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INVOLVEMENT OF THE CORPORATE SECTOR IN SUPPORT FOR ORPHANS & VULNERABLE CHILDREN AND REPRODUCTIVE HEALTH IN UGANDA

HEALTH INITIATIVES FOR THE PRIVATE SECTOR (HIPS) PROJECT



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HEALTH INITIATIVES FOR THE PRIVATE SECTOR (HIPS) PROJECT

A Study by Uganda Manufacturers Association (UMA)



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ACRONYMS

CBO	Community Based Organizations
CSR	Corporate Social Responsibility
HIPS	Health Initiatives in the Private Sector
M&E	Monitoring and evaluation Project
NGO	Non Governmental Organization
OVC	Orphans and other Vulnerable Children
RH	Reproductive Health
UMA	Uganda manufacturers Association
USAID	United States Agency for International Development



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I. BACKGROUND

The USAID-funded HIPS (Health Initiatives for the Private Sector) Project (2007 - 2010) 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. The project provides technical assistance to design and implement integrated workplace health programs that maximize the accessibility of HIV/AIDS, TB & Malaria prevention and treatment services. In addition HIPS promotes Reproductive Health and Family Planning activities at the workplace and actively engages companies in the support of Orphans and Vulnerable Children.

The HIPS Project aims to assist Ugandan companies in the delivery of reproductive health services to their employees and surrounding community and to encourage companies to support OVC. It aims to do this in partnership with these companies who may conduct these programs as a Corporate Social Responsibility (CSR) activity. To inform programming, there was therefore need to seek an understanding of the medium scale and large scale private companies' views regarding OVC care and support and Reproductive Health in the country. The study was conducted to provide information regarding companies' perceptions regarding CSR, whether they participate in CSR, in which areas and specifically whether they offer care and support to OVC and Reproductive Health. This study was conducted by Uganda Manufacturers Association (UMA) with technical support from the HIPS project. Results were collected by a team of Research Assistants trained by the HIPS M&E Specialist.

II. OBJECTIVES OF THE STUDY

The study had several objectives. The general objective was to assess private sector involvement in OVC care and support and in Reproductive Health. The specific objectives were:

1. To assess levels of company involvement in CSR
2. To establish the extent to which companies are involved in OVC care and support and Reproductive Health services.
3. To identify gaps and obstacles in the companies' involvement in OVC and Reproductive Health programs.
4. To identify best practices in the companies that can be replicated with regard to OVC and the provision Reproductive Health services.

III. METHODOLOGY

A cross sectional quantitative and qualitative survey was conducted. To identify levels of involvement in CSR activities, and perceptions towards OVC and RH interventions, a quantitative tool was administered among company focal point persons. Key informant interviews were also conducted among senior managers in the companies to assess reasons for involvement or non involvement in CSR, and mechanisms of improving CSR operations regarding OVC and RH. To augment the findings, focus group discussions were also held with community members where the companies operate to seek their opinions regarding OVC and RH in their community.

Systematic stratified sampling methodology was adopted in the study. Companies were stratified according to their size, classified as medium and large scale companies. The total number of companies from each category was determined based on the total number of UMA registered companies in that category. The distribution of companies also considered the regional distribution across the country.



Using simple random sampling (lottery method), companies to be visited in each strata were selected. Only companies in Northern Uganda were excluded from the study due to the limited number of UMA members in the north that fit the sampling criteria. A total of 50 companies were visited during this study. 12 of these were large scale companies while 38 were medium scale companies. For the purpose of the study, large scale companies were those companies employing over 500 people and the medium scale companies are those employing 50-500 people. *Annex 1 provides a list of companies interviewed.*

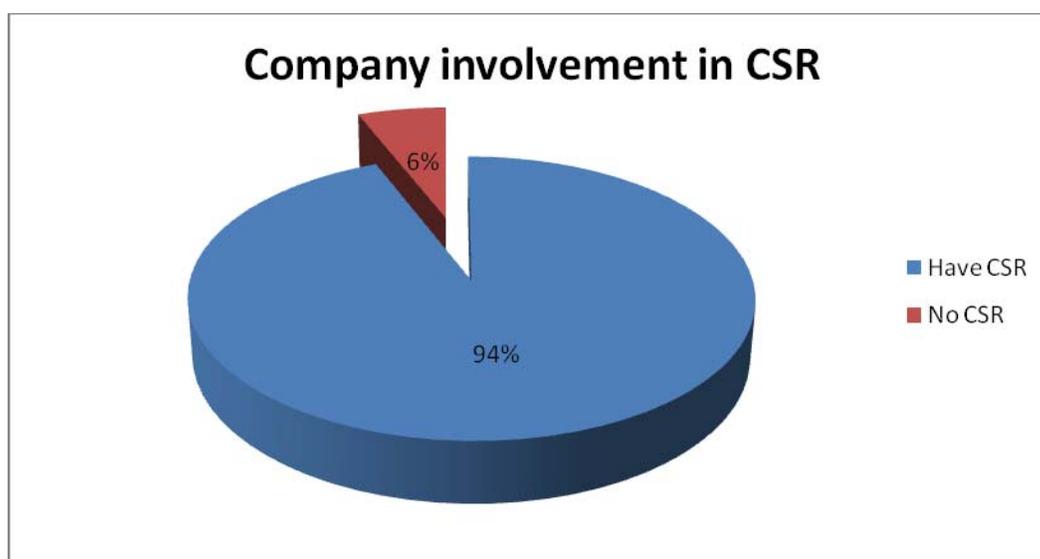
Operational definition of CSR

Several definitions have been given to define the concept of CSR. For purposes of this study, CSR has been used to refer to any voluntary effort by a company to make a financial or non financial investment to the community, their customers, supply chain, employees, and other stakeholders as well as the environment beyond the statutory obligations therein aimed to improve their quality of life. This is irrespective of the amount of money invested and the lifespan of the investment.

IV. FINDINGS

General CSR

- **Corporate social responsibility in Uganda is gaining traction.** Results from the study showed that nearly all companies are involved in CSR activities through one way or another. From the quantitative section of the study, up to 94% of the companies visited reported that they are involved in CSR activities. This is illustrated in the chart below.



- **Most companies' CSR investments are in the area of health, OVC care and support and education.** Eighty five percent of the companies reported that they had offered support under CSR to support orphans, 60% had given support to different community health programs, 55% offer support in education, while others give other forms of support including environmental protection and responding to urgent needs from the community. This is further illustrated in the table below.



Areas of CSR investments	%
Orphans and vulnerable children	85
Community health interventions	60
Education	55
Environmental protection	24
Other community requests	48

- **One Time Donation is the most common approach to CSR (community giving).** Of the 94% of companies surveyed reporting CSR activities, only 15% have on-going OVC care and support programs. Most companies provide one time donations such as food, clothes, mattresses, bed-nets, schools supplies, scholarships, and medicines to NGOs and CBOs that request assistance.
- **CSR Investments lack policies and budgets.** Nearly 80% of the Ugandan companies that were surveyed lack written policy, guidelines, and budgets to guide investments in CSR. Only 16% companies stated that they have a business plan to give part of their profits to the community. This was found in companies including Nile Breweries, Tullow Oil, Tororo Cement, Kakira, KCCL and Kinyara sugar company Ltd. One company manager stated that: *'for us, we have a business plan to give up to 5% of our profit to the community. Every year we spend over Ushs 20 Million in CSR activities and this budget is not tampered with'*.
- **Companies respond to needs in the community** through CSR activities, not because they want to benefit from it but simply because there is need and somebody must support it. Companies reported that most of the resources donated through CSR have been in response to the need arising in the community and they are approached by members of the community for support. One company Director reported that *'when we were approached by the mosque, they did not have access to clean water and we decided to go and protect the water source in the village'*. Another reported that *'we had an advert of a child who needed to travel to India for heart surgery in the news paper and we decided that it was good to save this life and we provided for the costs'*. Other companies stated, *'It is our way of saying thank you to the community'* argued some company managers.
- **Companies invest in health amenities and social infrastructure in their surrounding community.** Many companies acknowledge that the communities in which they operate are very poor and lack social and health services that are typically provided by the government. To bridge the gap they invest in the provision of medicine, opening the company clinic to the public at subsidized rates, admission of community children to company schools, provision of scholarships to community children and others. The majority of the companies for example noted that they provided some support to the people in the North and Teso region as a response to the devastation caused by floods in 2007.
- **Companies respond to requests from credible civil society organizations and community initiatives.** When approached by various civil society organizations and community groups, companies evaluate their requests and take action to support based on the benefit of the action to the community. This explains why several orphanages and CSOs such as the Uganda Red Cross Society, and other community based organization are the majority of avenues through which companies offer CSR. To these companies they are motivated by the change caused by such interventions even though they may not have any benefit to the company. *'In most cases we are approached by NGOs with a need that they want us to help in. We evaluate whether we can get the money and then we give support'* said one company manager.

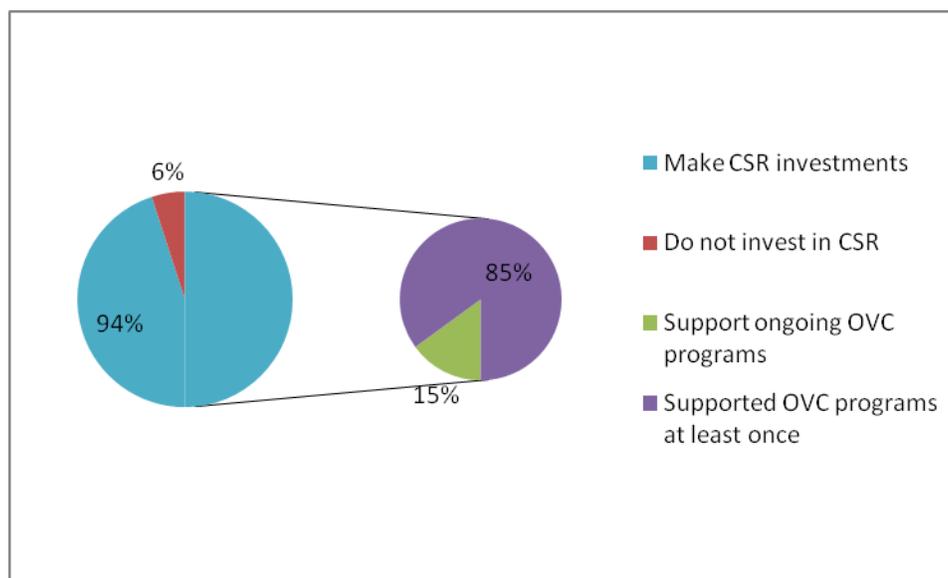


- **Many companies perceive CSR as a way to market their product and enhance company image.** These companies often gave more in kind (the product that they produce) rather than in cash. As one Company Executive stated, *'to keep upbeat in the market, the companies compete to win approval in the community. That company that the community perceives as their friend is likely to take the larger part of the market share. So in this competitive world, you need to use all avenues to stay on top of the market. CSR is one such a way.'* Another company's Senior Manager stated *'We also want to build our image as responsible company to the country.'*

COMPANY REASONS FOR NON INVOLVEMENT IN CSR

- **Budgetary constraints and lack of management will toward CSR were noted as obstacles to CSR.** From the entire study, only 3 companies reported that they do not engage in any CSR activity. Responses revealed that these companies did not see the financial benefit of engaging in CSR. *'We are in milk production and our aim is to make profit! I don't see how CSR is going to help us make more money so we don't do it'* was the response of a director of a dairy producing farm. *'We have a limited budget'* was the response of another.
- **Lack of guidance and advice on best CSR investments limited companies from engaging in CSR.** Some companies reported that they did not know where to spend their money in CSR and impressions that most of the organizations that come seeking for funding are not genuine. The lack of information on what they can do in CSR and the mistrust of CBOs was blamed for their non involvement in CSR.

Company Involvement in OVC Care and Support



- **OVC programs are significant recipients of Corporate CSR investments.** Of the 94% of companies surveyed reporting CSR activities, 85% of these Uganda companies have supported OVC activities
- **One Time Donation is the most common approach to OVC support.** Most companies provide one time donations such as food, clothes, mattresses, bed-nets, schools supplies, scholarships, and medicines to NGOs and CBOs that request assistance. Unfortunately, often these donations are given in ways that single out OVC and contribute to stigmatization. Only 15% have on-going OVC care



and support programs. Even companies with clearly mapped out OVC care and support programs are not comprehensive in nature due to limited resources.

- **Companies offer support to OVC through NGOs, CBOs and community groups.** Results showed that companies prefer to support OVC programs through already existing community groups, CBOs, babies' homes and NGOs. Examples of beneficiaries from company support included Kakira Out-growers Rural Development organization (KORD), Sanyu Babies' home, and the Red Cross Society among others. The initiative for these activities is coming from the community groups/ CBOs/ NGOs who make a request to company management.
- **Company OVC care and support activities are not comprehensive and not coordinated.** Funding is often given by one company to a number of organizations, which results in small less impacting interventions rather than consolidated resources to support comprehensive programs. Companies offer money for a variety of uncoordinated activities including but not limited to: sponsorship of students in school, provision of food and non food items to orphanages, provision of school materials such as desks and construction of school structures. Company OVC services are also not well coordinated with district OVC plans. Noteworthy also is that very few companies conduct monitoring and evaluation of their investments and are therefore unable to track the effect of their contributions.

GAPS AND OBSTACLES IN COMPANIES' INVOLVEMENT IN OVC CARE AND SUPPORT

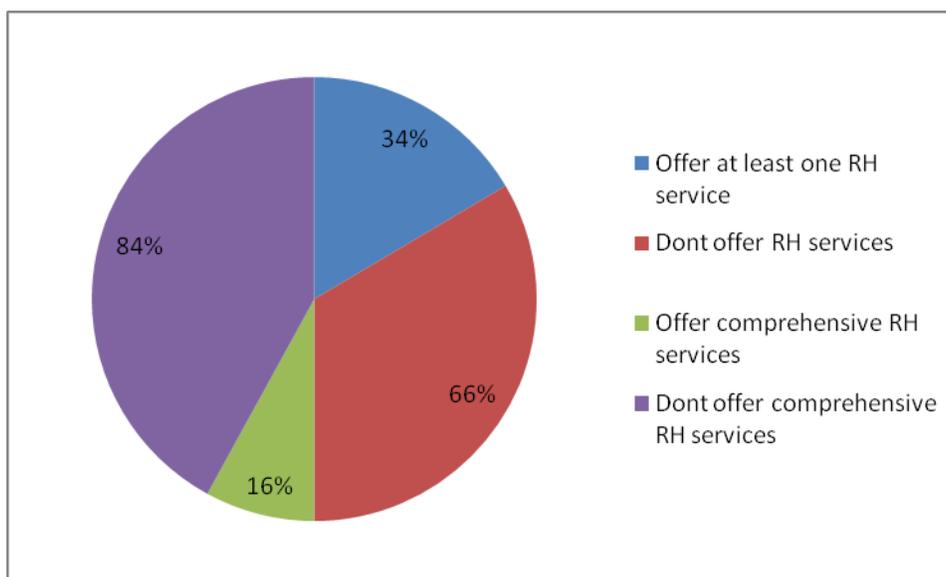
- **Companies did not have policies or guidelines to govern their CSR activities including OVC and reproductive health.** Among the companies that have some CSR activities, less than a fifth (20%) had a policy or guidelines in place to manage their CSR activities. When asked what procedure is taken to implement company CSR activities, all those who did not have policy argued that it is managed on a case by case scenario by the executive director. They reported that they respond to needs brought to their attention by different members of the community and those that the director approves are executed. The lack of policy and guidelines remains a huge obstacle to implementation of comprehensive OVC care and support services in companies.
- **CSR is not given priority while budgeting for company resources.** The survey revealed that the majority of the companies do not prioritize CSR activities. At least 80% of the companies did not have budgets set aside each financial year for CSR interventions but rather operated in reaction to the need from the community. Lack of prioritization and budgeting results in uncoordinated low impact OVC care and support interventions.
- **Companies take a hands off approach to their CSR investments.** The majority of companies do not engage in investigating the problem, management of the intervention and ensuring that good accountability is provided for the funds they have contributed. The company's role often stops at issuing the grant to support the OVC intervention with little to no follow up. This leaves those managing the fund to sometimes abuse it and many companies have lost confidence in giving to these organizations. This reduces the resources that companies allocate to OVC care and support. Only 4 companies had specialized staff hired to manage CSR interventions and coordinate such activities and budgets to ensure proper accountability and delivery of services.

Company Involvement in Reproductive Health Service Delivery

- **One third (34%) of the companies offer Reproductive Health services.** These services range from family planning services, antenatal care, PMTCT services, and referral. These services are mainly offered to members of staff and immediate family members at a company clinic. A few others however had these services offered also to members of the community at a subsidized cost. This is shown in the graph below.



Company Involvement in RH Service Delivery



- **When RH services are provided it is most commonly through the company clinic.** Those that do not have company clinics were less likely to provide any RH services (with the exception of condom distribution). It should however be noted that companies with insurance schemes also offered some RH services to their employees and dependants through the insurance scheme.
- **The most commonly offered RH services provided by companies RH/FP education, counseling and contraceptives.** Results showed that most companies mainly offered family planning products, counseling and referral. Those companies which had peer educators trained also endeavored to provide FP information and referral through peer educators. Least among the services offered were delivery, PMTCT, IPT and postnatal care.
- **A few companies offer comprehensive RH services.** Among those visited, only 16% offered a variety of services to include health education referral services, voluntary counseling and testing, distribution of condoms and distribution of family planning pills and other methods of family planning, antenatal care and PMTCT.

GAPS AND OBSTACLES IN COMPANY INVOLVEMENT IN REPRODUCTIVE HEALTH

The study found three main gaps in provision of RH services.

- **There is a lack of involvement of companies in RH service delivery.** These services are viewed by companies as mainstream medical practice that does not involve them. There is an inability to see the role of a company in RH service delivery as private for profit companies which do not engage in health service delivery.
- **The company management does not see the necessity of initiating RH service delivery as a CSR investment.** Such interventions are not easily bought as marketing strategies by senior management was the statement from many respondents.
- **Companies without a company clinic were less likely to offer any RH services for their employees.** It is much more difficult for a company to provide RH services to employees if they do not have the facilities on-site.



Company 'Good' practices

A number of practices were observed as good practices from the survey. These included the following.

1. Companies need to develop policies and guidelines to make more strategic and impactful investments in OVC and RH.
2. Companies need to make annual budgetary allocations to support OVC and RH investments and provide staff to manage and monitor these investments
3. Companies should develop systems for vetting proposals from NGOs, CBOs and other community groups seeking funding.
4. Companies supporting OVC programs should endeavor to link their programs to existing district OVC structures for better coordination and high impact while those offering RH services need to link up with the DHS for coordination, supervision and integration purposes.
5. In implementing OVC and RH programs, companies should opt to implement long term programs for sustainable health impact, as opposed to giving handouts for short term gains.

CONCLUSION AND RECOMMENDATIONS

From the results of the study, it is recommended that companies adopt the company good practices in implementing OVC and RH programs.

For UMA and HIPS, there are strategies that can be learnt in encouraging companies make investments in OVC and RH. These have been highlighted below.

1. **HIPS/UMA to be a CSR investment advisor.** Whereas most companies are doing some bit of CSR, many may not have a clear focus on where to make their CSR investment. HIPS/UMA could offer the necessary technical advice on CSR investments
2. **HIPS/UMA could provide capacity to companies in management of CSR health programs.** HIPS/UMA could assist their member companies to develop CSR good practices and put in place systems to manage and monitor their CSR investments.
3. **HIPS/UMA could attempt to broker partnerships between companies and CBOs** operating in their communities to ensure stronger accountability and program management for CSR resources invested by the company.
4. **HIPS/UMA could advise companies on the benefits of providing RH services,** particularly for those companies with significant female employees.