

DEVELOPING A CSR STRATEGY IN THE NATURAL RESOURCE SECTOR IN GHANA



INTERNATIONAL STUDIES, SUBJECT

AARHUS UNIVERSITY

9 OCTOBER 2018

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INTRODUCTION

- The concept of CSR and its problems
- The state of CSR in Ghana's non-renewable extractive industries (Mining, Oil and Gas)
- Identifiable gaps in the sector



THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY

“Corporate Social Responsibility (CSR) is a framework for formulating and implementing the expanded roles and responsibilities of the corporate sector to include incorporation of the expectations and needs of a wider community in the business model.” (UNECA and AU, 2010, p. 128).



CSR FRAMEWORK! WHAT FRAMEWORK?

Table 6.1. Role and relationship of internationally recognised norms, government-recognised guidance, and privately-developed principles relevant to CSR

Instrument and Role	Examples
<p>International Conventions and Declarations.</p> <ul style="list-style-type: none"> • Reflect agreed international normative principles. Directed mainly to government for domestic implementation. These can help business understand <i>what</i> to do. 	<p>Universal Declaration of Human Rights. UN Framework Convention on Climate Change. ILO Conventions. ILO Declaration on Fundamental Principles and Rights at Work. UN Millennium Development Goals. World Summit on Sustainable Development Plan of Implementation. OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions.</p>
<p>Officially-agreed or recognised guidance.</p> <ul style="list-style-type: none"> • Offer authoritative guidance to the business sector on expectations of behaviour. Also help understand <i>what</i> to do, and sometimes also <i>how</i>. 	<p>ILO MNE Declaration. OECD MNE Guidelines. UN Global Compact Principles. International Finance Corporation Performance Standards. Extractive Industries Transparency Initiative (EITI) Principles.</p>
<p>Privately developed principles.</p> <ul style="list-style-type: none"> • Offer business/civil society developed guidance on expectations of behaviour. These sometimes also provide guidance on <i>how</i> to implement such standards. These may or may not be derived from international norms. 	<p>ISO standards (<i>e.g.</i> 14000 series). GRI Sustainability Reporting Guidelines. Responsible Care Guidelines. ICMM Sustainable Development Principles. Electronic Industry Code of Conduct.</p>



Incorporated			
Efic	03-Mar-09	Australia	Oceania
Eksport Kredit Fonden	14-May-04	Denmark	Europe
Ex-Im Bank	31-Mar-11	USA	North America
Export Credit Norway	27-Jun-14	Norway	Europe
Export Development Canada	25-Oct-07	Canada	North America
Fidelity Bank Plc	01-Nov-12	Nigeria	Africa
First Abu Dhabi Bank (FAB)	20-Sep-15	United Arab Emirates	Middle East
FirstRand Limited	13-Jul-09	South Africa	Africa
FMO (Netherlands Development Finance Company)	19-Oct-05	The Netherlands	Europe
Green Investment Group Limited	02-Dec-13	UK	Europe
HSBC Holdings plc	04-Sep-03	UK	Europe
IDFC Bank	03-Jun-13	India	Asia
Industrial Bank Co., Ltd	31-Oct-08	China	Asia
ING Bank N.V.	23-Jun-03	The Netherlands	Europe
Instituto de Crédito Oficial (ICO)	26-Oct-16	Spain	Europe
Intesa Sanpaolo SpA	04-Aug-06	Italy	Europe
Itaú Unibanco S.A.	12-Aug-04	Brazil	Latin Ame



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Privately developed principles

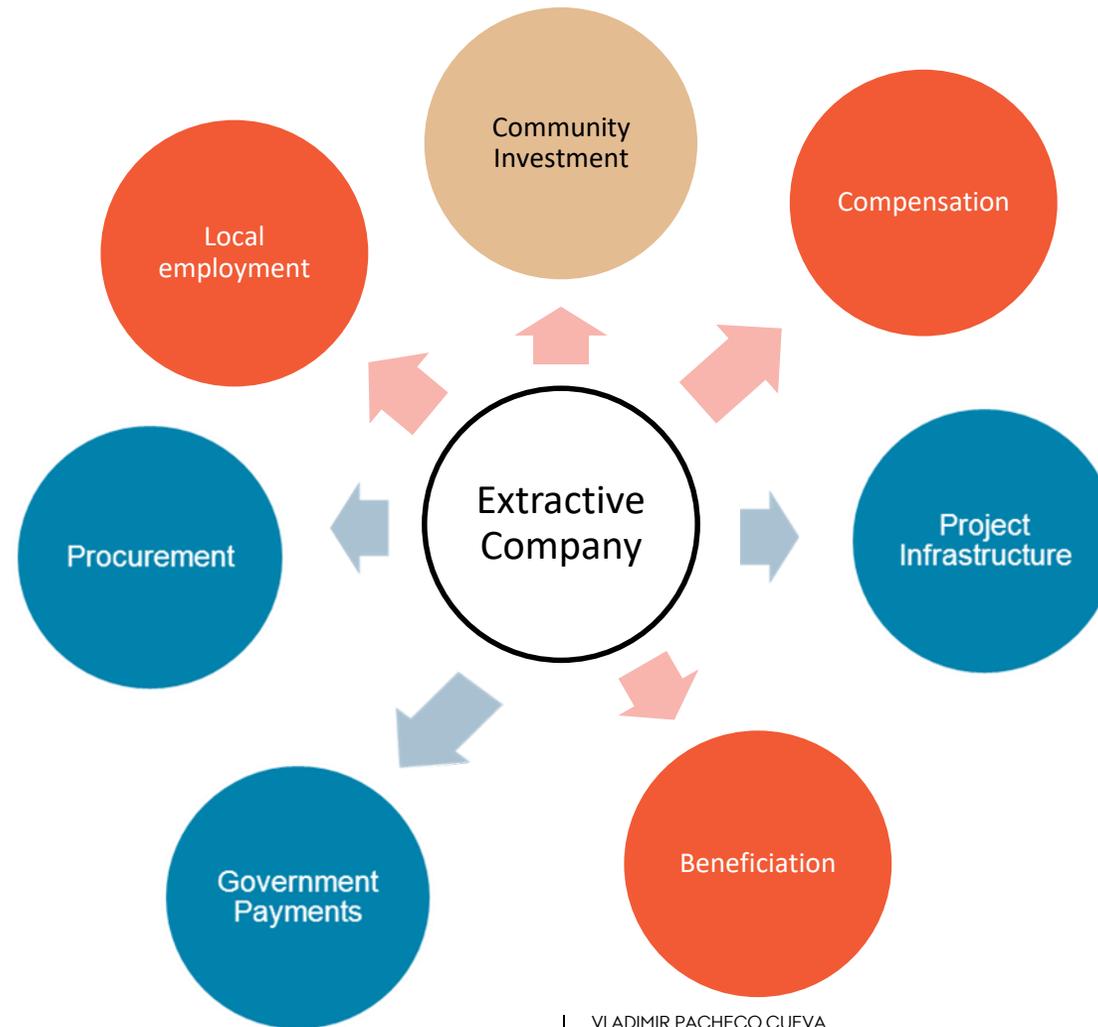


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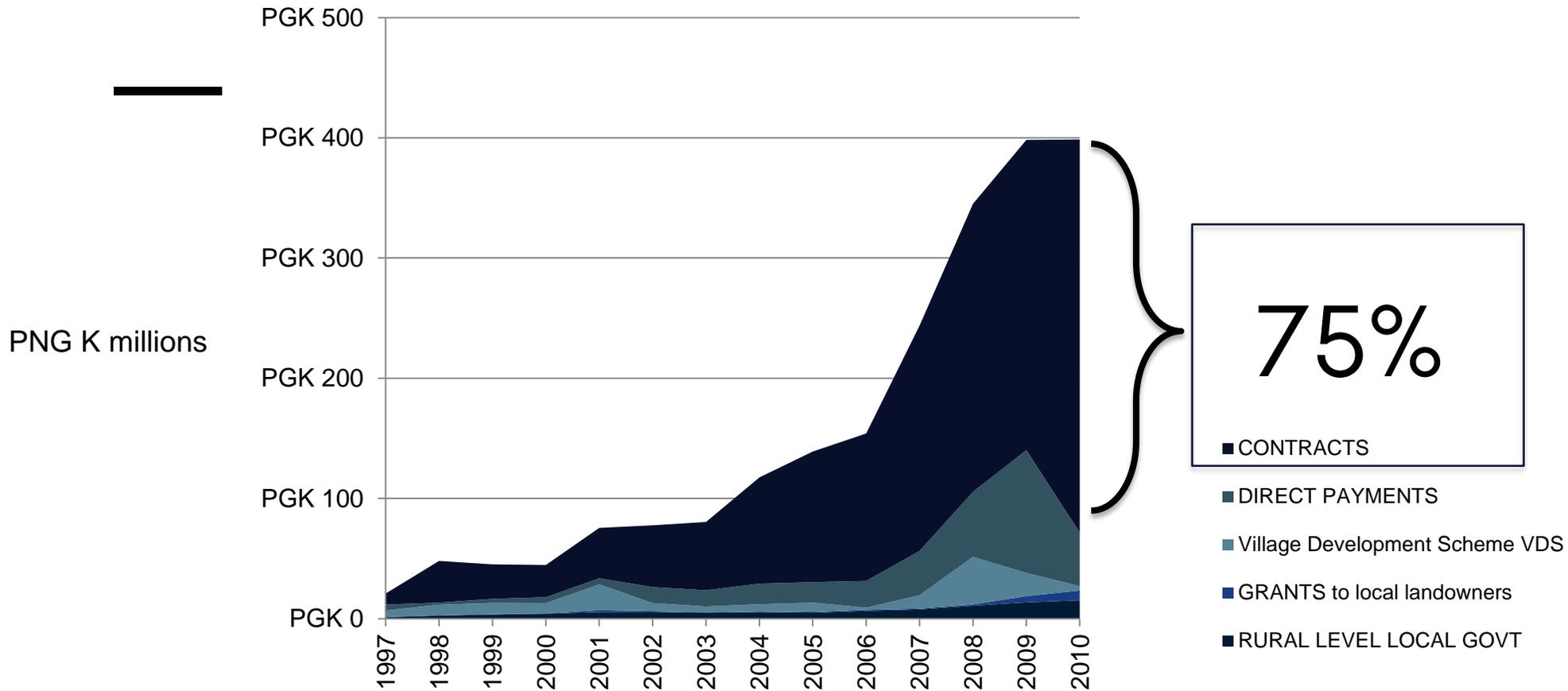
CSR impacts of extractive industries



(Adapted from IFC, 2010)



Impacts of mining company on local economy in PNG



Source: https://gecamin.com/srmining/2011/presentaciones/s14/vladimir_pacheco.pdf



CSR PROBLEMS

- Not aligned to broader development efforts
- Firm, not industry based
- Short term focus
- Mono-sectoral approach
- Externally driven

From Google Chrome



THE STAR

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The community centre in Awaso was built by Rio Tinto Alcan as part of a corporate social responsibility project. But more than two years after it was slated to open, it remains shuttered. (MARCO CHOWN OVED/TORONTO STAR)

Source: https://www.thestar.com/news/world/2014/12/08/ghana_canadian_aid_project_goes_off_the_rails_1.html



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THE STATE OF CSR IN GHANA'S NON-RENEWABLE EXTRACTIVE INDUSTRIES (MINING, OIL AND GAS)

- Commercial production of oil and gas in 2007 led to improved regulation.
- Lively public debate on how to improve extractive sector transparency has occurred ever since.
- Ghana is a member of EITI
- Many oil and gas companies operating in Ghana are members of IPIECA.
- Despite overall adherence to transparency mechanisms, firm level responses are uneven.



The screenshot shows the News Ghana website interface. At the top, there is a navigation bar with the temperature (27.6°C Accra), date (Tuesday, October 9, 2018), and links for Sign in / Join, Archives, About Ghana, Forums, and Contact Us. Below this is the News Ghana logo and a main menu with categories: HOME, NEWS, SPORTS, BUSINESS, ENTERTAINMENT, EDITORS' PICK, MORE, and JOBS. The article title is "Ghana's oil and gas industry may be exposed to international ridicule-ACEP" under the "Investments" category. The byline reads "By News Ghana - Apr 21, 2014" with 126 views. There is a "Like 0" button and a row of social media sharing icons (Facebook, Twitter, Google+, Pinterest, LinkedIn, Reddit, Email, Print, Digg). The main image shows an offshore oil rig in the ocean. On the right side, there is a "BREAKING NEWS" section with several news snippets, including "What is going on in Idlib hornet's nest?" and "Malab (Aleppo)".

Source: <https://www.newsghana.com.gh/ghanas-oil-gas-industry-may-exposed-international-ridicule-acep/>



IDENTIFIABLE CSR GAPS IN THE SECTOR

Research proposal to analyse:

- Why some companies are more willing to disclose information than others.
- The role of the Ghana Chamber of Oil and Gas (GCOG) and the Ghana Chamber of Mines (GCM) in increasing their members' capacities when it comes to transparency.

Research team:

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Fiona Martin

African Centre for Energy Policy (ACEP)



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DEVEX IMPACT | PRIVATE SECTOR ENGAGEMENT

A look at local content rules and the case of Ghana

By *Naki B. Mendoza* // 09 March 2016



Workers at an oil platform in Ghana speak to then Norwegian minister for environment Erik Solheim. The African country has approved lofty regulations in 2013 that will eventually require up to 90 percent of goods and services tied to oil industry deals to be sourced locally by 2020. Photo by: Norwegian Foreign Affairs Ministry / CC BY-ND

Source: <https://www.devex.com/news/a-look-at-local-content-rules-and-the-case-of-ghana-87841>



RECOMMENDED FOR YOU

- 1 Long Story Short #30: The new US development finance institution,

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