda Telecom, and SAB Miller (Eagle Lager). Learning forums (such as the CSR Consultative Group) and chambers can be utilised to facilitate the CSR dialogue and development within the business sector; influence the development of a national CSR agenda; and further enhance CSR teaching and research. The current PPP practices can be further utilised to create opportunities for government, business and CSOs to “work together” on CSR priorities and build social capacity within the country.

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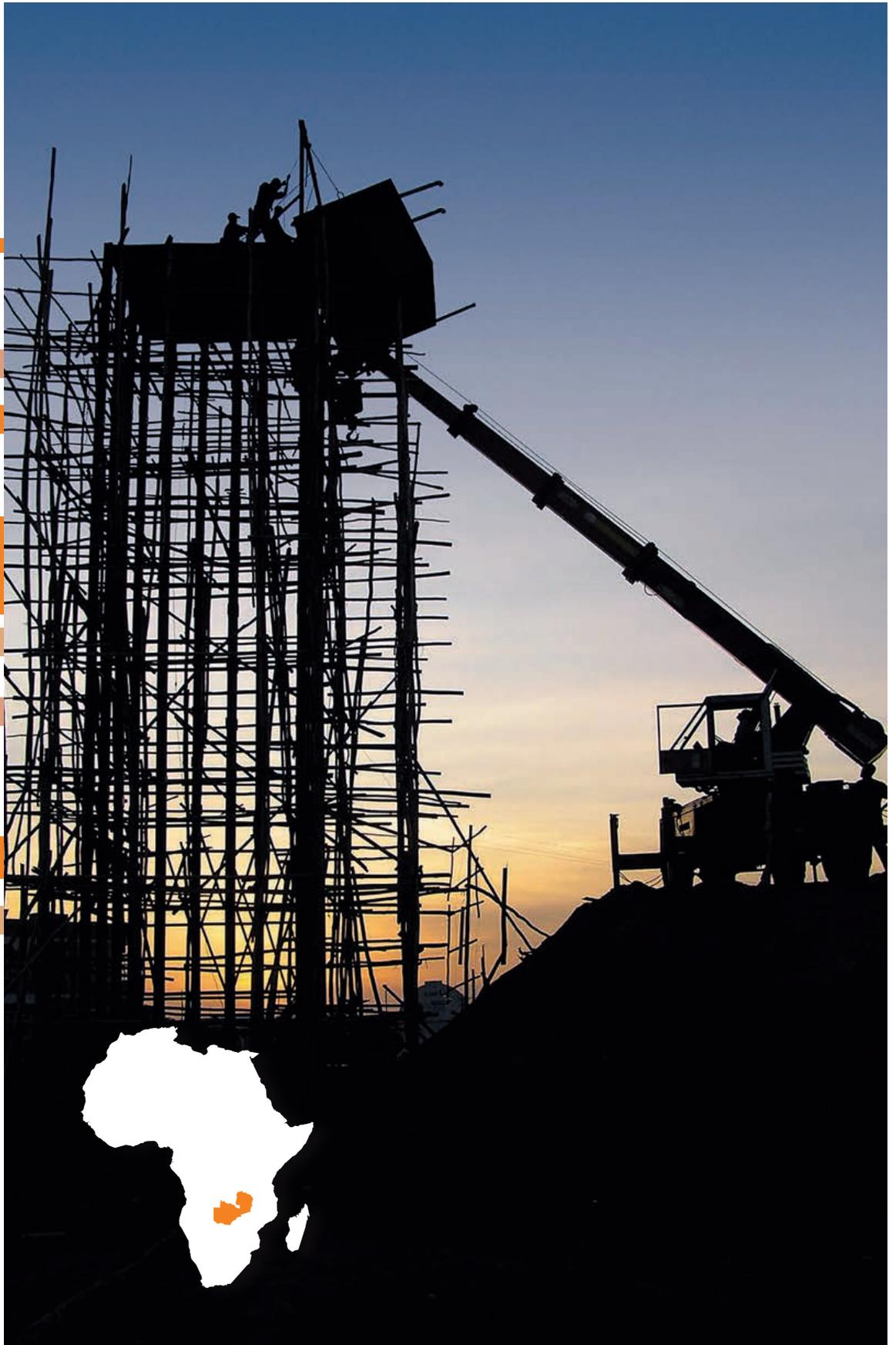
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14 Zambia

14.1 Factors defining the context for CSR

Political

Zambia is located in south-central Africa and is a member of the Southern Africa Development Community (SADC) as well as the Commonwealth. It is a landlocked country with no direct access to sea ports. After attaining independence from Britain on 24 October 1964, Zambia was ruled by its first president Kenneth Kaunda for 27 years. In the 27 years of Kaunda's rule, Zambia was under a one-party state system for 17 years, where there was no opposition and dissention. There were also no democratic elections where other political parties could challenge both Kaunda and his party, the United National Independence Party (UNIP). In the same period, Zambia was a socialist country and thus its economy was under the control of the state with parastatal organisations occupying a significant part of the economy. In 1991, Zambia reverted back to multi-party democracy and pluralism, after a peaceful transition which was led by a coalition of civil society formations and the new opposition party, the Movement for Multi-party Democracy (MMD). At the helm of the MMD was a former labour leader, Frederick Chiluba who had overwhelmingly defeated Kenneth Kaunda at the polls. The MMD immediately set into motion institutional reforms which saw the country implementing free-market policies and putting in place a comprehensive privatisation programme. The MMD would rule Zambia for 20 years with Levy Mwanawasa taking over from Chiluba after he effectively served two terms. Chiluba's rule was marred with controversy and allegations of impropriety. Mwanawasa would oversee an economically and politically stable Zambia but did not conclude his second term and passed away from a heart attack in 2008. Immediately, the country's Vice President, Rupiah Banda, was voted into office after elections were conducted within three months as stipulated by the Zambian constitution (Noyoo, 2010).

After three years, the country went to the polls again and the MMD and Banda were unseated by the Patriotic Front (PF) led by Michael Sata. Despite the PF riding on a populist wave and anti-Chinese investment sentiments, the PF-led government of Sata seems to have toned down after taking over office from the MMD. The PF and Sata have effectively been in power for nine months. Since then, relations with China have been strengthened and the anti-Chinese rhetoric has since diminished at official levels. Unlike some of its neighbours, Zambia has enjoyed peace and has not had major upheavals or civil wars in four decades. Zambia has successfully conducted five relatively free and fair elections since 1991, with the last one resulting in change of government. Before leaving office Banda had overseen a constitutional review process led by the National Constitutional Conference (NCC) which was rejected by opposition parties in Parliament. Nonetheless, on 30 April 2011, the PF government unveiled a Draft Constitution which was crafted by a technical team that looked into past efforts aimed at arriving at a credible constitution.

The Economist Intelligence Unit's March 12 2012 forecast notes that the president, Michael Sata, and his party, the Patriotic Front (PF), will remain in power in 2012 – 16. Political stability will be maintained, although it could be marred by occasional social and labour unrest. The government is expected to strike a balance between redistributing wealth and sustaining investment and growth, although there are risks to this. Macroeconomic stability is likely to be maintained. The fiscal deficit is forecast to rise to 6.2 per cent of GDP in 2012 as the government tries to meet its campaign pledge to put more money in people's pockets, but to moderate from 2014 as spending is restrained to keep public debt in check (The Economist Intelligence Unit, 2012).

Economic

Zambia has a mixed economy consisting of a modern urban sector that, geographically, follows the rail line and a rural agricultural sector. For a long time, the modern sector was dominated by parastatal organisations, while private businesses dominated the construction and agriculture sector. Since 1991, the government has actively pursued policies that facilitated private sector growth, including decontrol of prices, trade liberalisation, market-determined exchange and interest rates; financial sector liberalisation; and more responsible fiscal and monetary policies. With the introduction of the liberalised market-oriented economy, most parastatals were privatised and some were liquidated (Central Statistical Office, 2009). Zambia boasted a real Gross Domestic Product (GDP) of 5.9 per cent per annum between 2004 and 2010; exports expanded ten-fold and Foreign Direct Investment (FDI) increased eight-fold, reaching USD 1.3 billion in 2007 and hit a record USD 2.4 billion in the first half of 2010. In 2011, Zambia was reclassified by the World Bank as a lower middle-income country after decades of being a low income country. The economy has been relatively resilient in the recent global downturn, benefiting from the stable macro-economic policies, good harvests and buoyant demand of copper, especially from emerging markets. Zambia's economy continued to grow in 2010 with real GDP of 7.5 per cent. While extraction industries still attract the bulk of investment, the service sector, especially banking, tourism, and agriculture, have catalysed significant volumes of FDI (Organisation for Economic Co-operation and Development, 2012:15). The annual rate of inflation was 6.5 per cent in April 2012. Prior to 2000 Zambia had recorded double digit inflation rates. The country also posted a trade surplus valued at Zambian kwacha (ZMK) 79.6 billion in March 2012, representing a nominal increase of about 68.1 per cent from ZMK 47.4 billion recorded in February 2012. Since January 2011 Zambia has had monthly trade surpluses with the highest valued at ZMK 1,484.5 billion recorded in January 2011 and the lowest in February 2012, valued at ZMK 47.4 billion (Central Statistical Office, 2012). The economy is still dominated by the mining industry, specifically copper production. Zambia's major export products in March 2012 were from the Intermediate goods category (mainly comprising copper cathodes and sections of refined copper) accounting

for about 84.5 per cent. Other exports were from the consumer goods, raw materials and capital goods categories; which collectively accounted for about 15.5 per cent of total exports (Central Statistical Office, 2012).

In 2004, the government launched the Private Sector Development Reform Programme (PSDRP) in order to improve the investment climate and boost the private sector's contribution to the country's economy. Zambia also undertook reforms that were aimed at making it easier for enterprises to do business in the country (Organisation of Economic and Development Co-operation, 2011:9). As part of the collaborative programmes of the Zambia Development Agency (ZDA), industrial land has been identified for the establishment of Multi-facility Economic Zones (MFEZ) and industrial parks for domestic and foreign investment purposes. Four MFEZs have so far been declared and are under construction, whilst several other areas have been identified for such similar MFEZs in Zambia. These areas are: Ndola and Kasumbalesa, both in the Copperbelt Province; and Nakonde in the Northern Province. In response to the need for value addition on raw materials and to boost the manufacturing sector, the government has also begun setting up industrial parks around the country. These are similar to MFEZs but are smaller in size. Two industrial parks had been approved namely, the Roma Industrial Park and the Sub Sahara Gemstone Exchange Industrial Park (Organisation of Economic and Development Co-operation, 2011: 29). Nonetheless, there are shortfalls to the described scenario in that there remains a lack of a complete and coherent investment policy in the country. Addressing this would greatly contribute to improving the regulatory framework for investment (Organisation of Economic and Development Cooperation, 2011). This unpredictability could have led to a drop in the country's rankings. Zambia's overall "Ease of Doing Business" rank (out of 183 economies) in 2011 was 80 while the rank for 2012 dropped to 84. The change in rank is -4. Other areas such as: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting investors, etc., also followed the same downward trend (International Finance Corporation/The World Bank, 2012).

Social

According to preliminary results of the country's 2010 census, its population stands at 13,046,508, with 49 per cent males and 51 per cent females. Regional distribution of the population shows that 7,978,274 m people (61 per cent) reside in rural areas and 5,068,234 m (39 per cent) live in urban areas. At the provincial level, Lusaka, the capital city, has the largest population of 2,198,996 m followed by the Copperbelt at 1,958,623 m (Central Statistical Office, 2011). The latest data from the United Nations Development Programme (UNDP) (2011) shows that Zambia's Human Development Index is 164 out of 187 countries. The country falls within the bracket of countries which exhibit low human development.

Corruption is a serious problem in Zambia. Zambia scored 3.2 on the Corruption Perception Index (CPI)²⁵⁴ with a rank of 91 (Transparency International, 2011). In the light of poverty, numbers declined from 58 per cent in 1991 to 51 per cent in 2006. Extreme poverty in rural areas also reduced from 81 per cent in 1991 to 67 per cent in 2006. Extreme poverty in urban areas declined from 32 per cent in 1991 to 20 per cent in 2006. Per capita income has increased from USD 635 in 2005 to USD 970 in 2009. However, at 51 per cent in 2006, overall extreme poverty is still high and at 67 per cent in 2006, extreme poverty in rural areas is very high (United Nations Development Programme, 2011). Nonetheless, the country's economic growth has not been re-distributed to the citizenry and remains uneven. In this light, growth has been accompanied by high and increased income inequality. Urban unemployment also increased from 9 per cent in 2004 to 15 per cent in 2006. Mainstreaming of gender into the development process has remained a challenge despite growth in the economy. For instance, in the formal sector, male employment accounted for 71 per cent, compared to 29 per cent for females. Furthermore, the absolute level of child mortality is still very high while the impact of HIV and AIDS exacerbates child mortality. Although declining, the absolute level of maternal mortality is still very high (United Nations Development Programme, 2011).

In summary the following key indicators from the Bertelsmann Foundation's Transformation Index put the Zambian socio-economic position in context:

TABLE 42: OVERVIEW OF ZAMBIA'S SOCIAL CONDITIONS

Population (mn.)	12.9	HDI	0.430	GDP p.c. (\$)	1562
Pop. growth (% p.a.)	1.6	HDI rank of 187	164	Gini Index	50.7
Life expectancy (years)	48	UN Education Index	0.480	Poverty (%)	81.5
Urban population (%)	35.7	Gender Inequality Index (GII)	0.627	Aid per capita (\$)	98.1

Source: <http://www.bti-project.org/home/index.nc>

Environmental

Zambia is number 57 out of 132 countries with Trend EPI Rank²⁵⁵; with a score of 55.56%, Zambia was grouped in the category of modest performers (Yale Centre for Environmental Law and Policy, 2012). According to this study Zambia's major environmental challenges are in the following areas: air (ecosystem effects); environmental burden of disease; and

254 The Corruption Perceptions Index ranks countries/territories based on how corrupt their public sector is perceived to be. A country/territory's score indicates the perceived level of public sector corruption on a scale of 0 - 10, where 0 means that a country is perceived as highly corrupt and 10 means that a country is perceived as very clean. A country's rank indicates its position relative to the other countries/territories included in the index.

255 The EPI ranks 132 countries on 22 performance indicators in the following ten policy categories: Environmental burden of disease; Water (effects on human health); Air pollution (effects on human health); Air pollution (ecosystem effects) Water resources (ecosystem effects); Biodiversity and habitat; Forestry; Fisheries; Agriculture; and Climate change.

water effects (on human health) (*Ibid.*). Furthermore, the percentage of land covered by forests in Zambia decreased from 66 per cent in 1990 to 55.9 per cent in 2007, and this has been a serious cause of concern. High priority efforts to curb deforestation and to regenerate forest cover is a critical factor to protect and enable the more sustainable use of the country's rich natural resource base and be more resilient to climate change shocks (Government of the Republic of Zambia and the United Nations Development Programme). There are also challenges with the mining industry which has polluted the environment. Decades of copper, cobalt, zinc and lead mining has left many areas of the country contaminated with poisonous substances. Impacts include air pollution from the fumes, gases and dust; soil contamination from hazardous effluents; water (surface and ground) pollution from effluents, water ways from mines, plants and dumps; destruction of vegetation and wildlife habitat due to subsistence; deforestation, fumes and direct health hazards.

According to the Environmental Council of Zambia (ECZ), the mines in Zambia are mostly working with sulphide copper. Therefore, as a result of the mining process, there is a lot of air pollution in the form of acid rain. There are many areas in Zambia where vegetation has stopped growing as a result of the pollution. People are also complaining of respiratory and other health problems that are caused by pollution (Cronjé, et al., 2008: vii). Despite the foregoing, a national policy on the environment was completed in 2011 and the national climate change adaptation programme was launched in the same period. However, environmental issues have not been fully integrated into development programmes. There is lack of national capacity for environmental management. The country lacks a comprehensive environmental framework that charts a pathway consistent with international instruments. There is limited information on the full extent of environmental degradation and climate change (United Nations Development Programme, 2011:11).

Summary: Development challenges

The development challenges the country faces are in the areas of: poverty, health – HIV/AIDS, gender inequalities, water and sanitation, the fight against corruption and environmental sustainability. Economic diversification and reform, as well as agriculture development decentralisation and private sector development, are seriously lacking. Zambia's economic growth remains uneven. In the main, this growth is driven by capital-intensive sectors, and has limited impact on community welfare. Furthermore, despite macroeconomic stability, interest rates have remained high, and in the last five years, domestic debt has been going up. In agriculture, inadequate public investments have limited efforts to combat poverty, enhance food production and end malnutrition. Limited resources have in particular hampered research, extension services, irrigation, support for livestock and fisheries as well as the development of market access and infrastructure (United Nations Development Programme, 2011).

14.2 Role-players impacting on CSR awareness and advancement

The highlighted sectors, below are either critical to the development of CSR or play prominent roles in the development of the country, which also raise awareness around CSR.

International aid

The Zambian government works with 16 bilateral and multilateral donors on a number of economic, social and environmental development initiatives. The Joint Assistance Strategy for Zambia (JASZ) 2007 – 2010, was established to ensure an aligned joint target framework in support of the implementation of the Sixth National Development Plan (FNDP). Apart from involvement in strategic public investment activities, the government has placed priority and focus on the implementation of legislative and regulatory reforms. These are aimed at achieving a number of objectives that include:

- Aligning regulatory frameworks to a market-oriented economy;
- Domesticating of international conventions related to the conduct of business activities, particularly covering: protecting the environment and strengthening human rights, health, and safety measures associated with labour and employment, etc.; and
- Strengthening capacities of regulatory institutions to match the changing environment and needs for efficient and effective enforcement (Organisation for Economic Co-operation and Development, 2012)

Bilateral donors:

These are instrumental in raising the status of CSR in the country by supporting the Zambian government through wide-ranging social and human development initiatives in education, health care, water and sanitation, poverty reduction, agriculture, the fight against malaria, among others.

They include, *inter alia*, the following:

- **Canada/CIDA:** work is geared towards securing a future for children and youth by improving health systems and maternal and child health. Focus is also on helping Zambia reduce poverty and improve access to basic services.
- **Denmark/DANIDA:** Seeks to promote sustainable development through civil society participation and poverty focused economic growth. Support is also provided on good governance, education, infrastructure and water programmes as well as activities in the area of HIV/AIDS, the environment and private sector development in Zambia.
- **Germany/GIZ:** supports the Zambian government in poverty reduction efforts by prioritising: decentralisation, water governance; state and civil society.

- **India/India High Commission:** mainly involved in local initiatives of the Global Compact.
- **Japan/JICA:** Provides technical assistance in areas of: agriculture, health, water, the economy, infrastructure, mining and energy, education, governance and volunteer activities.
- **Norway/NORAD:** Good governance, budget support, taxation, anti-corruption and gender equality; natural resource management with a focus on climate-adapted agriculture
- **Sweden/ SIDA:** Support for non-governmental organisations to promote civil society for democracy, gender equality and accountability; supporting the Zambian government in areas of energy, health, and agriculture.
- **USA/USAID:** focuses on improving agriculture and developing markets for Zambian products; raising the quality of basic education, especially in community schools; supporting the health system with interventions that help contain the HIV/AIDS pandemic, and control of malaria and tuberculosis; and helping Zambia deal with problems of poverty and food insecurity.

International NGOs:

Prominent ones are for instance:

- **Oxfam:** fights poverty and suffering; HIV and AIDS, promotes sustainable livelihoods, and helping people cope with drought;
- **Fairtrade Africa:** enables African producers to improve their socio-economic conditions through increased access to better trading conditions;
- **Care International:** works in the areas of poverty reduction, sustainable livelihoods, access to quality education and health care, and women's empowerment;
- **Save the Children:** involved in health, HIV and AIDS, education, child rights governance and child protection;
- **PLAN International:** involved in helping children realise their rights to education, health and economic empowerment;
- **World Vision:** spearheads targeted emergency relief projects in partnership with the government, other NGOs, and churches; and
- **SNV Zambia:** Involved in renewable energy, water sanitation and hygiene, and agriculture.

United Nations (UN) Agencies in Zambia:

The United Nations (UN) System in Zambia comprises of 12 resident and 13 non-resident agencies working as a “One UN” together with the Government of the Republic of Zambia to address development challenges, attain the Millennium Development Goals (MDGs) by 2015 and assist Zambia in realising her Vision 2030 of becoming a middle income country by 2030.

Government

Strategic Priorities: These revolve around *Vision 2030* hinging on the country’s quest to become “A Prosperous Middle Income Nation by 2030” and implementation of the Sixth National Development Plan.

Legislation: There is no specific-related legislation pertaining to CSR in Zambia. However, the country relies on legislative and regulatory frameworks that focus broadly on investment, labour and business to navigate CSR, for instance, “Policies for Promoting Responsible Business Conduct” (PRBC).

Forums, Workgroups/Networks :

- **Water Supply and Sanitation Council (NWASCO):** to improve the management and coordination of water and sanitation initiatives.
- **Zambia Development Agency:** a one-stop agency responsible for fostering economic growth and development in Zambia by promoting trade and investment.
- **Global Compact Network** with seven member companies. Through the UNDP’s Growing Sustainable Business Initiative, the network is involved in social development projects, including HIV/AIDS Workplace Programme.
- **Private Sector Development Initiative:** Facilitate entrepreneurship and growth in the private-sector (agriculture, tourism and copper mining sectors), Private Sector Development Reform Programme to fast-track private sector reforms.
- **African Peer Review Mechanism (APRM):** mutually agreed instrument voluntarily acceded to by the Member States of the African Union (AU) as an African self-monitoring mechanism.
- **Extraction Industries Transparency Initiative (EITI):** coalition of governments, companies, civil society groups, investors and international organisations, sets a global standard for transparency in oil, gas and mining.
- **African Parliamentarians’ Network Against Corruption (APNAC):** Africa’s leading network of parliamentarians working to strengthen parliamentary capacity to fight corruption and promote good governance.

Civil society

The stature of civil society has grown in Zambia since the country reverted back to multi-party democracy in 1991. Faith-based organisations and trade unions continue to play a vital role in challenging the government on economic, social and political issues and strengthening the transparency of government policy. Urban-based civil society organizations are mostly led by educated elites and have been ineffective in holding government to account. A robust and heterogeneous network of autonomous, self-organized groups, associations and interest groups exist in Zambia representing the needs of the poor and the peasant society.

Specific NGO's to mention include:

- **Copperbelt Province AIDS Task Force:** responsible for coordinating activities and providing recommendations to the relevant bodies and authorities.
- **Zambia Alliance of People and Environment:** the objective is to improve the livelihoods of the people of Zambia through development of resource management systems and business enterprise development, and build capacity in rural and urban communities.
- **Network of the Zambian People living with HIV/AIDS:** a national organization for the people living with HIV & AIDS (PLHIV); aims to improve the quality of PLHIV by pursuing three issues namely: Support, Communication and Representation of the PLHIV.
- **The Zambia National Education Coalition:** a non-political not-for-profit national education body established in May 2001 to coordinate the national efforts of education based non-state actors and education trade unions working in partnership with the Zambian Government and other stakeholders in the attainment of education for all.
- **Civil Society for Poverty Reduction (CSPR):** an advocacy network of more than 140 organizations in Zambia that conducts research and policy analysis in order to help civil society monitor government interventions in the area of poverty. It also aims to enhance co-ordination and efficiency amongst Non-Governmental Organisations and civil society formations.
- **Center for Trade Policy and Development:** involved in advocacy, for instance, with other international NGOs filed a complaint against Glencore International, AG and First Quantum Minerals Ltd before the Swiss and Canadian National Contact Points (NCP) for violating the OECD guidelines for multinational enterprises.

Academia

There are three public universities and six private universities in Zambia. The Copperbelt University is home of the “School of Natural Resources” which does researches and provides consultancy – and community services – in agriculture, environment, fisheries, forestry, wood technology, wildlife management and other related fields. It also participates in issues of climate change, biodiversity conservation, carbon trading, eco-tourism and management of natural resources for socio-economic development at national and international levels. No other evidence could be found of specific CSR courses or programmes offered at academic institutions in Zambia. Nonetheless, the University of Zambia (UNZA) main campus, especially the School of Mines’, and Humanities and Social Sciences’ Lecturers have engaged in debates and research regarding this matter.

Multi-stakeholder initiatives

- The **Partnership Forum Zambia** (in partnership with the Partnership Initiative and International Business Leaders Forum): working actively to bridge the gap between government and the private sector in terms of creating necessary synergy for sustainable development.
- **Zambia Business Coalition on HIV/AIDS**: launched in 2000 by the CEO’s of Barclays, Standard Chartered, BP and Zambia National Commercial Bank (ZNCB) to coordinate business response in dealing with HIV/AIDS in the workplace.

The business response

The role of businesses in CSR is rooted in the culture of reciprocating the support from communities by “giving back” and also having a sense of duty towards the poor and suffering. Companies mostly focus on securing employment conditions for existing employees, and creating jobs to address huge unemployment in the country. Companies are also actively involved in the treatment and prevention of HIV / AIDS.

Examples of businesses with CSR initiatives are the following:

- **Zambia Natural Soap Company**: a Fairtrade producer, stating that they are part of a new generation of African businesses giving pride and dignity to the most vulnerable communities in Africa.
- **Konkola Copper Mines plc**: runs a formal CSR program through which they “aim to give back and support the community which nurtured us”. Main activities include rebuilding the lives of widows of KCM employees by providing alternative job opportunities, educating the children of KCM employees in their own schools, providing medical care in their hospitals, and raising awareness among the people about malaria and AIDS.

- **Dunavant Zambia Limited:** a subsidiary of Dunavant Enterprises Inc., a privately owned cotton merchandising company and Zambia's leading cotton ginner supporting small-scale cotton farmers through guaranteed pre-planting prices, credit financed crop inputs, technical support and marketing.

In addition to the above the following forums/ networks/initiatives also exist:

- **Zambia Associated Chambers of Commerce and Industry:** the umbrella organization for the private sector in Zambia.
- **Zambian National Farmers Union:** promotes and protects the interest of members as farmers, individual's corporation/companies and other organizations involved in the business of farming in order to achieve sustainable economic and social development.
- **Zambia Association of Manufacturers:** represents a large number of companies that can offer a range of supporting services to the mining and mineral industries, thus permitting incoming companies to operate on an efficient and low-cost basis.
- **The Cotton Association of Zambia:** represents the interests of farmers and stockholders of the cotton industry in Zambia, and acts as the governing body between them.
- **Zambia Gender and Energy Network:** with the objective to sensitise women and men on available types of energy sources and options, and to facilitate energy switches from traditional to cleaner and more efficient energy sources.
- **Business Linkages:** a local network in Zambia, mobilizes SMEs for business linkages.

Summary: The nature and state of CSR awareness and advancement

CSR in Zambia is still in its early phases and mostly approached from a philanthropic and CSI perspective. The government has been instrumental in providing a basis for social and environmental development in the country, and civil society seems to be ready to play a constructive role in the CSR dialogue. To date, the business sector has approached CSR as an effort to “give something back” to the country and community in which they operate, mostly focusing on social and health issues to contribute to social stability which is the “right thing to do” and will also benefit their own operations i.e., productivity and profitability. Environmental sustainability has received very limited attention in Zambia. The need exists for all role-players to develop consensus on the definition of CSR, its purpose and application in Zambia. Therefore, in order for the country to reap tangible dividends in this area, CSR should be linked to the government's broad development agenda and more specifically, its social and human development goals. Lastly, a strong intellectual orientation to CSR is needed in Zambia. In that way, CSR will then become a public policy

issue, rather than currently where both business and government approach this critical issue on an *ad hoc* basis (Noyoo, 2010).

14.3 Conclusions and recommendations

Table 43 and 44 present the conclusions and recommendations regarding CSR awareness in Zambia.

TABLE 43: ZAMBIA CSR COUNTRY MAP – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	X
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	X
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	X
ACADEMIA	There is no evidence of academic interest in CSR	
	Academia is involved in policy critique and research with respect to the CSR practices.	
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	X



ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	X
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	

TABLE 44: ZAMBIA CSR COUNTRY MAP – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	X
		CSR policy development	X
		CSR skills development	
	Within broader business circles	Chambers of commerce	X
		Learning forums	X
		Industry protocols	
	Between companies and governments	National agenda for CSR	
		CSR standards and protocols	X
		Public-private partnerships	X
Between companies and non-governmental stakeholders	Collaborative interventions	X	
	Social capacity building		
	CSR teaching and research		
Between companies and global role-players	Participation in global forums		
	Application of international standards		
	International best practice case studies		

In Zambia, some of the leading companies in the local network of the global compact could be engaged in order to develop the CSR policy process through their existing rela-

tionships with government and the CSOs. From there, a strong influence on the broader business community may be launched. However, a strong indication for Public Private Partnerships in the area of sustainable development is evident.

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PART III:

CSR themes, recommendations and guidance notes

This section of the report seeks for interpretation and guidance at a generic and regional level. It deals with the ‘so what’ question forthcoming from the detailed country reports whilst staying within the parameters of the methodology and interpretation framework offered in Part I.

- **Themes:** What did the report say about the political, economic, social and environmental challenges of the countries in the survey profile? How do various societal actors contribute to the development of the CSR agenda in these countries? What are the emerging issues that will confront Africa’s CSR agenda in the near future?
- **Recommendations:** What are the opportunities for CSR advancement within companies, within countries and across the region? What potential strategic partners are available to seek collaboration with?
- **Guidance notes:** How can CSR conversations and workshops be lead in order to effectively raise awareness and advance the development of CSR in sub-Saharan Africa?

15 Themes

15.1 Introduction

The point was made in both the executive summary and introduction to this study that CSR is a systemic issue of which the variety of expressions are shaped by the contextual realities of the country, industries and businesses in which it is embedded. Whilst it is true that certain companies may focus more on CSR initiatives that serve their immediate self-interest while others engage more seriously with matters of national and global interest, the possibilities and limitations of such responses are co-determined by the contextual and systemic conditions of the country or region where the business gets done.

This chapter will focus on disseminating the information of this report with a view towards interpreting and organising it for a strategic and transformative response primarily by GIZ CCPS. It is also believed that the suggestions would also be useful to other role players engaged in advancing CSR in the region.

15.2 Observations

Looking at the CSR profiles of the 12 countries, the following observations emerge from the thick layers of information that were generated through the survey:

- The majority of sub-Saharan countries come from a relatively low base of political, economic, social and human development. From a political point of view, most sub-Saharan countries have gained independence from their colonial powers in the last three to five decades and as a consequence many are still struggling to stabilise those basic political processes that need to be in place for economic, social and human progress.
- The development challenges across the region are multi-faceted and include the following:
 - Political: macro-economic reform, peace and security, decentralisation of government and service delivery, corruption
 - Social: poverty, health, education, gender, human rights and housing
 - Economic: employment, job creation, enterprise development, foreign investment, privatisation, food security
 - Environmental: deforestation, energy, waste and pollution, water security
- Two issues seem to be particularly difficult to make progress with. The first is corruption that seems to have become systemically embedded in many countries in the region. Dealing with corruption seems difficult because of the power issues involved and the risks inherent to confronting it. The second issue is environmental protection

which is a challenge in over-populous countries with no alternative energy resources than wood and a shortage of land for crop production or pastoral practices.

- The survey highlighted the distinctions between the different role-players that co-determine the shape of the CSR landscape:
 - **Governments** focus on the institutional requirements that need to be fulfilled for macro-economic performance and societal progress. From the survey, it is significant to notice how governments have gone through cycles of constitutional reform and progressed with legislation and policy formulation around poverty reduction, education, healthcare, labour, occupational health and safety, foreign investment, financial and fiscal procedures, decentralisation and service delivery, gender and human rights, environmental issues, etc. What is also evident from the survey is that progress and stability in the constitutional and legal environment is conducive for economic growth, prosperous business as well as CSR that goes beyond the mere philanthropic.
 - **Bilateral relationships and foreign aid** are important development vehicles in the region, hence the presence and activities of agencies such as CARE, CIDA, USAID, PEPFAR, DFID, BMZ/GIZ, Oxfam, the UNDP, World Bank and IFC. Development support from these entities to sub-Saharan Africa seems to have become more targeted on specifically identified strategic priorities of national concern and linked to partnership-based models of implementation. This bodes well for CSR from a business perspective, particularly in terms of the strategic alignment of CSR with national development priorities on the one hand and providing companies with third party CSR implementation options on the other.
 - **Academia** is less prominent in framing and guiding the CSR agenda, except for where countries are advancing to a stage of CSR awareness where environmental and global sustainability concerns are entering the political and economic agenda. Where academia takes notice of the strategic CSR agenda, the door opens for a strategic business-university relationship where business processes can be subjected to vigorous research and development and where business models can be designed to be robust and fit for a more sustainable future. Under such conditions, business schools also start incorporating CSR into their curricula. South Africa, Ghana, Kenya and Uganda are all good examples of countries where this dynamic is in the process of emerging.
- Given the above our focus can now shift to observations pertaining to CSR and business in particular.

- From the study it is clear that companies' awareness, understanding and implementation of CSR may range from the most basic philanthropic expressions on the one hand to the more complex, systemic and global sustainability versions on the other. Wherein lays the difference between the varieties of CSR expression in companies? The *first* observation is already implied in preceding paragraphs: the possibilities and limitations of business engagement with societal and environmental considerations are co-defined by the overall political and macro-economic boundaries in a country. A *second* observation will be that companies measure their level of societal involvement according to their assessment of risk. A company that wants to have a successful business in an under-developed political and socio-economic environment will simply have to invest in basic categories such as education, skills development, health, infrastructure, housing and community development in general. In more progressive conditions, there is room for CSR policy-making, helping to determine the national agenda, focusing on global sustainability concerns, managing and measuring carbon footprint, joining national debates on energy, food security and water quality and supply. Risk, however, is also a major factor in a world of increasing stakeholder activism and along the whole spectrum of CSR progression, companies are nowadays kept accountable for issues pertaining to bribery and corruption; gender, human rights and child labour; pollution, waste management and energy utilisation. Multinationals seem also to be more exposed and more critically scrutinised than local companies.
- Certain industries seem to be of regional importance in terms of contributing to economic and societal progress, namely the extractive industries (mining and oil), financial services (banking and micro-lending), information and communication technology (mobile telephone and computing) and agriculture (e.g. cotton, coffee).

15.3 Survey profile

It is virtually impossible to work with companies on a one-on-one basis in order to enhance their CSR capabilities and performance. The approach taken in this study was therefore aimed at assessing country profiles in order to make some conclusions about the most appropriate measures towards facilitating continued CSR development and progress. Whilst a profile of each country was offered in Section 2, the need is now for a high level regional view of the subject at stake.

Table 45 and 46 offer a summary of the 12 country profiles listed in the survey.

Table 45 depicts the different “levels of engagement” suggested for each CSR actor matched to the total number of countries (out of 12) in which such evidence was identified.²⁵⁶ It draws all the information together to form a composite picture and may as well serve as a departure point for recommendations regarding continued CSR capacity building for the region. From the Table, the following conclusions seem to be reasonable:

- Whilst the emphases in different categories are clear, there seems to be a promising intensification of interest in CSR amongst government, academia and business for the 12 countries in the profile.
- There seems to be a shift towards more formal and more collaborative approaches to CSR advancement. Especially promising is the presence of CSR in business education, the need for policy development and learning forums and the shaping of national agendas for CSR. This implies therefore, that more systemic approaches to CSR awareness and advancement seem to be favoured above more company specific approaches.
- The actor which needs to engage more on CSR issues in the region (in comparison to the other three) is civil society, which will have to be strengthened and incorporated for participation in the CSR debate. It was indicated in some country chapters that civil society is suppressed in some countries and in others they prefer not to engage willingly with business and government resulting from a lack of trust.
- There is ample room for “strategic CSR” – namely, increasing number of companies across the region need to align their CSR activities with their core business.
- For academia in the region, there is still work to be done on policy critique and research – as applied to CSR.
- Last but not least, government in the region could still do more to create an enabling environment so that companies could better align their CSR practices with nationally identified priorities.

Table 46 presents the recommended intervention possibilities (for different CSR actors to advance CSR in the region) along with the total number of countries (out of 12) for which the respective suggestions were made²⁵⁷. The Table also shows the “spaces” in which such interventions could take place by using the private sector (the company) as the centre of reference. To sum up the main findings:

²⁵⁶ The highlighted cells in the far, right-hand column, indicate the most commonly-encountered “level of engagement” for each identified “actor”.

²⁵⁷ The highlighted cells in the far, right-hand column, indicate the total number of countries for which the specific “intervention possibility” was recommended.

- **Within companies**, there is a need for action on all of the suggested interventions, CSR policy development being the most frequently suggested measure.
- **Within broader business circles**, learning forums and chambers of commerce provide the “low hanging” leverage points for advancing CSR in the region.
- **Between companies and governments**, there is a need for action on a national agenda for CSR and to improve on public-private partnerships.
- **Between companies and non-government stakeholders**, there is a need for action on all the suggested intervention measures. Relatively speaking, this is identified as a low-key space for CSR advancement (in comparison to the other four).
- **Between companies and global role players**, participation in global forums offers the best leverage. Relatively speaking, this is also a low-key space for CSR advancement (in comparison to the other four).

In the chapter on recommendations these observations will again be considered, but rather from a strategic and process oriented point of view.

TABLE 45: PROFILE SUMMARY – LEVELS OF ENGAGEMENT

ACTOR	LEVELS OF ENGAGEMENT	EVIDENCE OF ENGAGEMENT
GOVERNMENT	Government pays little attention to what companies do in strengthening the social sphere.	2
	Government creates an environment in which companies can align their CSR activities with nationally identified development priorities.	3
	Government engages actively, through legislation, policy making and standards, in setting the framework for CSR implementation.	5
	Forums and/or partnerships between government and business are used as vehicles for the achievement of a more sustainable society.	9
CIVIL SOCIETY	Civil society organisations (CSOs) are loosely structured and work in isolation on societal issues and needs whilst soliciting funding from companies and donor organisations on an ad hoc basis.	6
	CSOs are better structured, better funded, more strategic and more vocal in their approach to advocacy and more inclined to challenge corporate behaviour in public.	3
	CSOs are serious stakeholders in the national discourse and policy making on ethical and developmental issues.	3
	CSOs actively engage in collaborative action with government and business in finding solutions sustainable development challenges.	2
ACADEMIA	There is no evidence of academic interest in CSR	3
	Academia is involved in policy critique and research with respect to the CSR practices.	2
	Business education includes CSR in programmes that may range between more eclectic approaches to ones where it is regarded as part of the core curriculum.	7
	Various academic disciplines contribute and collaborate in finding solutions to CSR challenges.	3
BUSINESS	Philanthropy: CSR activities are mainly of an <i>ad hoc</i> nature with a primary focus on donations or voluntary contributions to communities in areas of identified need such as education, healthcare, poverty alleviation and community development.	4
	CSI: CSR activities are aligned with core business on the one hand and societal priorities on the other. Initiatives are budgeted for and properly managed. Some initiatives may even be delivered by specialist service providers.	7
	Strategic CSR: CSR activities are strategically chosen to be aligned with core business purposes, they are explicitly policy driven, anchored in relevant legislation and aligned with recognised benchmark standards. Collaboration may be sought with industry forums, government or global institutions. Reporting becomes common practice.	1

TABLE 46: PROFILE SUMMARY – LEVERAGE POINTS FOR CSR ADVANCEMENT

LEVERAGE POINTS FOR CSR ADVANCEMENT	SPACES FOR CSR ADVANCEMENT	INTERVENTION POSSIBILITIES	RECOMMENDED
	Within companies	Basic CSR orientation	5
		CSR policy development	8
		CSR skills development	7
	Within broader business circles	Chambers of commerce	6
		Learning forums	10
		Industry protocols	1
	Between companies and governments	National agenda for CSR	8
		CSR standards and protocols	4
		Public-private partnerships	7
	Between companies and non-governmental stakeholders	Collaborative interventions	4
		Social capacity building	5
		CSR teaching and research	5
	Between companies and global role-players	Participation in global forums	5
		Application of international standards	3
		International best practice case studies	3

15.4 Emerging issues

This study highlighted the importance of the political, social and economic context in which CSR is embedded in each particular country as well as in the sub-Saharan region as a whole. Up to this point, however, the research tapped into information that covered the post-colonial period with a particular focus on developments over the last two decades. Special mention was made about the influence on CSR of aspects such as the following: the political developments in each country; the impact of the global financial crisis on local economies; progress with initiatives such as the UN Global Compact and the Millennium Development Goals; the environmental challenges related to global warming and climate change, political instability and population growth and migration; and the ethical challenges that emerged together with economic expansion and shifts in political power.

In the midst of these developments a new set of issues, with crucial implications for the future of CSR development in the region, is taking shape. These issues emerge from the signals of Africa's reawakening as a continent with relatively untapped mineral and energy

resources in the midst of growing global scarcities and untilled arable land in the context of growing concerns about food security for a growing global population. There is indeed a “new scramble” for Africa which is already evident from the way in which countries as well as multi-national companies from other parts of the world are either protecting or expanding their African interests. The same is true about South African based multi-nationals as well.

Some recent developments emphasise the above:

- The global economy is dependent on fossil fuels for energy. Whilst resources are depleting in other parts of the world, Africa seems to have significant reserves waiting to be sourced and exploited. This counts for Africa’s mineral resources as an attractive source of raw material for manufacturing operations in less endowed, but economically stronger countries from elsewhere as well. This frames the background for securing trade agreements and exchanging development support between global powers and resource rich African countries.
- Water security is becoming a growing concern in Africa. It is surrounded and emphasized by a number of issues such as the impact of global warming and climate change, environmental degradation and expanding desertification, population growth and the growing need for clean water, urbanization and the need for proper water infrastructure. A case in point is the recent development around the Nile basin and its nine riparian countries. As of February 2011, a total six Nile Basin States signed the River Nile Cooperative Framework Agreement (CFA), namely, Burundi, Ethiopia, Kenya, Rwanda, Tanzania and Uganda. The two down-stream states, Egypt and the Sudan have not signed the agreement; Egypt in particular is very concerned about this development in the down-stream states. Furthermore, the minerals, oil and land rush for Africa causes the expansion of industries with a heavy dependence on water, putting already scarce resources under more pressure. Development also brings the need for more power as industries expand and more people strive for middle class living standards, causing electricity utilities also to become important stakeholders in the “water market.”
- Food security is a growing global concern impacted upon by population growth, global warming and climate change and rising food prices in the aftermath of the recession. Africa still has significant arable land left, as referred to in some of the foregoing country reports. This makes Africa an attractive target for middle-eastern and Asian countries, with growing populations but scarce arable land, to solve their own food security challenges. African countries with rich soil, therefore, come in view for agricultural development and food production. There is positive potential here for economic progress with reference to employment opportunities and skills development in the agricultural industry, the modernization of agriculture in subsistence

farming cultures, revenue through food exports and price adjustments in the agricultural property market. The other side of the coin is not so attractive and goes with corruption in land deals, price hikes that put land ownership beyond the reach of poor Africans and the exploitation of African labour whilst the benefits are shipped off to feed populations elsewhere.

- Food security is also systemically linked to all three of the abovementioned issues: oil, minerals, land and water. In the global energy market, bio-fuel is considered to be a renewable alternative for fossil fuel, raising the demand and intensifying the competition for both land and water. The second consequence is that agriculture as such may therefore grow, but the crops will be intended for the energy market instead of food.
- What are the implications for CSR awareness and advancement sprouting from the above? The answer is multi-faceted and entails that at least the following perspectives be attended to:
 - At a global level it calls for vigilance and guidance from institutions such as the United Nations, World Economic Forum, World Bank and the International Finance Corporation. At a regional level the same will be demanded from institutions such as the African Union, NEPAD and the African Development Bank. The existing and emergent frameworks in the areas of international and regional agreements for sustainable development will have to be strengthened and more diligently applied. Developments that will enhance economic growth on the African continent are to be welcomed, but they do call for responsible global and regional governance and guidance. In this regard the UNGC, the MDGs, ISO 26000 and climate change protocols will have to grow and not diminish in importance.
 - At a country level all four societal actors addressed in this report will be called upon to respond:
 - Sub-Saharan governments have made great progress in re-visioning their national futures, prioritising their activities for economic growth and poverty alleviation and upgrading their legislation in the areas of labour, education, social development, environment and corruption. Whilst this is commendable, execution is still below par and too much promise gets wasted and buried under inefficient and corrupt management and governance practices. Governments will have to carefully balance the necessity of economic progress through international trade on the one hand with guarding against social and environmental exploitation by foreign forces on the other. If this is to be Africa's century, as often is proclaimed, it will have to be guided and guarded in such a way that Africa is not left empty, raided and depleted at the end of it. There needs, therefore, to be a strong alignment between

national laws and policies and international charters and protocols, supported by wise governance and political statesmanship.

- The institutions of civil society, such as the media and a plethora of non-government and community based organisations, are the mouthpieces for advocacy on matters of ethics and justice. They often are first to flag exploitative or untoward practices or to notice injustices to people and communities resulting from it. Civil society institutions have become important role-players in the global discourse around global warming and climate change, energy, food and water and it is important that their role be maintained at a national level as well. It is important that these organisations are guaranteed freedom of expression and allowed the room for global collaboration so as to optimise their influence on matters of political, economic, social and environmental importance. A sustainable society needs a robust national debate on important matters. Strong civil society institutions are necessary to fulfil this ideal.
- It has been noted during the course of this study that academia comes alive in the CSR space where the debate shifts from social investment practices to sustainability driven issues. Renewable energy, food security and water management are exactly the kind of contemporary issues that invite rigorous academic research and the development of alternative solutions. It goes, however, further than just the physical sciences and needs the contributions of the economic and management sciences and the humanities as well. Africa may be a continent of untapped resources and economic growth potential, but this does not change the global predicament regarding a sustainable future for humanity and the planet. An alternative economic paradigm is urgently needed, one that is driven by renewable energy, that utilises eco-friendly technologies, that is more just in terms of food production and distribution, that preserves water and optimises the management thereof and protects biodiversity and the environment. This agenda is as relevant for the developing world as it is for the developed world. It is therefore promising that Africa already has some emerging academic growth nodes, such as in countries like Ghana, Kenya, Uganda and South Africa, that take this agenda serious, but it needs to be expanded across academic boundaries and networks to other countries as well.
- Finally we come to the position of business. We have argued that CSR is a context dependent concept, that it addresses the way in which companies take care of their economic, social and environmental responsibilities and that the awareness about and advancement thereof are embedded in the national business context and institutional life of a country. The pattern emerging from this survey is indeed that

most companies, local and multi-national, are occupied with CSR practices in the basic domains of education, health and infrastructure improvement in order to enhance at least the entry level requirements for efficient business operations. The emerging issues around energy, food and water are, however, also game changers for companies and demand that the CSR agenda be redefined in terms of future global sustainability concerns. Companies stand at a boundary where they will need to expand their view of what business is all about and as a result incorporate stakeholder demands and practice triple bottom line thinking. Inasmuch as companies manufacture products, provide jobs and contribute to wealth creation, they also tap from and compete for scarce resources and produce waste. As a result global frameworks such as the UNGC, the MDGs and the GRI will grow in importance and will also find increasing support from governments and industry bodies and get expressed in national standards for responsible and sustainable business practices. Companies will more and more be called upon to act as corporate citizens as determined by global standards and will therefore have to work hard to align their corporate responsibility practices accordingly.

It should also be evident from the above that we have not just entered the age of sustainability, but also the age of multi-sector and worldwide collaboration. The four societal role-players discussed here need one another to create a context for responsible and sustainable economic growth and human progress. This is the new context for CSR, even on the African continent.

16 Recommendations

The strength of GIZ CCPS is in its convening power, in other words, its reputation and ability to bring various stakeholders together to engage constructively and in an empowering way with societal challenges. This observation applies especially in the face of the vastness of the CSR development challenges in sub-Saharan Africa. Using this convening power it may be wise for GIZ CCPS to develop a multi-faceted strategy. This chapter does not so much prescribe a strategy in as much as it attempts to highlight the various options for intervention.

Working within a company: The key here is to assess the company's state of CSR awareness and development and to introduce an appropriate intervention strategy. Where a company understands CSR primarily as philanthropy it may need to develop an understanding of CSR that is more focused on contextually relevant socio-economic development investments. Where CSR is primarily expressed in a CSI mode, it might be necessary to ensure that relevant policies are in place, that CSR staff members are better equipped for their roles, that funding for CSR implementation is stable and secured and that linkage to learning forums and business chambers starts to happen. Where indications are that a company practices strategic CSR, the focus might be on aligning CSR initiatives to core business, embed it in relevant national legislation, to introduce relevant standards and protocols and to ensure a broad-based approach that attends to community, workplace, marketplace and environmental practices and to prepare for the participation in the global sustainability agenda. In short, working within a company boils down to securing what is relevant for a particular state of CSR development, making linkages to industry relevant resource and preparing for further advancement.

Working within a country: Exercising convening power on a national scale also requires a thorough assessment of the possibilities and limitations for CSR awareness and advancement in the light of contextual realities. The interpretive model may again be helpful in this regard. What is different on a country level, however, is the positioning of CSR development in the context of potential or existing learning forums, business chambers and stakeholders from government, non-government and academia using a multi-stakeholder process approach. The ability to create linkages and the skill to facilitate meaningful collaboration amongst stakeholders from various sectors, industries and value systems will be critical in this regard. The key learning for participants in this regard is the discovery of mutual objectives and the appreciation for diverse and complementary contributions towards the common national good. This kind of intervention should, however, not be attempted without skilful facilitation, preferably done by an independent facilitator.

Of particular relevance here is the observation that the majority of countries in recent years made progress with constitutional and legislative reform. What is lacking, however, is the leadership capacity and governance capability to implement these promising

reforms. Getting this on track will contribute significantly to the advancement of corporate social responsibility and sustainable development in sub-Saharan countries.

Working across the region: Certain themes emerging from the study occur to be prevalent to most countries in the profile and therefore, perhaps, for all countries in the region. These themes were already listed in the previous chapter, but repeated here for the sake of clarity:

- Political: macro-economic reform, peace and security, decentralisation of government and service delivery, corruption
- Social: poverty, health, education, gender, human rights and housing
- Economic: employment, job creation, enterprise development, foreign investment, privatisation, food security
- Environmental: deforestation, energy, waste and pollution, water security

Inasmuch as these themes are common to the region and therefore also cross-cutting in nature, the sensible approach might be to call for a regional GIZ CSR conference at which research and proper discourse can be brought to bear on the sub-continent's endemic challenges. The study made it clear that the goodwill and capacity exist in sub-Saharan Africa to create a responsible and sustainable context for societal and human progress, but it is also true that the overall conditions in most countries are not conducive to harness that potential in a constructive way. GIZ CCPS can be the convening factor for CSR in sub-Saharan Africa to develop its own voice in the global arena, bringing together influential companies, academic institutions, politicians, NGOs and international bodies to develop authentic African thought and practice leadership. The necessity of such an intervention is further highlighted by the second range of cross-cutting themes with specific reference to the future as listed in the previous chapter, namely energy, land, food and water. These themes go beyond continental boundaries and raise Africa's prominence in the geo-political discourse on global sustainability, further emphasising the need for critical debate.

Working with strategic partners: GIZ's convening power can also be linked with similar capacity of other entities. From the **African region** frequent mention is made of the African Peer Review Mechanism within the context of NEPAD and the African Parliamentary Network Against Corruption. From the **international arena** the names CIDA, UNDP, CARE, World Vision, The World Bank, The Global Fund, Oxfam, USAID and the UNGC compose the threads of global interest in the progress of Africa. There should be merit to consider some of these bodies as strategic partners in advancing the case for CSR on the continent. These organisations will have learned valuable lessons over the duration of

their work on the continent that can be translated into capacity building for CSR empowerment. It only depends on how their knowledge and expertise can be tapped in the best possible way.

Another angle on strategic partnerships may be to work with academic communities that have distinguished themselves to work in the corporate responsibility and sustainable development domain. These fraternities are to be found in South Africa, Ghana, Kenya and Uganda. The capacity available in these countries' business schools and their access to the business communities and regions from where they draw their students can leverage a most significant influence on the advancement of CSR on the continent.

Last but not least there remains the position of the various UN Global Compact Local Networks. These networks have played an important role to take the CSR agenda into the business arena of the African continent. Their early success seems to have waned and the remaining ones seem to be struggling. Maybe the wave has moved on and the time has now come for alternative or additional types of forums to carry the flag for CSR on a fragile continent that shows more and more promise as it gains stability and progress in the African way. Another option may be to rethink the agendas of these forums and link them more closely to the global debate on sustainability, placing them squarely in the collaborative leadership space where solutions will have to be deliberated in partnership with stakeholders from all sectors of society.

The future of CSR in the sub-Saharan region is indeed promising and only seems to have just begun.

17 Process map and guidance notes

17.1 Introduction

In this final chapter of the CSR Mapping Project we offer a set of guidance notes that facilitators can use to set up discussions and workshops regarding the advancement of CSR within companies and between companies and other societal stakeholders. This is by no means meant to be a step-by-step prescription. It rather offers perspectives on how the CSR agenda can be introduced and promoted in a variety of settings with a variety of stakeholders involved.

The approach that is followed here is a practical elaboration on the framework that was offered in the GIZ Guidebook for Multi-Stakeholder Process Facilitation (2011:92 – 111). Whereas the focus in the Guidebook is more generic, it is here more specific to CSR advancement in a workshop context.

The elaboration on the framework was jointly designed by the CCPS team and the lead author and then practically applied in one instance of CSR facilitation by a member of the CCPS team. The feedback was very encouraging, especially because of the facilitator in this case being someone that does not do facilitation in a full-time capacity.

17.2 Process framework and guidance notes

According to the GIZ Guidebook (2011:100) “the key to successful facilitation is the ability to create a safe environment within which stakeholders can participate in an atmosphere of mutual trust, respect and transparency.” The same Guidebook goes further and offers four perspectives intended to optimise the success of facilitation processes as expressed in Figure 2:

FIGURE 2: FACILITATION PROCESS PERSPECTIVES (ADAPTED FROM GIZ, 2011:101)

Q1: From the facilitator’s point of view: What does the process facilitator need to know and to do?	Q2: A process of emergent and evolving understanding: How will understanding and learning be best facilitated?
THE PROCESS	
Q3: The process as experienced by the participants: How will stakeholders experience the process and participate in it?	Q4: The process as a guided journey: What methods, tools, and techniques will be most helpful to promote flow and progress?

When this framework gets applied to a CSR discussion the following perspectives apply:

Quadrant 1: Contextualising the process:

- What does the facilitator need to know? The following questions will help to guide the facilitator in the preparing for and leading the process:

- Why do the participants want to attend to CSR?
- What CSR relevant initiatives are already in process?
- What relationships exist that can be further developed and utilised?
- What are the actual needs and demands of the private sector?
- What is happening in government that is important to know of?
- What understanding and commitment with respect to CSR is developing in the private sector?
- Are there any regional developments that may be of value to know about?
- What will be the allotted time and scope of the intervention?
- Amongst those present, what languages do they speak, what relationships are at stake and what are their expectations?
- Who will be leading the workshop?
- What does the facilitator need to do? The following questions will help the facilitator to configure the inputs and outcomes for the process:
 - Does the facilitator need to offer information?
 - Does the facilitator need to offer practice benchmarks?
 - Does the facilitator need to prepare a presentation?
 - Does the facilitator need to lead a process or a discussion?

Quadrant 2: Understanding and learning

The facilitation process should be designed in such a way that it evolves around the needs of the participants. These needs may vary according the following four categories:

- **Conceptual:** There may be a need amongst participants to develop a common understanding of what is meant by CSR. If this is the case, the process should create a space for such a consensus to be developed.
- **Operational:** Participants may want to get insight into examples or case studies of good CSR practice. This helps them to realise what is possible and takes the discussion beyond the theoretical to the practical level.
- **Strategic:** Participants may want to explore ways and means of how CSR can become an integrated aspect of business strategy. Should this be the case business model adaptation

will be core to the discussion or process. Such a focus goes beyond case study work and demands from the facilitation to provide helpful frameworks for business integration.

- **Collaborative:** Participants may be seeking for guidance to promote multi-stakeholder collaboration, involving entities from the same industry or different sectors to work together on CSR advancement. In such a scenario the facilitator should be ready to offer multi-stakeholder process guidance.

Quadrant 3: Process experience and participation

There are two dimensions at stake here, namely the criteria that apply for having a good process experience and the flow of the process to optimise the quality of the experience for participants.

The process criteria include the following:

- The provision of a safe space
- Spontaneous participation
- Transparency
- Trust
- Respect for diversity
- Relevant information
- Ground rules for participation

An ideal process flow takes participants through four phases:

- **Connect:** This phase of the process is designed to help participants to become aware of others, their personal expectations, the topic at stake, etc. The purpose is to create a common point of departure from where the discussion or process can take its course.
- **Share:** This phase of the process concentrates on making relevant information, theoretical frameworks or accounts of practice available. The purpose is to deepen understanding, increase the knowledge base and/or broaden the common ground around CSR advancement for participants.
- **Practice:** Participants gain from mastering frameworks or tools in a practical manner. In this phase of the process it is advisable to let participants work with case studies or apply theoretical frameworks to identified problems or design CSR strategies together. This will help them grow in the belief that CSR advancement is achievable and therefore within their reach.

- **Act:** Successful processes contain the opportunity for commitment to action. Participants therefore need to understand the importance of accountability, of taking the next step, of exercising leadership. It is important for discussions or sessions in a process to end with clarity of purpose and certainty of next steps in mind.

Quadrant 4: Methods, tools and techniques

This aspect relates strongly to the Q3 phases as described in the previous paragraph. A facilitator needs to know what methods, tools and techniques to apply to secure an optimal process experience with relevant outcomes for participants. Figure 3 offers examples of the types of methods, tools and techniques that are available to be applied across the different dimensions of the facilitation process:

FIGURE 3: EXAMPLES OF PROCESS ELEMENTS IN CSR FACILITATION

CONNECT	Prior to the event: communication; brown-bag lunch/cocktail At the start of event: plenary/pairs/groups to share introductions and expectations
SHARE	Use available frameworks, appropriate to the expectations, to introduce CSR with, e.g. triple bottom line, the four business practices of Crane, Matten & Spence (2008), CSR promoting and hindering factors (GIZ, 2009), stakeholder mapping (GTZ Capacity-WORKS), the CSR map as described in this report
PRACTISE	Utilise case studies for problem-solving Utilise breakaway sessions to discuss issues of common concern Utilise role-plays to develop relevant skills
ACT	Brain storm next steps Utilise pairs to identify aspirations and/or challenges Share learnings, takeaways or actions in plenary

17.3 Conclusion

There are some golden rules in facilitation that apply here as well, namely 1) work with what is important for people, 2) apply processes and frameworks that are easy to understand and to participate in and 3) do things with people that they will be able to go and repeat with others. Successful facilitation provides a safe space for learning and change and inspires participants to create the same opportunity for others. These simple rules are relevant for CSR advancement as well.

17.4 Reference

GIZ. 2011. *Guidebook for MSP Facilitation*. GIZ



PART IV:

Additional Resources

The resources listed here are additional to those already listed with the various chapters. There may be occasions where overlaps occur with especially the country reports.



Publications/reports

Business fighting corruption: Experiences in Africa. UN Global Compact Case Study Series.

Ethical Corporation April 2010. 'Business intelligence for sustainability'.

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McKinsey Global Institute. 2008. *Lions on the move: The progress and potential of African economies.*

Millennium Development Goals Status Report for Zimbabwe, 2010.

Visser, W. & Tolhurst, N. (eds). 2010. *World guide to CSR: A country by country analysis of corporate sustainability and responsibility.* Greenleaf Publishing, UK.

McKinsey Quarterly, June 2010. 'What's driving Africa's Growth?' McKinsey

Internet resources

African Institute for Corporate Citizenship: <http://www.aiccafrica.org>

African Peer Review Mechanism: <http://www.aprm.org>

AIESEC: <http://www.aiesec.org>

Bertelsmann Stiftung: <http://bertelsmann-transformation-de>

Business Anti Corruption Portal: <http://www.business-anti-corruption.com>

CCPS: <http://ccps-africa.org>

Centres for Disease Control and Prevention: <http://www.cdc.gov>

CSR WeltWeit German Business-Global Citizen: <http://www.csr-weltweit.de>

CSR wire: <http://csrwire.com>

Doing Business: <http://doingbusiness.org>

Doing Business in Africa: <http://doingbusinessinafrica.com>

Ethical Corporation: <http://www.ethicalcorp.com>

Ethics Institute SA: <http://ethicssa.org>

Federal Ministry for Economic Cooperation and Development (BMZ):
<http://www.africaneconomicoutlook.org/en/countries>

Global Health: <http://www.globalhealthhub.org>

Global Witness: <http://www.globalwitness.org>

GlobServer: <http://www.globserver.com>

International Business Leaders Forum: <http://www.iblf.org>

International Labour Organisation: <http://www.ilo.org>

JSE Responsibility Index: <http://www.jse.co.za>

Sustainability Africa Newsletter: <http://allafrica.com>

Sustainability Institute: <http://www.sustainabilityinstitute.net>

Sustainability Trialogue: <http://www.sustainabilitytrialogue.co.za> or <http://www.csimatter.org>

The Africa Report: Africa in 2010: <http://www.africareport.com>

Transparency International: <http://www.transparency.org>

UN Development Programme: <http://www.undp.org>

UN Global Compact: <http://www.unglobalcompact.org>

UNICEF: <http://www.unicef.org>

Unitar/DFM online NGO database: <http://www.unitar.org>

US Department of State (Country Reports): <http://www.state.gov.org>

World Alliance for Citizenship Participation: <http://www.civicus.org>

Yale 2010 Environmental Performance Index: <http://epi.yale.edu/Countries>

Zunia Knowledge Exchange: <http://www.zunia.org>

Notes on contributors

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