IRS Basics: How and Why Your Company Should Implement an IRS Program

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Global Operations

- AngloGold Ashanti is a global gold producer headquartered in Johannesburg, South Africa. It operates in 22 countries on four continents including Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, South Africa, Tanzania and the United States.
  - With exploration in Alaska, China, Malaysia, Philippines & Laos

- In Ghana, AngloGold Ashanti is based in Obuasi and Iduapriem in the Ashanti Region and Western Regions respectively.
“We can use this reservoir of expertise for the benefit of all the people of Ghana not only the communities in which AGA operates”
AngloGold Ashanti feel very strongly about Corporate Social Responsibility and believe that local community involvement & development is a key issue to sustainable operations

- We should be involved and initiate social & environmental projects in the communities in which we operate

Extract from AGA mission:
“...strive to form partnership with host community, sharing their environment, traditions and values, we want communities to be better off for AngloGold Ashanti having been there”

- Sustainable footprints for the benefit of future generations
To quote from the AGA Report to Society 2004

“... Malaria remains the most significant Public Health threat to AngloGold Ashanti operations in Ghana, Mali, Guinea and Tanzania..”

- The need for an overall Group Malaria Strategy
HISTORICAL PERSPECTIVE

Where We Began

In 2005, the main hospital for the Obuasi mine (Edwin Cade Hospital) saw on average 6,800 malaria patients per month of a workforce of 8000

- Of these 2500 were mine employees.
  - With an average of three days off per patient it equates to 7500 man shifts lost per month
    - Represents 31.25% of the workforce

- This, coupled with the slow work rate during recuperation, resulted in major loss in production
  - Increased severity rates – *index measurement*
HISTORICAL PERSPECTIVE

Where We Began

- Reduction in household income due to treatment cost
  - Culminating in less disposable household income
- Costs of medication for treatment was in excess of USD $55,500.00 p/m

Government Hospital and Health Facilities in Obuasi

- 12009 cases per month
- 48% of all cases seen at Obuasi hospitals / Clinics
- Heads the top 10 killers – 22% of all deaths
Rationale for Malaria Programme Establishment

It became categorically clear that AngloGold Ashanti would need to develop a comprehensive malaria control program.

- In 2005, the company therefore initiated a comprehensive malaria control programme within the Obuasi Municipality
  - Initial annual budget of over US$1.5million

- In addition to benefiting the people, the reduction of malaria case in our community and mine workforce, makes good economic sense
  - And the lessons learnt will be used to initiate similar programs in our other operations
AIM OF SETTING UP THE MALARIA CONTROL PROGRAM

– Reducing the malaria burden among our mineworkers by 50% within a period of two years

Approach to Achieving the Aim:
Implement a complete Integrated Malaria Control Programme
Encompassing the mine, town & villages

IRS | Targeted Larviciding | ITN Distribution | BCC, IEC, Social Mobilization Initiatives | Environmental Management

Initial Cost : USD $ 1.7 million
Thereafter : USD $ 1.6 million per year
Collaboration with the National Malaria Control Programme (NMCP)

**Partnership**

- The Ministry of Health & GHS has declared support for AGA
- The NMCP and AGAMal are active partners
- The NMCP pledged full support and the involvement of their regional/district malaria programme officers and infrastructure
- The GHS offered the use of stores facilities at all levels where such facilities exist, and also played key roles in making in-road to the districts
WHY SHOULD A COMPANY GET INVOLVED IN IRS?

Is it Profitable? | Does It Make Business Sense to Shareholders? | How much do I get in Return?

- Return on Investment
  - Reduction in lost time due to absenteeism
  - Increased productive output
  - Healthy work force
**Indicates absolute value for July 2013, excluding two extra months in the quarter – from our forecast, it will drop at the end of Q3 2013**

Credit: Obuasi Malaria Control Programme
Incidence Rate of Malaria Cases recorded at the Edwin Cade Hospital, Obuasi (2005-2013)

Incidence Rate of Malaria Cases recorded at the Edwin Cade Hospital, Obuasi (2005-2013)

Incidence Rate (per 100 Employees)
No. of Malaria Cases seen at the Edwin Cade Hospital, Obuasi (2005-2013)

Cases

Pre Intervention

Intervention Period

Cases

2005 2006 2007 2008 2009 2010 2011 2012 2013

6711 6213 973 238

(2005-2013)
No. of Malaria Cases seen at the Edwin Cade Hospital, Obuasi (2005-2011)
No. of Malaria Cases seen at the Edwin Cade Hospital, Obuasi (2005-2012)
No. of Malaria Cases seen at the Edwin Cade Hospital, Obuasi (2005-2013)
No. of Malaria Cases seen at the Edwin Cade Hospital, Obuasi (2013)

Cases

J F M A M J J A S O N D

114 83 238

2013
No. of Malaria Cases seen at the Edwin Cade Hospital, Obuasi (2005)
Pre – Intervention Graph

Cases

J F M A M J J A S O N D

2005

6711
6601
6714
WHY SHOULD A COMPANY GET INVOLVED IN IRS?

Is it Profitable? | Does It Make Business Sense to Shareholders? | How much do I get in Return?

- Reduce cost of medication and treatment
  - Which makes them more productive – increase in work hours/employee
  - Access to disposable household income
WHY SHOULD A COMPANY GET INVOLVED IN IRS?

Is it Profitable? | Does It Make Business Sense to Shareholders? | How much do I get in Return?

- Win-Win for Company and Stakeholders
  - Protection for workers, dependents and host community

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<tr>
<th>Malaria Medication Cost</th>
<th>2005 - Average monthly cost</th>
<th>$ 55 000.00</th>
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<tr>
<td>Edwin Cade Hospital</td>
<td>2012 - Average monthly cost</td>
<td>510.00</td>
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<tr>
<th>Lost man days due to malaria</th>
<th>2005 - Average monthly</th>
<th>6983</th>
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<tr>
<td></td>
<td>2012 - Average monthly</td>
<td>90</td>
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Credit: Data and Figures sourced from AngloGold Ashanti Mine – HR Department, Medical Services, Department & Obuasi Malaria Control Programme
WHY SHOULD A COMPANY GET INVOLVED IN IRS?

Is it Profitable? | Does It Make Business Sense to Shareholders? | How much do I get in Return?

- Social License to Operate
  - Corporate social investment
    - Acceptability by host communities
    - Provision of Tax waivers – in some circumstances
    - Capacity building for the local communities
    - Transfer of knowledge, skill and expertise required for community development
    - Employment creation and empowerment
      - Reduction in social vices detriment to your company’s operations

- Saves vulnerable lives that hitherto would have being lost through a disease that is totally "Preventable, Curable and Easy to Manage"
  - There is no replacement for life and that alone is an excellent driver to get involved at your area of interest

Credit: Data and Figures sourced from AngloGold Ashanti Mine – HR Department, Medical Services, Department & Obuasi Malaria Control Programme
HOW DO YOU GET INVOLVED?

- Obtain Commitment from
  - Board of Directors – Highest level of engagement
  - Shareholders
    - Corporate commitment from the “top” is the most critical asset involved in any corporate entity making the “move” to undertake such an activity
    - Higher authorities need to be seen as the drivers of the initiative, and not just a PR activity that fades with time

- Identify sustainable sources of funding for the programme
  - Note that Malaria control is a programme rather than a project
    - The only end game or end point is when malaria incidence is zero and maintained to avoid any up-surge in cases over a period
HOW DO YOU GET INVOLVED?

- Data gathering
  - National strategic and policy documents
    - Historical perspectives
    - Existing efforts by established state and private institutions
  - Review and identify gaps
  - Develop action plans to mitigate gaps and strengthen systems at the local level whilst making input to the national strategy

- Stakeholder / Community Engagement Processes – “To facilitate stakeholder buy-ins”
  - Social mobilization initiatives
  - Identify stakeholders and engage them proactively
  - Government establishments
  - Research institutions
HOW DO YOU GET INVOLVED?

- Monitoring and Evaluation Plan**
  - Impact evaluation
    - Parasite prevalence (Pre & During and Post implementation)
    - Morbidity and Mortality measurement

- Entomological surveys
  - EIRs
  - Susceptibility to determine most appropriate insecticides for use prior to spraying
  - Resistance management
  - Quality controls

- “Don’t Invent the Wheel”
FUTURE PLANS

- AngloGold Ashanti as a PR since July, 2011 has been implementing the IRS component of the Global fund grant with the goal of covering 35 districts by 2015

  - Phase I completed with an excellent A1 rating by the Global Fund
    - A total of 17 districts successfully implemented
    - Provided protection for XXX households, xxxx population, and covered xxx sprayable structures
Phase II implementation started off in July 2013 - December 2015

- A total of 22 districts currently benefiting from the programme, scale up to 35 districts by the end of 2015 with at least 90% of all houses sprayed per community.

- Under this objective, 1,744,494; 4,463,575 and 5,831,083 structures will be sprayed in year three, four and five respectively;
  - 2,395,640; 6,137,898 and 8,021,911 people will be protected in year three, four and five respectively from the disease.
- Creation of approximately 4000 jobs at the local community level
  - Inclusive of middle level managers (MLMs) who will be running the programme at the zonal & district levels

  - Community Empowerment & Building stewardship
Surveillance Sites:

- A total of one hundred and five (105) sentinel sites is expected to be set up during the period, currently sixty-six (66) sentinel sites have been established (3 per district) for routine malaria morbidity data collection in addition to nine (9) sentinel districts for the monitoring of EIR parameters within the implementing districts.

No Rivals in Malaria Control, rather partnership building:

- Provide our expertise and experience in support of companies interested in making a real difference and contributing to the achievement of community goals and aspirations.
  - AGA have implemented similar programmes at their operations in Iduapriem (Ghana), Guinea, Mali, DR Congo and Tanzania.
  - In Ghana, we have realised that our experience and expertise should be used for the greater good of the Country.
MAJOR SUCCESS FACTOR

National Partnership (Public Private Partnership - PPP)

- AngloGold Ashanti’s programme is a partnership with Ghana Health Service, the National Malaria Control Programme (NMCP) and the local Obuasi Municipal Assembly coupled with the benevolent approval of the Ministry of Health

- A Private Sector Malaria Control Programme would be impossible without the support and consent of the National Government and NMCP – by the very nature of using Insecticides and involving the public, approval must be received from the Ministry of Health and also the Environmental Protection Agency

  - An important issue is that it must conform to the National Malaria Plan
Together against Malaria
THANK YOU

QUESTIONS, COMMENTS & CONTRIBUTION

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