

An analysis of what is known about Mining Industry Health Programmes

Key findings – updated April 2012



Introduction

The Mining Health Initiative is looking at how the mining industry can contribute to better health services for people in low income countries.

A key first step has been to conduct a review of existing literature about workplace health programmes in the industry.

The Literature Review considered the nature and effectiveness of health-focussed partnerships between the mining industry and the public sector, and has informed the development of a framework for a more in-depth analysis of those partnerships.

These key findings summarise the work undertaken by the Institute for Development Studies for the Mining Health Initiative.

The full Literature Review and Analytic Framework are available to view at www.mininghealth.org.

Overview

The review looks at sub-Saharan Africa, a region where the mining industry can account for up to one third of some countries' Gross Domestic Product (GDP).

A number of mining health partnerships here were identified, led by companies such as Anglo American, AngloGold, Newmont and Rio Tinto.

These partnerships differed in nature, from the services provided, scope of beneficiaries and the terms of the partnership. A key factor, however, was that in addition to serving the company's employees and their dependents, the majority of partnerships provided their services to the wider communities too.

This was primarily because the majority of health programmes are disease-specific and communities play a key role in the transmission of disease. It is also related to corporate social responsibility and gaining community buy-in.

Mining health partnerships involve collaboration with the public sector and have a direct link with national health policy and are therefore distinguished from occupational health or workplace safety programmes, which do not.

Services

Mining health partnerships provide a range of service packages. These may include focussing on one or more specific diseases, such as TB, malaria or HIV/AIDS, or they might offer a comprehensive package of health services focussing on conditions related to water, sanitation and nutrition.

The number of partnerships offering comprehensive health services, however, is limited and health programmes that cover more than traditional occupational health issues, are often in response to the prevalence of specific diseases in those areas.

For example, in malaria-affected areas, programmes that provide preventative and treatment services may not only be cost-effective but may also be necessary to maintain company operations.

Similarly, where HIV prevalence is high, companies may need to offer prevention and treatment to minimise any impact on their staff through sick leave or clinic visits, which in turn can affect company performance.

Company examples:

- In Sierra Leone, the Sierra Rutile partnership provides services for HIV and AIDS. In Ghana, the Newmont partnership covers malaria as well.
- In South Africa, the Anglo Gold partnership covers HIV and AIDS along with TB, two conditions that are interlinked through co-infection.
- Also in South Africa, the Anglo American partnership provides a comprehensive healthcare programme to 70,000 people in 21 villages.

Beneficiaries

Mining health partnerships target three distinct but related groups of beneficiaries: employees, their dependents and the immediate or wider community.

Most mining companies recognise the benefits of offering health services beyond their immediate employees, taking into account the role that families and the wider community play in the transmission of infectious diseases such as TB and malaria.

It is also true for malaria in particular, that programmes combating the disease only yield significant results where wider geographical areas are covered.

Company examples:

- In West Africa, Anglo Gold recognises malaria as 'the most significant public health threat' to its operations. As 20 per cent of its employees were found to be absent due to malaria at any one time, Anglo Gold set up a health partnership focussing on combating the disease. This programme covered 35,000 dwellings in the Obuasi Municipal Assembly community in Ghana and managed to reduce malaria incidence by 73 per cent in two years.
- In Tanzania, Barrick Gold and Anglo American have set up a partnership working with female bar and restaurant workers, as well as sex workers in the mining areas. As the majority of mining staff are male and migrant labourers, these vulnerable women play an important role in the spread of disease and would not be reached in an employee and family-only health programme.

Structure

Relatively little is known about the make-up of mining health programmes, whether this is the composition, structure, contractual arrangements or contributions of each partner, and it is clear that partnership approaches vary.

Some partnerships include mining companies and government institutions only, while others may include non-governmental organisations (NGOs), multilateral or UN agencies, trade unions or research institutes.

It is worth noting that the partnerships that provide comprehensive health services were initiated by NGOs, but are managed and financed by mining companies.

Company examples:

- In Tanzania, Barrick Gold and Anglo American are part of a partnership with the African Medical Research Foundation (AMREF) that also includes other NGOs as well as district government health authorities. The programme offers a number of services, such as health education, basic medical care, family planning and also includes a water and sanitation component.
- In South Africa, Anglo American partners with the government, Virgin Unite and PEPFAR (President's Emergency Plan for Aids Relief) to offer comprehensive health services to its employees' home communities.

Cost to the patient

Health services offered through mining partnerships may be provided at full-cost, at reduced rates or free at the point of access.

Distinction is often made between employees and other community members, and while limited information is available on costs to the patient, it would appear that services for employees and their dependants are mostly provided free-of-charge while services to other community members are provided at varying levels of cost.

Company examples:

- In South Africa, Anglo American provides free diagnosis and treatment services for TB, malaria and HIV/AIDS, while basic health services are provided at full cost.
- Also in South Africa, a Rio Tinto programme subsidises anti-retroviral treatment for HIV and AIDS at 50 per cent for both employees and other community members.

Stakeholder benefits

The following key stakeholders can benefit from mining health partnerships:

Mining companies

Companies appear to obtain financial net benefits from investing in health partnerships. This is due to lower recruitment costs, increased productivity and lower absenteeism. Companies can also benefit from enhanced reputation, lower operational risk and higher leverage on social investments.

Health programmes also provide an excellent opportunity for mining companies to engage with governments which can help facilitate business success in the long term.

Employees, their dependants and communities

This group benefits from improved access to health services and higher quality of care compared to public facilities. This can result in slower rates of infection of TB, malaria, HIV and other sexually-transmitted diseases. Services also appear to reach highly vulnerable community members, such as sex workers.

Some communities can also benefit from increased economic prospects through job creation and infrastructure which can attract further private investment.

Governments

Local, regional and national governments benefit from mining's contribution to quality healthcare for communities. This is particularly true where programmes have been put in place to combat infectious diseases such as TB, malaria and HIV/AIDS. By contributing to infrastructure and drug supplies, mining partnerships can assist in building the capacity of health resources and strengthening the national health system.

Measuring costs and benefits

The International Finance Corporation has recently developed the Financial Valuation Tool which helps companies assess financial value from sustainability investments, such as investments in health.

Company examples:

- In Ghana, Newmont found that its investments in employee health at its gold mining operation lowered malaria incidence by 44 per cent within one year, and new sexually-transmitted infections decreased by 50 per cent.

This resulted in savings due to lower absenteeism and reduced healthcare costs. Newmont's sustainability investments also assisted in improving the company's reputation and created trust among communities, which helped to facilitate land access and led to decreased security costs.

Scalability

There are models of existing mining partnerships that are scaleable and transferable, and mining companies have replicated programmes in additional sites with little difficulty. They also often benefit from the trust built up at the first site, which can be useful when negotiating a second or multiple areas.

The role of national governments and NGOs is important in scaling up the programme when targeted at wider communities.

Challenges

The following risks and challenges may be key:

Brain drain: Health partnerships can attract considerable levels of funding which may act as an incentive for individuals to leave their jobs in the government sector. This can weaken public health resources and reduce government capacity to respond to health challenges. To address this issue, the training of additional public health staff should be considered.

Community consultation: There appears to be a lack of sufficient consultation with communities during health programme design and development. This needs to be developed and local stakeholders should be engaged before programme implementation.

Economies of scale: Economies of scale do matter, and the cost-benefit of investing in employee and community health programmes is often a sound economic decision for larger-scale mining companies. In smaller companies, the size of the company and the high costs per employee play a role.

Organisational culture: Different working cultures are observed when private and public sector organisations work together. Managing these to ensure both are equal partners in the process requires commitment, adequate time provision, strategic and technical insight and high-quality communication.

The full Literature Review is available to download at www.mininghealth.org



Conclusions and next steps

Mining health partnerships can offer benefits to mining companies through a healthier workforce, improved stakeholder relationships and financial payoffs. Importantly, the partnerships work for communities and government by improving access to, and the quality of healthcare.

There is a need for more and better evidence about what works well, particularly looking at costs and benefits.

The Mining Health Initiative will consider the following issues over the course of 2012:

- the structure of successful partnerships
- how mining companies engage with the public sector
- which factors assist or limit the programme's ability to grow and be replicated
- the costs, benefits and effectiveness of disease-specific programmes compared with those that offer comprehensive health services
- the role of government policy and regulation.

The Initiative will work with all stakeholders to build consensus and to identify models and structures for successful mining health programming that provide good value for money and high impact.

The Mining Health Initiative is undertaken by Health Partners International and Montrose International, in partnership with the Institute of Development Studies and the International Business Leaders Forum.

The Initiative is funded by DFID and the World Bank International Finance Corporation, under the aegis of HANSHEP, a group of development agencies and countries established by its members in 2010 with the aim of seeking to work with the non-state sector in delivering better healthcare to the poor. Current HANSHEP members include the Rockefeller Foundation, Bill & Melinda Gates Foundation, AusAID, DFID, IFC, KfW, USAID, the World Bank and the Government of Rwanda. For more, information go to: www.hanshep.org

The Mining Health Initiative is keen to engage with industry, state actors, civil society and other stakeholders.

For additional information please go to: www.mininghealth.org

Contact

**DR JEFFREY W. MECASKEY,
CHAIR OF STEERING COMMITTEE
MINING HEALTH INITIATIVE**

Health Partners International
Waterside Centre, North Street,
Lewes, East Sussex, BN7 2PE,
United Kingdom

E: info@healthpartners-int.co.uk

T +44 (0) 1273 477474

W: www.healthpartners-int.co.uk

**DR GRAHAM ROOT,
PROJECT DIRECTOR
MINING HEALTH INITIATIVE**

Montrose International
PO Box 11161, Plot 31B,
Bukoto Crescent,
Naguru, Kampala, Uganda

E: graham@montroseafrica.com

T: +256 (0) 772 765 680

W: www.montroseint.com