



# THE INTERNATIONAL COCOA INITIATIVE

STRATEGY 2015 – 2020



# Table of Contents

*“Putting the future of  
children at the heart of  
cocoa sustainability”*

1. Executive Summary .....	01
2. Background .....	03
3. Strategic Landscape 2015 - 2020 .....	05
4. The Role For ICI .....	07
5. ICI's Vision .....	08
6. ICI's Mission 2015-2020 .....	08
7. ICI's Strategic Objectives 2015 – 2020 .....	08
▪ Strategic Objective 1 .....	08
▪ Strategic Objective 2 .....	08
▪ Strategic Objective 3 .....	09
8. ICI's Strategic Operating Model .....	12
9. The Sector Scale-Up Model .....	13
10. Targets and Indicators .....	15
11. Growth and Resourcing .....	17



# Executive Summary

In spite of an increase of efforts and some real progress made in recent years, child labour<sup>1</sup> is still a prevalent problem in the cocoa sector, and will remain a critical risk for the foreseeable future that needs to be responsibly managed.

Consolidating its own lessons and experiences from the last 12 years, and recognizing that the needs of the cocoa sector are changing (demanding an urgent acceleration and scale-up sustainability efforts) ICI is launching a refreshed and revised Strategy for 2015-2020 to ensure its continuing relevance and effectiveness in tackling child labour.

There is both a value-case (to improve child welfare) and a business-case (to ensure the viability of the cocoa economy) for keeping child rights, and the elimination of child labour, central to change processes in the cocoa sector. ICI, pursuing a refined, sector-specific mandate to address the needs of children in cocoa-growing communities<sup>2</sup>, has a central role to play in accelerating cocoa sustainability.

With an emerging model of good practice for child-centered community development and responsible supply chain management, ICI's work over the next 6 years must be predicated on leading a scale up of this model through its direct actions and through the influence it can bring to bear on the actions of others.

ICI will strive towards a vision of thriving cocoa-growing communities where children's rights are protected, respected and supported, and where child labour has been eliminated. ICI will work to improve the lives of children in cocoa-growing communities by supporting the acceleration and scale-up of child-centered community development and responsible supply-chain management throughout the cocoa-sector. ICI will aim to safeguard child rights and contribute to the elimination of child labour through innovation, the development, application and promotion of good practices, and the building of partnerships.

ICI's Strategic Objectives will ensure that:

- Cocoa-growing communities are more protective of children and their rights;
- The cocoa supply-chain manages the risk of child labour responsibly;
- Key stakeholders have improved awareness, knowledge, willingness and capacity to take appropriate and effective decisions that strengthen child protection and mitigate child labour in cocoa-growing communities.

ICI's direct action over the coming 6 years, supported by its core budget and by a realistically projected project budget, is expected to impact on 360 cocoa-growing communities. ICI will establish these as "reference" communities, where a three-year community development process will



deliver at least one child-protecting infrastructural improvement (e.g. a school block) and one service (e.g. a women's group income-generating activity), and will put in place a child labour monitoring and remediation system. Some of these communities will be established within member company sustainability programmes, with ICI working as a frontline mentor to achieve a demonstration / multiplier effect that will guide a scale-up of the model.

National capacity-building will be a central tenet of ICI's work, focusing on key strategic areas that drive shared responsibility, that enhance the enabling environment, and that maximize sustainability (e.g. coordination, training, smart financing).

ICI will increase the emphasis and investment it places on influencing various stakeholders. The ambition of its impact through the influence it exerts on the actions of others is 4 times that of its direct action, aiming to reach 1440 communities. Combined with its direct action in 360 communities, this will give a total coverage of 1800 com-

munities. This order of magnitude, if focused principally on Cote d'Ivoire and Ghana<sup>3</sup>, would cover 20% of cocoa-growing communities, with approximately 350,000 cocoa-farming households, and at least 2,100,000 people, of whom at least 1,000,000 are children<sup>4</sup>. However, achieving these indirect impacts will be dependent on a massive mobilisation of multi-stakeholder effort, an unprecedented commitment of multi-donor resources, and a highly conducive operating environment<sup>5</sup>.

Progress will be measured against the target of a quantifiably increased level of protectiveness, and a significant reduction in child labour incidence, in these at-risk communities.

From its current annual budget of CHF 5.4M, ICI's resources will need to grow by 130% over the next 6 years, to CHF 12.4M, based on an ambitious but achievable fundraising plan linked to an increase in field projects and an expansion in ICI's membership. There will be a satisfactory reduction over time in the proportion of the total budget comprised of support costs, from 31% to 23%.

<sup>1</sup> Throughout this document, the concept of Child Labour is as defined by ILO, being "work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development". This includes children working below the minimum age (as defined by ILO Convention 138 and associated national laws) and those working in the Worst Forms of Child Labour (as defined by ILO Convention 182 and associated national laws, hazardous activities frameworks or decrees), including work which, by its nature or the circumstances in which it is carried out is likely to harm the health, safety or morals of children (hazardous work). Not all work undertaken by children is considered to be Child Labour. Children's involvement in light tasks with adult supervision that do not affect their health and personal development, nor interfere with their schooling, are generally not prohibited.

<sup>2</sup> ICI's definition of a cocoa-growing community is a place where cocoa-growing is the predominant livelihood, but not the sole livelihood. It is made up of an administrative centre or village and the inhabitants therein, including cocoa farmers, farm workers and other livelihood groups. From an operational perspective, the extent to which surrounding hamlets or campements will be considered as part of a central community, or as a community in their own right, will depend on the extent to which their size, location, composition and administrative status allows them to be effectively assisted from that central community.

<sup>3</sup> Note that ICI's 2015-2020 Strategy in fact foresees some geographical expansion, first to other West African countries, and potentially thereafter to Asia or Latin America, depending on the needs. However, the situation in these countries is unlikely to warrant a similarly intensive ICI engagement as in Cote d'Ivoire and Ghana.

<sup>4</sup> Assuming, for Ghana, 800,000 cocoa-farming households (Cocobod) with family-size 4 (ICI PCCF), giving a total cocoa-farming population of 3.2 million, spread across 5000 cocoa-growing communities (Tulane), and thus an average of 640 persons per community. Assuming, for Cote d'Ivoire, 800,000 cocoa-farming households (CCC) with family-size 7 (ICI PCCF), giving a total cocoa-farming population of 5.6 million, spread across 3750 cocoa-growing communities (Tulane), and thus an average of 1,493 cocoa-growing persons per community. If 1200 (2/3) of ICI's 1800 target communities are in Cote d'Ivoire, and 600 (1/3) are in Ghana, at least 1.792 million people in Cote d'Ivoire, and 384,000 in Ghana, will benefit, totaling at least 2.176 million people, 45-48% of whom are estimated to be children (ICI PCCF, MICS). See Insert Box on page 12.

<sup>5</sup> Including adequate security, logistical access, political will and local cooperation.



# Background

Established in 2002, the International Cocoa Initiative (ICI) emerged from the 2001 Harkin/Engel Protocol<sup>6</sup> as a non-profit Foundation that would support the cocoa sector to address the problem of child and forced labour in the cocoa supply-chain<sup>7</sup>. ICI was set up as a multi-stakeholder initiative (MSI), harnessing the energies and expertise of the chocolate and cocoa industry, of civil society, and of governments in cocoa-producing nations, to bring about positive change in agricultural labour practices and in the elimination of child labour. From 2007, ICI became operational in Ghana and Cote d'Ivoire, prioritized for their status as the producers of more than 60% of the world's cocoa, and also being countries where rural poverty contributed to elevated risks of child labour.

Over the last decade, ICI has played an important role in raising awareness and building understanding about the complex problem of child labour in cocoa production. It has also built an increasingly constructive multi-stakeholder coalition of actors, breaking down barriers between commercial competitors and distinct interest groups, facilitating dialogue, and channeling collective energies into the search for solutions. It has helped these actors agree on a number of tenets of good practice that are gradually being applied as a standard in the cocoa sector's expanding sustainability work, most notably a model of holistic community development as the key to tackling the root causes of child labour.

Building on these real achievements, a review and refresh of ICI's Strategy was called for in 2013, prompted by the realization that:

- ICI's operational experiences have generated learnings that need to be fed into a revision of its approach;

- the needs of the sector, and the environments in which ICI is operating, have evolved, with a greater engagement of industry, producing governments and developmental civil society organisations;
- the foundation has real potential to help meet the needs of the cocoa sector at a large scale, but in order to do so, it needs to consolidate and update its approach, its resources and its expertise;
- whilst the multiple root causes of child labour demand a holistic approach, there is a need for ICI to prioritise and focus its individual efforts in areas that bring greatest impact and added-value, whilst catalysing the collective effort that puts shared responsibility into practice.

Since 2011, ICI has been adapting and transitioning its orientation in order to enhance its relevance to the cocoa sector, and its effectiveness in tackling child labour:

- ICI has reinforced its operational capacity, its presence and its support at the national level in Ghana and Cote d'Ivoire, asserting its credibility and utility as front-line actor familiar with the realities of cocoa farming in these countries.
- It has sharpened its focus and its competencies around child protection, keeping children at the heart of its work, whilst simultaneously embracing a more holistic approach to addressing their specific vulnerabilities in cocoa-growing communities.
- The foundation has also opened up a new axis of intervention at the heart of the managed cocoa supply-chain, reinforcing its traditional community focus with a drive to strengthen those commercial management systems and capacities that have potential to deliver change at scale.
- ICI has invested in its ability to track better the

<sup>6</sup> The Harkin/Engel Protocol endures under its 2010 Framework of Action that aims for a 70% reduction in the Worst Forms of Child Labour, in Cote d'Ivoire and Ghana, by 2020.

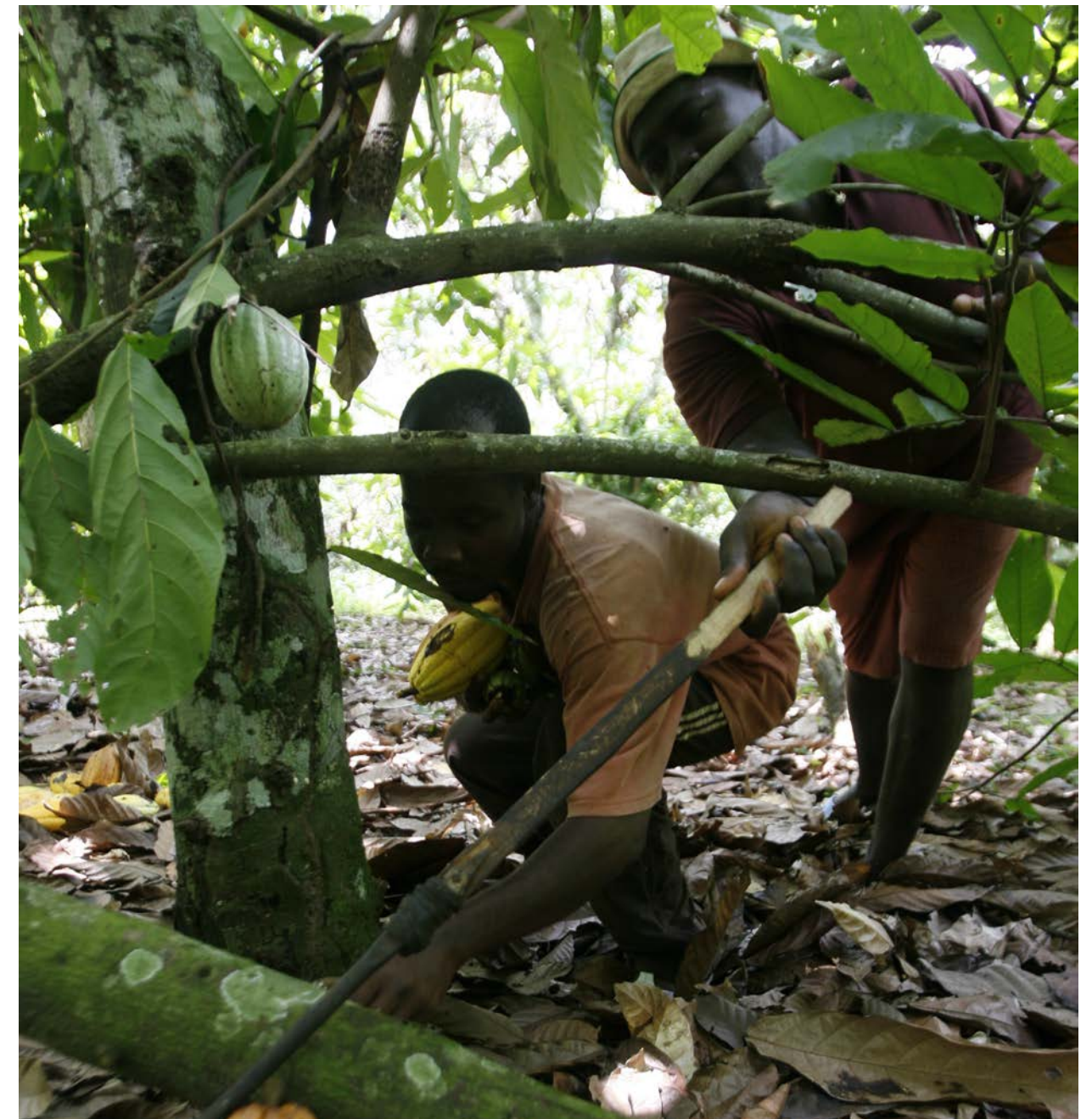
<sup>7</sup> The definition of the cocoa-supply chain, within this strategy, covers all stages of production, transformation, transportation and transaction between the farm and the port, in the country of origin.

results it is achieving, so that it will, henceforth, have greater evidence on which to define and promote good practices, and communicate results.

- The foundation has expanded and diversified its membership, its resourcing and its stakeholder network, reinvigorating its convening function and its engagement with a broad range of relevant actors, and more actively shaping the debates around child labour in cocoa from its unique position of neutrality and independence.

optimal relevance, growth and impact over the next 6 years. Launched in April 2013, the development process for this new Strategy has been driven by a balanced subgroup of ICI's industry and civil society board members, has engaged the ICI secretariat and field-teams extensively, and has harnessed inputs from ICI's various external stakeholders, including producing countries, development actors, campaigners, academics and the media, through ICI's recent Stakeholder Meetings (one held in Geneva in May 2013, and one in Abidjan in November 2013).

All of these changes are now captured in this new ICI Strategy, which positions the Foundation for





# Strategic Landscape 2015-2020

There are 168 million child labourers in the world, and child labour is a particularly common problem in agriculture, where 60% of all cases exist. In spite of a global 20% reduction in child labour between 2008 and 2012, it is nevertheless clear that, on current trajectories, the 2016 elimination target agreed at the 2010 Hague Conference will not be met. The 2013 Brasilia Conference<sup>8</sup> acknowledged this, calling for all actors to step up efforts at the national and international levels, as a matter of urgency.

While not unique to the cocoa sector, cocoa production carries specificities that render it particularly prone to child labour. These include:

- the labour intensiveness of cocoa farming, harvesting and processing methods;
- the smallholder farming base, where children traditionally help on the family farm;
- the fragmentation of the cocoa supply-chain, the lack of farmer organization and the informality of farm worker relations, particularly in Africa, making control-for-compliance extremely difficult;
- a history of labour migration into high production areas contributing to a fluid and disorganized labour market, exacerbating pre-existing problems of identity and status for vulnerable groups in rural areas;
- farmer poverty linked to small land holdings, low productivity and a fragile, declining income-earning potential from cocoa; and,
- and a lack of protective services and infrastructures for children in the remote, poor, rural loca-

tions that produce the majority of the world's cocoa.

Data on specific numbers of child labourers in cocoa is elusive and inconsistent, owing to definitional and methodological differences. However, across an estimated 8750 cocoa-growing communities in Ivory Coast and Ghana, triangulated data<sup>9</sup> would suggest that there are between 500,000 and 1,000,000 children who have engaged in some form of child labour, corresponding to roughly 1-in-10 school-age children. The vast majority of this child labour is children helping on their family's farm, sometimes entailing hazardous or age-inappropriate tasks, and sometimes at the expense of their schooling. What is clear is that the problem remains prevalent (and will continue to be so for the foreseeable future) and that every agrarian cocoa-growing community<sup>10</sup> carries a significant risk of child labour that needs to be progressively reduced, and ad-interim, responsibly managed.

The sector's acknowledgement and understanding of child labour has improved significantly over the last decade as part of a deeper examination of the cocoa sustainability challenge, and specific questions over how to ensure the long-term profitability, social viability and environmental integrity of the global trade in cocoa. Child labour is correctly seen as both a symptom and a self-perpetuating cause of the poverty that is faced by many cocoa farmers. Simply put, poor farmers with fragile livelihoods often have few alternatives to using their children on their farm as opposed

to sending them to school. It follows that children who do not attend school are unlikely to become the numerate and literate business-minded farmers of the future who can turn cocoa farming into a prosperous livelihood. Indeed, today's farmers are increasingly abandoning cocoa production in favour of preferred, alternative livelihood activities.

The stakes are extremely high for the entire sector, with the global business community, the economies of producing nations, and the livelihoods of more than 2 million cocoa farmers under threat if a more sustainable cocoa economy cannot be built. As the victims of today's unsustainable practices, and also as the future farmers on whom greater sustainability depends, children are at the heart of this challenge. There is both a value-case (to improve child welfare) and a business-case (to ensure the viability of the cocoa economy) for keeping child rights central to change in the cocoa sector. ICI, pursuing a refined, sector-specific mandate to address the needs of children in cocoa-growing communities, therefore has an incontestable role to play in accelerating cocoa sustainability.

Whilst there is a clear urgency to this scenario, the sector's heightened awareness of the problem, and its deep-rooted causes, cautions against seeking a quick-fix, or believing that a solution is in the hands of just one set of actors, at a low cost. Coordination and pre-competitive collaboration between multiple actors, with varying roles, resources and expertise, will be crucial to advancing progress. This should be based on a principle of shared responsibility that dictates that anyone deriving profit, revenue or pleasure from chocolate should be contributing to a more sustainable supply of its raw material. ICI's multi-stakeholder orientation will be crucial to building and maintaining the strategic alignment and the operational partnerships that will need to be focused on the child labour problematic over the coming 6 years.

Recent years have witnessed an increase in corporate, government and collective efforts to advance cocoa sustainability, and there has been an important relocating of the agenda from CSR to the core business of the cocoa industry. Progress is being made, but the current scope and scale of these efforts are eclipsed by the scale and complexity of the challenge. Scenario planning is now underway in the sector, with the chocolate and cocoa industry, producing governments and other experts actively defining priority interventions that need to be accelerated and escalated. This has presented ICI with a valuable opportunity, not only to participate in and influence that sector planning (ensuring that the social pillar is sufficiently prioritized and that child labour mitigation remains prominent within it) but also to create strategic synergies between that process and its own strategy development.

Building on this experience, on the good practices defined over the last decade, and on the lessons garnered through its recent strategic transition, elements are emerging that ICI believes can/should be applied at scale to better respond to the ongoing risk of child labour, and to more effectively prevent it in the future. This model (carried by ICI's new Strategic Objectives detailed below) hinges on establishing a clear and common understanding of child labour and child protection risks across the cocoa supply chain, from the farm to the national and the international levels, and translating that knowledge into capacities and systems that prevent, identify and respond to the problem. ICI's work over the next 6 years must be predicated on leading a scale up of this model through its direct actions and through the influence it can bring to bear on the actions of others, thereby contributing to a significant improvement in child protection in cocoa-growing communities, and a significant reduction in child labour.

8 The Brasilia Declaration also validates ICI's orientation in calling for "effective multi-stakeholder action to combat child labour, including in supply chains, by addressing both the formal and informal economy" - (<http://childlabour2013.org/the-brasilia-declaration-on-child-labour/>).

9 Considering the 2010 Tulane Report, National Child Labour Surveys from Ghana and Cote d'Ivoire, the UNICEF MICS, and data from ICI baseline surveys and child labour monitoring systems.

10 ICI's definition of a cocoa-growing community is a place where cocoa-growing is the predominant livelihood, but not the sole livelihood. It is made up of an administrative centre or village and the inhabitants therein, including cocoa farmers, farm workers and other livelihood groups. From an operational perspective, the extent to which surrounding hamlets or campements will be considered as part of a central community, or as a community in their own right, will depend on the extent to which their size, location, composition and administrative status allows them to be effectively assisted from that central community.

# The Role for ICI

ICI has a unique position in the cocoa sector to contribute to this necessary sector-wide change process. With more than seven years of operational experience driving community development processes in cocoa-growing communities, it has developed specialist knowledge and expertise in child labour in the specific context of cocoa production, skills which are now evolving to include more holistic child protection competencies. It has recently expanded its operational capacity in Cote d'Ivoire and Ghana, improving its reach, visibility, credibility and relevance. This has also strengthened its engagement and collaboration with the national governments in these countries, further enhancing the multi-stakeholder network at the heart of the ICI model, which seeks to harness the respective expertise and leverage of all actors engaged in this aspect of cocoa sustainability. Its neutral, independent multi-stakeholder orientation,

integral to its management and governance, also brings essential corroboration and accountability to the sector, as well as providing the platform on which best practices can be agreed and promoted, partnerships built, strategies harmonized, and efforts coordinated to maximize efficiencies and effectiveness.

ICI's combination of cocoa-specific strengths and characteristics is quite unique, enabling it to claim a niche role as an operationally grounded, solutions-focused catalyst for social change. Its potential to address some of the most pressing needs of the cocoa sector over the coming years is clear. However this will depend not only on the actions it directly implements on the ground, but also on its ability to guide and inspire change at a scale that goes beyond the limits of the resources it controls.

## ICI's Vision

**ICI's vision is of thriving cocoa-growing communities where children's rights are protected, respected and supported, and where child labour has been eliminated.**

## ICI's Mission 2015–2020<sup>11</sup>

**ICI works to improve the lives of children in cocoa-growing communities, safeguarding their rights and contributing to the elimination of child labour by supporting the acceleration and scale-up of child-centered community development and of responsible supply-chain management throughout the cocoa-sector.**

<sup>11</sup> To be applied within the geographical limits of ICI's planned growth, focusing on cocoa-producing countries and communities most at risk of child labour.

# ICI's Strategic Objectives 2015–2020

**With the overarching goal of improving the lives of children and reducing child labour in cocoa-growing communities, ICI will pursue the following inter-related strategic objectives over the coming 6 years:**

## Strategic Objective 1

**Cocoa-growing communities are more protective of children and their rights.**

### Sub-Objective 1.1

Knowledge, capacities, systems and services that protect children and mitigate child labour are strengthened at the local level through child-centered community development processes.

### Sub-Objective 1.2

Communities, and specifically women, children and youth, are empowered to take and enact decisions that better protect children and safeguard children's rights.

This will entail the following actions, amongst others, at the local level, engaging farmers, farming households, farming communities, and local authorities:

- community risk-profiling
- community awareness-raising of child labour and child protection issues
- set-up, capacity building and mobilisation of community child protection committees
- increased participation and decision-making of women, youth and children
- articulation, resourcing and implementation of community development plans that deliver tangible improvements in gender empowerment and child protection
- building of partnerships with local government, businesses and civil society organisations to generate resources and meet needs in a coordinated, holistic manner
- improved access to quality education and vocational training
- reinforced and sustainable livelihoods

## Strategic Objective 2

**The cocoa supply-chain manages the risk of child labour responsibly.**

### Sub-Objective 2.1

Supply-chain actors' knowledge and understanding about child labour and child rights is improved throughout the supply-chain.

### Sub-Objective 2.2

Capacities and systems to identify and address child labour and protect children are reinforced at key points in the supply-chain.

This will require the following actions, amongst others, to be implemented at various tiers of the supply-chain, with ICI aiming to inspire and assist the scale-up of consistently applied good-practices:

- awareness-raising of farmers and farm workers
- training of supply chain actors (coops, extension officers, suppliers, intermediaries, exporters etc)
- enhancement of certification models to strengthen their child labour components, whilst also working beyond certification to build child protection systems in the less organized supply-chain
- regular and routine community-based monitoring to identify child labour risks and incidences
- targeting of remediation assistance to at-risk individuals, households or communities
- support to cocoa and chocolate companies in exercising due diligence for respect and support of child rights

## Strategic Objective 3

**Key stakeholders have improved awareness, knowledge, willingness and capacity to take appropriate and effective decisions that strengthen child protection and mitigate child labour in cocoa-growing communities, and that fulfill their respective responsibilities<sup>12</sup>.**

Knowledge and capacities will be enhanced at national and international levels so that decision-makers, policy-shapers and enablers will understand and contribute to improved prevention and response strategies.

### Sub-Objective 3.1

Evidence-based advocacy leads to desired changes in behaviour, policy and practice in the cocoa sector which strengthen child protection and contribute to the elimination of child labour.

ICI's advocacy will be broad-spectrum and evidence-based, from the generation and dissemination of research and knowledge, to the promotion of good practices. It will be inextricably linked to sub-objective 3.2, which will build the capacities to ensure that those practices can be applied. ICI's advocacy will be field-driven and rooted in the foundation's operational experience in cocoa-producing communities and countries. It will leverage the evidence of proven results and documented failures, as well as the independence and influence of its multi-stakeholder constituency, to enhance its policy advice. Its philosophy will be one of constructive advocacy as opposed to campaigning, only flagging problems with a view to identifying, facilitating or promoting pragmatic solutions. ICI's advocacy will be time-bound and issue-focused, with specific target audiences and well-defined outcomes. It will also support ICI's communications and fund-raising efforts, notably securing the CHF 7 M per annum of additional resources to meet its growth target, and ensuring the foundation is perceived as relevant and effective in contributing to sector-wide alignment, strategic coherence and the scale-up of good practices. This will entail the following actions, amongst others, at national and international levels:

- identification of issues that are critical to the elimination of child labour and where ICI has evidence, expertise and authority
- mapping of stakeholders that are influential on such issues, identifying their existing positioning and the desired change sought
- commissioning and dissemination of research
- monitoring, evaluation and impact assessment of approaches and innovations (ICI's and others')
- definition and promotion of good practices

### Sub-Objective 3.2

Partnerships are built and capacities are reinforced across the cocoa sector, and in cocoa-producing countries.

As a catalyst for sector-wide change, ICI's approach will also seek to assist and influence others so that their actions contribute to a scale up of good practice, effective prevention and impactful response. In order to tackle the root causes of child labour, holistic multi-sectoral efforts will need to be accelerated, demanding coordinated action and partnership across many actors. This will entail the following actions, amongst others, principally at national level:

- training and capacity building of national authorities and supply chain actors at origin
- organization and capacity building of farmers and farm workers
- support to national coordination capacities and efforts
- support to national prevention and response efforts (through technical assistance and advice)
- collaboration with in-country specialist development actors, and fostering of partnerships between them and the cocoa sector
- stakeholder engagement and convening

### Sub-Objective 3.3

ICI is positioned, recognised and resourced as the leader in the field of child protection and child-centered community development in cocoa-growing communities.

ICI's Communications work will seek to enhance the positioning of ICI with its key stakeholders, so that the foundation is visible, respected, influential and able to harness financial and moral support for its efforts. It will promote ICI's identity as an independent technical authority in the field of child protection and child-centered community development in cocoa-growing communities, uniquely equipped to promote and support collaborative sector-wide changes. It will seek to inform and influence the chocolate and cocoa industry, policy-makers in cocoa-producing and cocoa-consuming countries, relevant decision makers in the public and civil society sectors, as well as opinion makers at local, regional and global levels, including the media.



<sup>12</sup> For instance, in relation to the UN Guiding Principles on Human Rights and Business and the "Protect, Respect and Remedy" Framework (<http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf>).



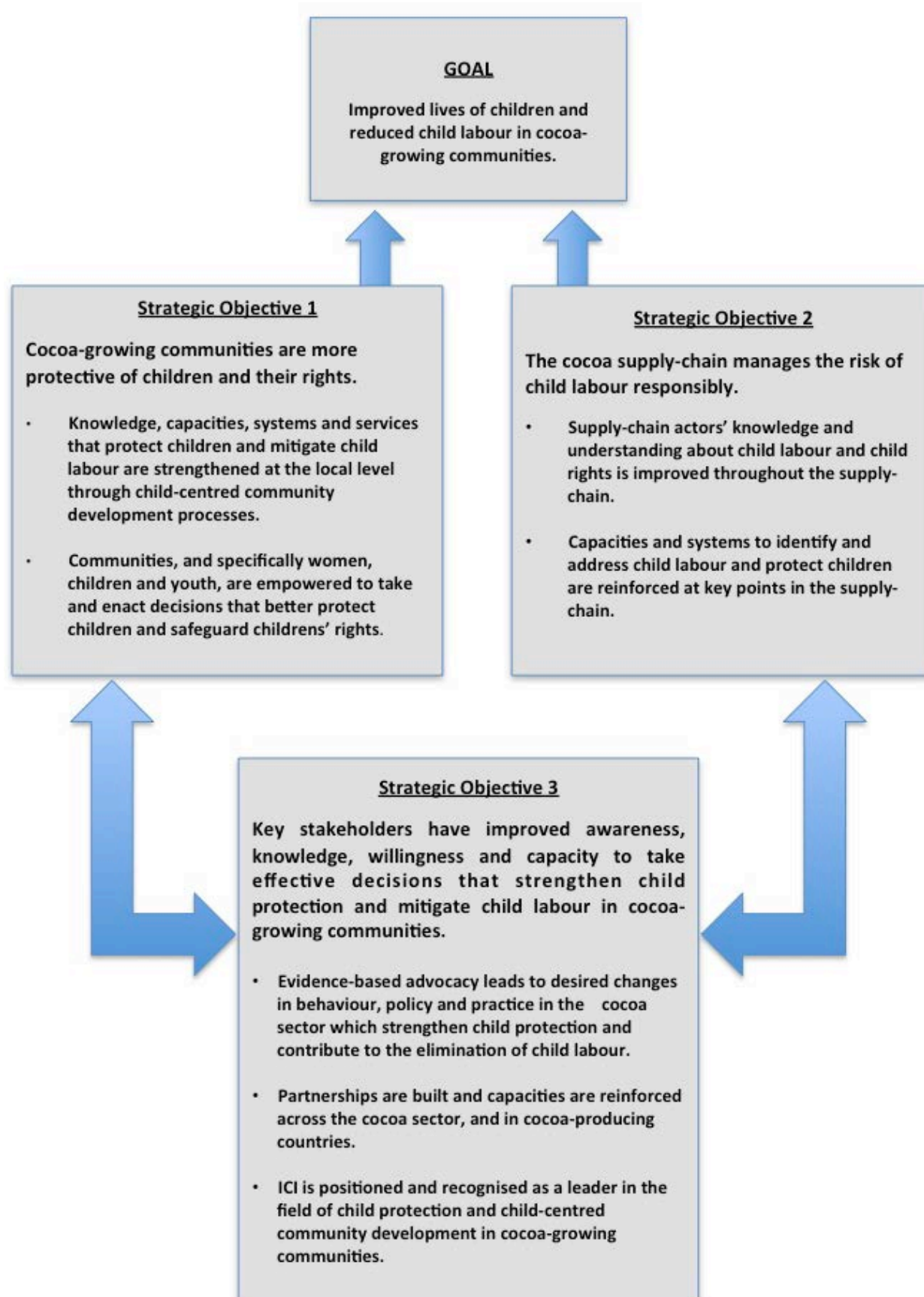
# ICI's Strategic Operating Model

Responding to the challenge of how ICI can best contribute to sector-wide change from a realistic size and resource base, the strategic operating model for the next 6 years will ensure that:

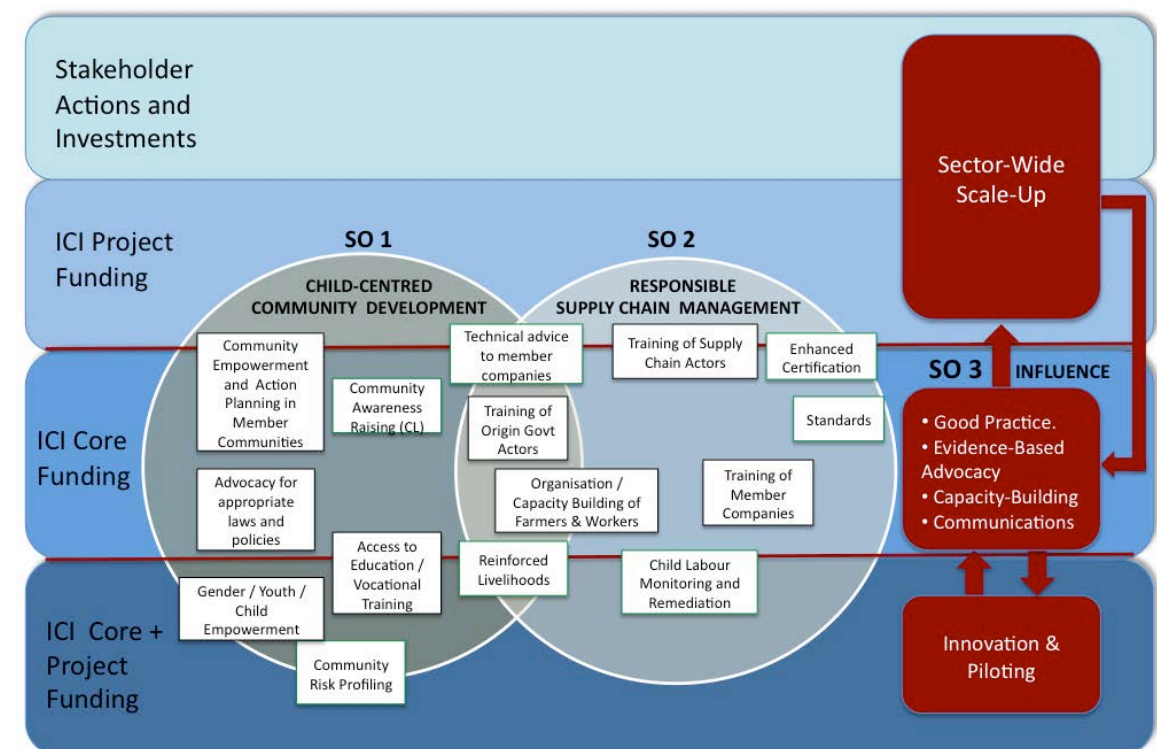
- Priority interventions and activities that explicitly support the Strategic Objectives will be directly implemented by ICI in cocoa-growing communities and in the cocoa supply-chain;
- Innovative approaches and new tools will be tested that stand to increase the efficiency and/or effectiveness of child protection and child labour mitigation measures;
- Based on results and evidence from these pilots, and from the constant evaluation and refinement of its direct implementation experiences, lessons will be extracted and fed into a "live" and constantly evolving body of good practice;
- Under the Strategic Objective of Influencing / Advocacy, ICI will disseminate this good practice with a view to positively shaping the decisions and actions of all stakeholders in the

cocoa sector, in turn contributing to a desired scale-up of effective interventions;

- Under the same Strategic Objective, ICI will also play a more direct, field-based capacity-building role, particularly for member companies and producing governments, ensuring that awareness and knowledge can also translate into action. To this end, ICI will take on a direct, front-line training and mentoring role for member companies within their sustainability programmes, establishing co-managed "reference" communities which will serve as a standardised demonstration model to be scaled up by each company; and,
- Use of ICI's unearmarked core resources will be prioritized in support of sector innovations, good practice, capacity building and influencing, with restricted project funds supporting company-specific innovations and donor-specific scale-up activities. Core resources should also serve to leverage project resources, thus stimulating ICI's fundraising and growth.



## International Cocoa Initiative Strategic Operating Model (2015 – 2020) Direct Action





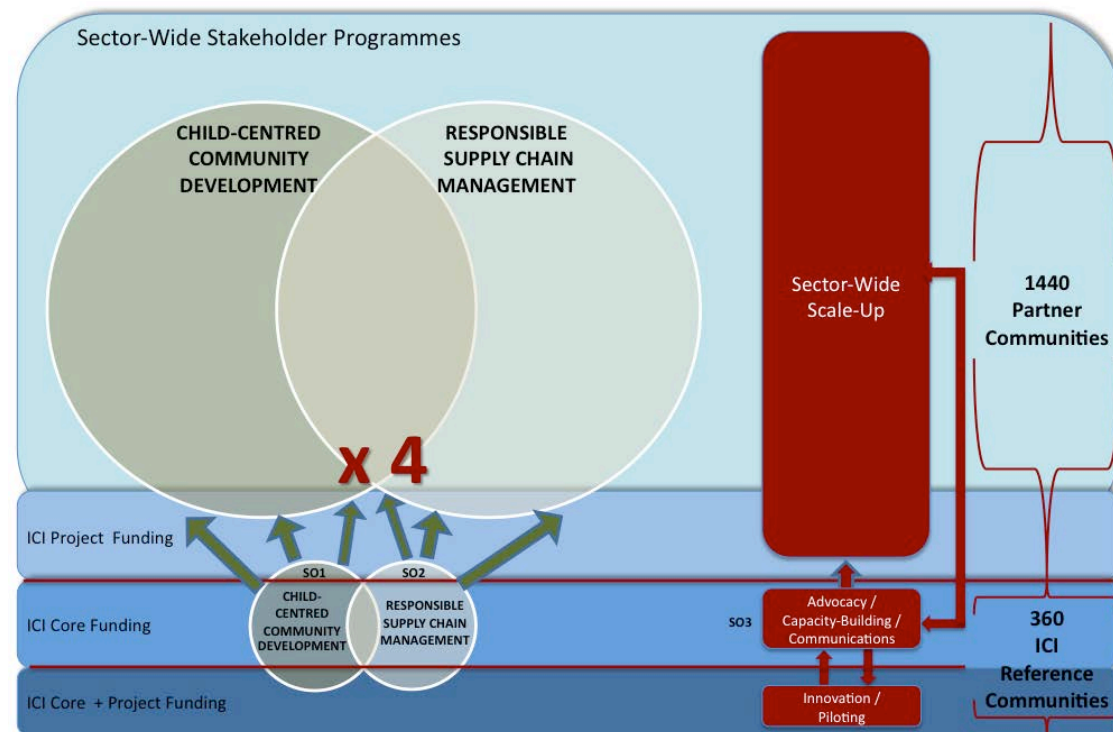
# The Sector Scale-Up Model

The strategic operating model above should serve as the inspiration and critical origin-point for a sector-wide push and an escalation of actions, by various stakeholders (companies, government, development actors). This will collectively carry ICI's overarching goal of improved child lives and reduced child labour in cocoa-growing communities, to a different scale of coverage and a greater magnitude of impact.

Whilst ICI's direct action over the coming 6 years, supported by its core budget and by realistically forecast project funding, is expected to impact on 360 cocoa-growing communities, the ambition of impact through its influence on the actions of oth-

ers is 4 times that, at 1440 communities, giving a total coverage of 1800 communities. This order of magnitude, if focused principally on Cote d'Ivoire and Ghana, would cover 20% of cocoa-growing communities, with approximately 352,000 cocoa-farming households, and at least 2,100,000 people, of whom approximately 1,000,000 are children (see Explanatory Box on Impact overleaf). Note, however, that this will be dependent on a massive mobilisation of multi-stakeholder effort, an unprecedented commitment of multi-donor resources, and a highly conducive operating environment, much of which will be beyond the direct control of ICI.

**International Cocoa Initiative  
Sector Scale-Up Model (2015 – 2020) Direct Action and Influencing**



13 Based on the estimated Programme Growth projection, 120 communities started in 2015 would increase to 160 in 2017, with the original 120 graduating in 2018 to be replaced by another 120, and a further 80 brought on line in 2020. Total = 120 + 40 + 120 + 80 = 360.

14 Note that ICI's 2015-2020 Strategy in fact foresees some potential geographical expansion, first to other West African countries, and thereafter to Asia or Latin America, depending on the needs. However, the situation in these countries is unlikely to warrant a similarly intensive ICI engagement as in Cote d'Ivoire and Ghana.

15 Including adequate security, logistical access, political will and local cooperation.

## ESTIMATING OUR INTENDED IMPACT

<b>ICI Reference Communities (direct action):</b>	<b>360 communities</b>
<b>ICI Influencing Target (stakeholder action):</b>	<b>1440 communities</b>
<b>Total:</b>	<b>1800 communities</b> <b>(1200 in Ivory Coast, 600 in Ghana)</b>

**Definitions:** A cocoa-growing community is a place where cocoa-growing is the predominant livelihood, but not the sole livelihood. It is made up of an administrative centre or village and the inhabitants therein, including cocoa farmers, farm workers and other livelihood groups. From an operational perspective, the extent to which surrounding hamlets or "campements" can be considered as part of a central community, or as separate communities in their own right, will depend on the extent to which their size, location, composition and administrative status allows them to be effectively assisted from that one central community.

**Caveats:** There is a lack of dependable, comprehensive and up-to-date data on rural demographics and cocoa-farming in West Africa. Any extrapolation of estimated impact at the population level therefore needs to be made on the basis of reasonable benchmarked assumptions.

In reality, the percentage of a community's population that farms cocoa varies enormously from context to context. ICI's PCCF shows an average of 76% of the community population farming cocoa in Ghana, and 42% in Ivory Coast. The range is wide, with some communities in both countries having 100% cocoa-farmers, and 6% of Ivorian communities, and 29% of Ghanaian communities, having more than 90% cocoa-farmers. The below calculations are made on the ultra conservative assumption that 100% of the population in all cocoa-growing communities farm cocoa, giving an estimated number of cocoa-farming households impacted, and a minimum number of impacted people and children, a number which would increase if, as is appropriate, an area-based approach also supported the varying percentage of households that may not farm cocoa.

<b>Assumptions:</b>	Total cocoa-farming households:	Ghana: 800,000 (Cocobod) Ivory Coast: 800,000 (CCC)
	Average household size:	Ghana: 4 (Ghana DHS 2008, ICI-PCCF) Ivory Coast: 7 (MICS 2006, ICI-PCCF)
	Total cocoa-farming populations:	Ghana: 800,000 x 4 = 3.2 million Ivory Coast: 800,000 x 7 = 5.6 million
	Total no. of cocoa-farming communities:	Ghana: 5000 (Tulane 2011 / CERGIS 2010) Ivory Coast: 3750 (Tulane '11/MINAGRA 2009)
	Average cocoa-farming pop per community:	Ghana: 3.2 million / 5000 = 640 Ivory Coast: 5.6 million / 3750 = 1493
	Percentage of population that are children:	Ghana: 45%      Ivory Coast: 48%

### Estimated Impact:

**Ghana:** 600 communities containing 96,000 cocoa-farming households and at least 384,000 people and 173,000 children.

**Ivory Coast:** 1200 communities containing 256,000 cocoa-farming households and at least 1,792,000 people and 860,000 children.

**TOTAL:** **1800 communities containing 352,000 cocoa-farming households and at least 2,176,000 people and 1,033,000 children.**

# Targets and Indicators

As ICI evolves to consolidate its credibility, capture good practice and strengthen its influence, it will need to track its results in fulfilling its own Strategic Objectives, as well as the cocoa sector's collective progress towards a sector-wide improvement in child protection, and a consequent reduction in child labour.

Whilst there is no simple low-cost methodology for routinely measuring changes in the level of child labour across the sector, and whilst the context renders any quantitative impact-monitoring extremely complex, ICI will combine a variety of metrics, from a range of tools and data-sources, to evaluate progress.

At the top level, key actors have already embraced a target of a 70% reduction in the worst forms of child labour, across Cote d'Ivoire and Ghana, by 2020<sup>16</sup>. ICI's role between now and then will be

geared to contributing to the achievement of that target. In addition, ICI will also be tracking reductions in all forms of child labour in all cocoa-producing areas defined as being at-risk, as well as changes in the root-cause environment (child protection), linked to a coverage target of 20% of cocoa-growing communities.

Within ICI-assisted communities, monitoring and results-tracking will focus on a variety of qualitative assessment methods and quantitative incidence or risk-proxy indicators. Where feasible and appropriate, these will be disaggregated by gender and relevant vulnerability categories (age, location, worker status etc). ICI's emerging risk-profiling instrument, the Protective Cocoa Communities Framework (PCCF), will be one of the main tools in this endeavor, being a quantified and validated composite measure of combined risk proxies.

<p><b>Top Level Sector Indicators</b></p> <ul style="list-style-type: none"> <li>• Number and % of communities replicating the community development / responsible supply-chain model.</li> <li>• Number and % of at-risk cocoa-growing communities showing an increased level of protectiveness, and child population therein.</li> <li>• % increase in protectiveness</li> </ul> <p><i>Source: National coordination data, company data, ICI PCCF score and/or specific proxy indicators.</i></p>	<p><b>Cocoa Sector Targets and Rallying Call</b></p> <p>Child protection increased for at least up to 1,000,000 children by 2020.</p> <p>Child labour reduced in 20% of at-risk cocoa growing communities by 2020.</p>	<p><b>Top Level Sector Indicators</b></p> <ul style="list-style-type: none"> <li>• Number and % of at-risk cocoa-growing communities showing a significant reduction in CL incidence.</li> <li>• National CL incidence rates.</li> <li>• % reduction in CL.</li> <li>• Source: Incidence levels reported through CLMRS and National Surveys.</li> <li>• % of total cocoa farmers aged 20- 30 years old.</li> </ul> <p><i>Source: Industry farmer mapping</i></p>
<p><b>ICI Strategic Objective 1</b></p> <p>ICI-assisted cocoa-growing communities are more protective of children and their rights.</p>	<p><b>ICI Strategic Objective 2</b></p> <p>The cocoa supply-chain in ICI intervention areas manages the risk of child labour responsibly.</p>	<p><b>ICI Strategic Objective 3</b></p> <p>Key stakeholders have improved awareness, knowledge, willingness and capacity to take appropriate and effective decisions that strengthen child protection and mitigate child labour in cocoa-growing communities, and that fulfil their respective responsibilities.</p>
<p><b>ICI Indicator 1.1</b></p> <p>Increased level of protectiveness in ICI-assisted cocoa-growing communities.</p> <p><i>Source: ICI PCCF score, CLMRS data</i></p>	<p><b>ICI Indicator 2.1</b></p> <p>Incidence of CL, and number of identified cases remediated.</p> <p><i>Source: CLMRS</i></p>	<p><b>ICI Indicator 3.1</b></p> <p>% or volume of total cocoa sustainability investments directed towards social pillar/CL.</p> <p><i>Source: ICI, TAs, companies, WCF</i></p>
<p><b>ICI Indicator 1.2</b></p> <p>Increased household income measured by improved dietary diversity in cocoa-growing households.</p> <p><i>Source: ICI PCCF, GAIN/WFP tool</i></p>	<p><b>ICI Indicator 2.2</b></p> <p>% of Cocoa Producers covered by effective supply-chain risk management systems, at local and national level.</p> <p><i>Source: Suppliers, certifiers, govt</i></p>	<p><b>ICI Indicator 3.2</b></p> <p>Appropriateness / effectiveness of national policies, systems, and capacities.</p> <p><i>Source: Officials trained, checklist re uptake of best practices</i></p>
<p><b>ICI Indicator 1.3</b></p> <p>% of CCPC members (or other committees) who are women.</p> <p><i>Source: ICI PCCF</i></p>	<p><b>ICI Indicator 2.3</b></p> <p>Access to adult labour</p> <p><i>Source: ICI Research Risk Indicator</i></p>	<p><b>ICI Indicator 3.3</b></p> <p>Number of relevant National Bodies with ICI participation</p> <p><i>Source: ICI</i></p>
<p><b>ICI Indicator 1.4</b></p> <p>Enrolment + attendance of children in schools and vocational training in ICI-assisted communities.</p> <p><i>Source: ICI + Govt + Partners</i></p>	<p><b>ICI Indicator 2.4</b></p> <p>Changes in KAP (knowledge, attitudes and practice) in trained supply-chain actors.</p> <p><i>Source: ICI Surveys + Others</i></p>	<p><b>ICI Indicator 3.4</b></p> <p>Accuracy and relevance of media reports, campaigns, social media.</p> <p><i>Source: web-tracking, media monitoring re issues, ICI, focus countries</i></p>
<p><b>ICI Indicator 1.5</b></p> <p>Number of CAP/CP actions supported by communities and by local government in ICI-assisted communities</p> <p><i>Source: ICI monitoring data</i></p>		<p><b>ICI Indicator 3.5</b></p> <p>Number of ICI member companies. Commitment and best practice demonstrated in company codes, action plans etc.</p> <p><i>Source: ICI, company staff trained, checklist re uptake of best practices</i></p>

16 As articulated in the Framework of Action to Support Implementation of the Harkin-Engel Protocol (<http://www.doi.gov/ilab/projects/summaries/CocoaFrameworkAction.pdf>)



# Growth and Resourcing

ICI's resource growth aspiration is projected in the graph below, which shows the scale-up of its budget for programme activities, and the necessary expansion in operating costs to support this scale-up.

The budget has been estimated on the basis of a scale-up of ICI's emerging package promoting child-centered community development and responsible supply-chain management (as detailed in section 6). Based on lessons learnt from ICI's previous model, this new package will concentrate resources more intensively on fewer "reference" communities, to maximize impact, properly test variations, and extract good practices which rarely take hold in a resource-stretched model. The model entails a three year engagement per community, during which time the process must deliver at least one infrastructural change and one service that both improve child protection (e.g. classrooms, a women's vocational training project etc), in addition to the softer awareness-raising and mobilisation outcomes, and the establishment of child labour monitoring and remediation capacities. The model envisages that after three years, sufficient capacities will have been built and engaged at the community level, amongst supply-chain actors, and in local authorities, that child

protection will continue and improve without the direct intervention of ICI.

The projection anticipates the package being progressively scaled-up, through ICI's direct action, to 120 new communities by 2015/6, to 160 communities by 2017, and to 200 communities by 2020, giving a cumulative total of 360 communities over the 6 year period.

The growth aspiration also assumes that ICI could be operational in 2 new countries by 2017 (most likely Nigeria and Cameroon), and 2 additional by 2020 (possibly Indonesia and one Latin American country). However, the plan anticipates that, depending on the needs, those operations may look quite different to ICI's current engagement in Ivory Coast and Ghana, for instance with more emphasis on Strategic Objective 3 (Influencing and Capacity Building) and less on the community-based interventions under Strategic Objectives 1 and 2.

Globally, ICI's budget will therefore need to grow an ambitious but attainable 130% over the next 6 years to reach CHF 12.4 M (\$14M) by 2020. Appropriately, programme activities will grow by 160%, disproportional to operating and support costs which will grow by 65%, resulting in a sat-

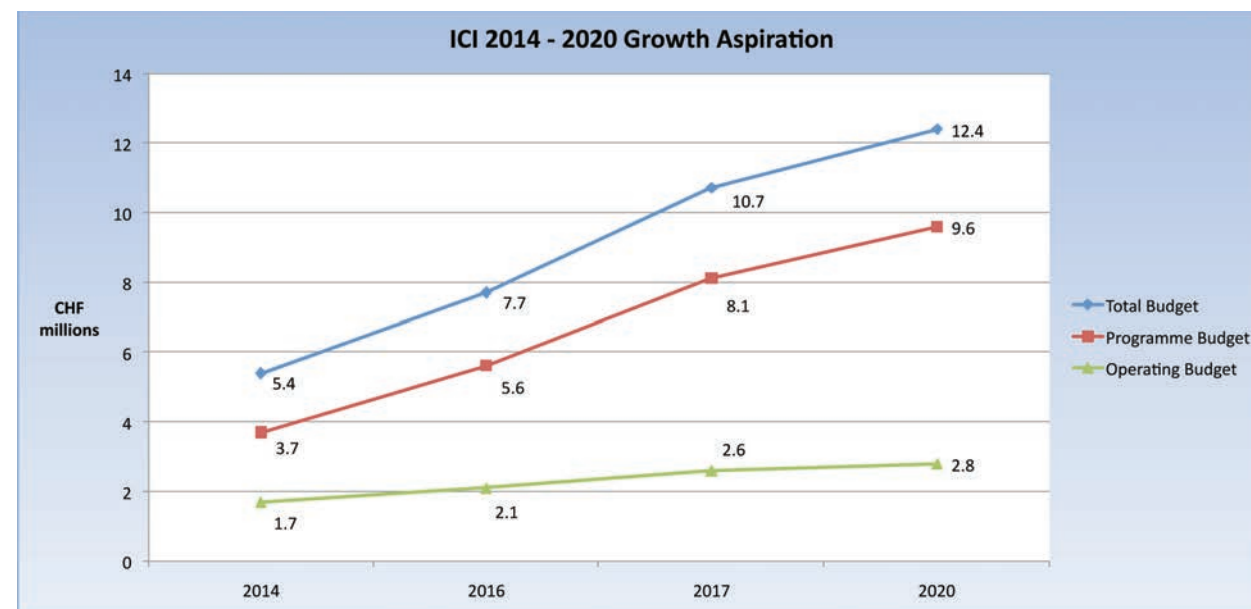
isfactory reduction over time in the proportion of the total budget comprised of support costs, from 31% in 2014 to 23% in 2020.

Beyond the achievable increases in funding that will be required to meet its desired growth targets, ICI can play an infinitely expanding or contracting role in the broader, sector-wide scale up of change. This could occur through a major boost in project funding, or through participation in a "smart financing" facility that could leverage and manage funds from multiple donors.

ICI's 130% growth aspiration from 2015 to 2020 is ambitious. But set against the 50% growth already seen over 3 years, between 2011 and 2014, and recognizing the post-transition readiness of the foundation to prove its worth, and fulfill its potential, it is entirely achievable.

With much of this growth predicated on an expansion of projects, its sustainability will depend on securing a critical mass of grants, with overlapping, multi-annual timeframes. This would then complement the durable ballast that ICI has in its membership support, which itself should expand with the addition of new contributing companies (mainly small and mid-size).

In addition, the sustainability of the foundation's growth will equally depend on the credibility, the reputation and the added-value it is able to project and uphold. For this, the continued moral and technical support of a growing number of civil society members, and of its advising international organisations, will be essential.







**The International Cocoa Initiative (ICI)**  
[www.cocoainitiative.org](http://www.cocoainitiative.org)

**ICI Secretariat in Switzerland**  
Chemin de Balexert 9 | 1219 Châtelaine | Switzerland  
Tel.: +41 22 341 47 25  
Fax: +41 22 341 47 26

**ICI National Office in Côte d'Ivoire**  
06 BP 709 | Abidjan 06 | Côte d'Ivoire  
Tel.: +225 22 41 09 14

**ICI National Office in Ghana**  
PO Box GP 21624 | Accra | Ghana  
Tel.: +233 302 99 88 70