

Beyond the Buzz

How aligned are Private sector's corporate social responsibility (CSR) and environmental, social, and governance (ESG) practices with the work of CSOs in Tanzania?



Partnerships for sustainable Civil Society Impact

What is the nature of CSR and ESG activities carried out by private sector companies?

What is the extent of CSO involvement in the CSR and ESG practices of private sector companies?

What are the companies' views regarding working with CSOs?

What modalities would enable them to effectively work with CSOs?

Climate change and looming environmental degradation are global yet daily local challenges with which both civil society and private sector grapple with. In doing so cooperates and mid-sized businesses work hard to strengthen their climate resilience and address mental health concerns among the workforce by deploying environmental, social and governance (ESG) strategies. In the same vein **global development support streams are drying out** and civil society finds itself at a crossroad in the need to increase sustainability and long-term resilience through mainly domestic fund mobilization and increasingly circular project and programming modals.

In this context the Foundation for Civil Society (FCS) conducted a assesment aim to **understand the intersection between Corporate Social Responsibility (CSR) and Environmental Social and Governance (ESG) Practices and their alignment with the work of Civil Society Organizations (CSOs).**

To gain a comprehensive understanding and emerge with actionable recommendations the assessment took a three-step approach, (i) desk review of literature on CSO and private sector collaboration across the globe as well as ESG report and media review of Tanzanian based DSE listed companies; (ii) key informant interviews with ESG experts, CSR and ESG responsible personnel at DSE listed and other mid-sized companies and (iii) analysis for action, to identify actionable recommendations to enable effective CSO and private sector collaboration.

Across the private sector general ESG awareness transpired; however, with only about 6 in 10 companies (61%) having complied with ESG reporting in 2023 and submitted reports indicating data gaps, beyond the financial reporting space it became evident that there is a lack of a streamlined ESG management and limitations to cooperates ability to report and implement ESG strategies and CSR matters.



i. What is the nature of CSR and ESG activities carried out by private sector companies?

The private sector carries out a wide range of ESG activities which cut across all three areas of environmental, social and governance. They are mainly structured around their business processes and commercial needs; hence they leverage existing frameworks such as OSHA, NEMC and TFRS to address these concerns internally.

On the other hand, CSR activities are understood as community outreach activities, which are overwhelmingly short-term in nature. Only a handful of companies have streamlined these activities in alignment to their ESG strategies to amplify impact. Most CSR work evolves around education, health and sanitation, community development, environmental sustainability and employee and consumer welfare but remain ones off actions and high in PR value, which poses a challenge in terms of their scalability, sustainability as well as long-term localized impacts.

ii. What is the extent of CSO involvement in the CSR and ESG practices of private sector companies?

To maximize their impact and with an appreciation for SDG 17 most private sector companies have a deep appreciation of collaboration for increased impact. In alignment with SDG 17, most cooperates are aware of the importance of partnership to maximize their impact they have made reasonable efforts to effectively engage partners for impact. However, only a few cooperates report collaborations with CSOs that are beyond ad hoc donations for events and quick support. Those that did manage to establish a more lasting partnership report great results in terms of the depth of impact, however, continue to struggle with scalability and streamlined working models.

Such challenges drive major corporations to collaborate with NGOs and international organizations, as they match their level of operational scrutiny as well as have a strong reputational benefit.

iii. What are the companies' views regarding working with CSOs?

Generally, cooperates see great value in working with CSOs. However, to effectively unlock that value alignment in terms of vision as well as operating modalities remains key. Further, most private sector players insist for CSOs to think more long term and propose genuine mutual partnerships which can build on each other's strength and are long term in nature.

As cooperates do not select their partners purely on inclusivity, but more so on their ability to deliver, CSOs are asked to up their game in their ability to demonstrate effective project management and sub herb communication of their impact story. Most of these hurdles can be effectively overcome if a scope of work is clearly defined, working modalities are established and adequate operational guidance on financial accountability as well as M&E reporting are put in place right from the start of the collaboration.

iv. What modalities would enable them to effectively work with CSOs?

It transpired repeatedly that the *"ability of CSOs to clearly communicate and showcase their previous achievements and write bankable proposals is limited"*. Hence, there is a need for CSOs to improve their ability to think like private sector, speak an ESG/CSR language and more so drive sustainable operating models that can support multi-year engagements.

In a nutshell CSOs are encouraged to be bold but should do so knowing their limitations and clearly propose ways to effectively mitigate any project implementation, reporting and impact risks, through i.e. CSO to CSO collaboration, CSO to NGO collaboration and pilot phases in project roll-out.

