



ICI'S EXTERNAL STAKEHOLDER MEETING REPORT

GENEVA, 20 JUNE 2013

On 20 June 2013, ICI convened its second External Stakeholder Meeting. The event brought together more than 30 representatives from industry, civil society, governmental bodies, the UN, non-governmental organisations, research institutes, certification agencies and cocoa-producing countries.

The objective of the meeting was to explore, collectively, where ICI's stakeholders think child labour in the cocoa sector will be in 2018, based on the current trajectory, and where they would ideally want it to be. Participants identified shared challenges, lessons learnt, and progress made in the fight against child labour in the past few years. The expected and required roles and responsibilities of different stakeholders in the cocoa sector were mapped out through a crowd-sourcing exercise, in order to set priorities for accelerating progress. The event provided ICI with validation of its role and existing approaches, and suggested challenges that it should consider in the development of its future strategy.

Executive summary

- The cocoa sector has made real progress in confronting the challenge of child labour and equipping itself to manage the problem better.
- On the current trajectory, improvements will continue and modest reductions in child labour can be expected over the coming 5 years, but these will be limited by a variety of constraints that will mean that the sector's ambitious child labour elimination targets will not be met.
- To accelerate progress, significant improvements and scale-up are needed in: access to education and other basic services; vocational training for youth; organisation of cocoa farmers; diversification of rural livelihoods; provision of targeted social protection; child labour monitoring, remediation and risk-management.
- To achieve this, nationally-driven coordination needs to be strengthened, with all parties subscribing to principles of pre-competitive collaboration around child rights, transparency, and accountability for measurable results.
- All stakeholders should work to define a shared vision of success and should collectively develop a roadmap to get there.
- Within this vision, there are clear and distinct roles and responsibilities to be taken by each set of stakeholders: producing countries, consuming countries, industry, northern civil society, southern civil society, development actors, academics, farmers, communities and consumers.
- These would constitute a collective effort underscored by a strong and shared commitment to coordination, demonstrable impact, joint learning, and constructive engagement.
- ICI has a key brokering, influencing and catalysing role at the heart of this collective effort.

Opening remarks

Nick Weatherill, ICI's Executive Director introduced the event as proof of "multi-stakeholder work in action". He recalled the 2012 Stakeholder Meeting, and the commitment made to host the event earlier in the year, in 2013, so that outcomes could feed ICI's strategy setting. Upholding this commitment, he explained how the day's discussions would be followed on the next day by a meeting of ICI's Board Subgroup on Strategy, who would integrate the Stakeholder Meeting's findings into its preparation of ICI's 2015-2020 Strategy and Vision. He also spoke of the progress made in the past year, captured in ICI's Annual Report 2012. He then spoke briefly about the changing role of children in modernising rural economies in West Africa, and the imperative to place children at the heart of broader sustainability work in cocoa.



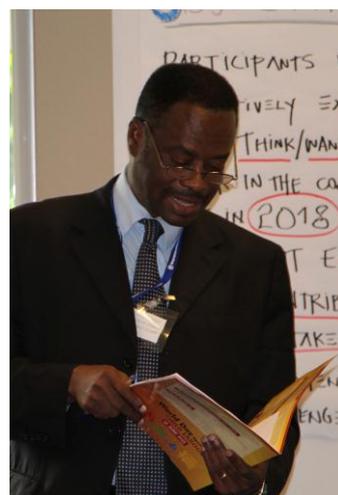
Eric Biel, Acting Associate Deputy Undersecretary for International Affairs at the United States Department of Labour opened the meeting. He highlighted the ambitious target of a 70% reduction in the worst forms of child labour in Ghana and Côte d'Ivoire by 2020 that the offices of US Senator Harkin and Congressman Engel, the US Department of Labour (USDOL), the Governments of Ghana and Côte d'Ivoire, and the international chocolate and cocoa industry have set out to achieve. He stressed the importance of measuring the impact of projects at the community level, and not only

focusing on discussing child labour issues at high-level international meetings. He also mentioned the positive trend of businesses now moving towards more responsible supply chain management.

To set the scene for discussions, a selection of ICI's different stakeholder groups were asked to present their view on where they see the issue of child labour in 2018, from their sectoral perspective:

Karim Silue, Counsellor at the Permanent Mission of Ivory Coast in Geneva, highlighted the commitment of the government of Côte d'Ivoire in tackling the child labour challenge in the cocoa sector. A new action plan for 2012-2014 has been adopted and is currently being implemented under the guidance of the Oversight Committee led by the First Lady. He underlined the need to promote a cross-sectoral approach and to install monitoring and remediation systems to effectively tackle child labour. He applauded the strengthened relationship between ICI and the government of Côte d'Ivoire.

Roland A. Modey, Chief Director of the Ministry of Employment and Labour Relations in Ghana, expressed his gratitude to development partners for their contribution to eliminating child labour in Ghana. Thanks to national and international efforts, a national Child Labour Monitoring System is now in place in Ghana, which will be scaled up. The government of Ghana also recognises the importance of social protection to tackle the poverty-drivers of child labour, and plans to scale up the national social protection system, including school-feeding to encourage enrolment and attendance for the poorest. Ghana has also invited an ECOWAS peer-review of its Child Labour work as a means to reinforce learning and accountability.



Isabelle Adam, General Secretary of the European Cocoa Association, presented the industry view on the child labour challenge. She stressed that the fight against child labour is the shared responsibility of several stakeholders and that no silver-bullet solution exists. She stressed that cooperation between businesses and civil society is a key factor for success and that both sectors face the challenge of monitoring, coordinated reporting, and collective measuring of success and impact. There should be greater alignment between the different actors of the cocoa sector leading to shared vision of success and a collectively defined roadmap to sustainable cocoa. If common standards could be developed and agreed, this would be a key vector for

progress: industry is currently working with certification bodies, and the CEN process, to improve and harmonise standards. The concept of pre-competitive collaboration between companies, particularly valid for child labour, still needs to be advanced, including a joint appraisal of the child labour risks linked to productivity increases. Ultimately, child labour solutions still need to be better integrated into the core business of many companies, and this is a key area where industry needs help in understanding what they can do, and how to do it.

Antonie Fountain, Director of Stop The Traffik, highlighted progress made in tackling child labour in the last five years. Civil society organisations and industry are working more constructively together. He reiterated a challenge to industry to report on activities and impact, against key performance indicators. Given that cocoa is a very labour intensive sector, an issue to be further explored is productivity, its relation to income and their combined labour implications. Increasing yields should not be the only focus for tackling child labour issues. Child labour monitoring and remediation systems need to be at the core of every sustainability programme. There is still a need to experiment, explore solutions and carry out pre-competitive initiatives. He finally stressed the importance of working together.

Sub-group discussions – Where will the issue of child labour in the cocoa sector be in 2018?

Reflecting on the scene-setting presentations, sub-groups considered the following questions:

- Likely future: Based on current realities/trends, what *will* child labour in the cocoa sector look like in 2018?
- Desired future: What *do we want* the cocoa sector, and the problem of child labour within it, to look like in 2018?
- How do we get from the likely future to the desired future? What needs to change?
- What does the concept of a “thriving cocoa-growing community” mean to you?

The expected future of child labour in cocoa, in 2018



Discussions highlighted the real and tangible progress that had been made over the last 5 years. The consensus was that while further progress would continue to be made, it would be hampered by some fundamental constraints. Stakeholders felt that the current rate of progress would lead to modest reductions in child labour by 2018, but at a rate below the various ambitious targets for reduction or elimination.

Specifically, it was felt that, come 2018, there would be:

- Improvements and increases in the level of accurate awareness about child labour, its definitions, root causes and solutions;
- More children in school, yet well below universal enrolment with critical questions on the quality and appropriateness of education;
- Significant increases in the coverage of farmer training programmes (FFS, etc.) but with mixed results on farmer productivity, and persistently low or fragile incomes for cocoa farmers, all contributing to increasing cash-crop substitution;
- A continuing acceptance and shift to an area-based approach, but with resources still driven by cocoa;
- A continuing shift to a holistic, multi-sectoral model to tackle child labour, but with increasing challenges for coordination across sectors;
- A growing proliferation of *ad hoc* localised sustainability projects, but poorly coordinated and inadequate in scope / coverage;

- More data, yet lacking in sufficient coordination to harness and use it effectively;
- Increasing rhetoric around social protection, but with limitations to its actual coverage and effectiveness, in the absence of resources and strong targeting tools;
- A substantial increase in volumes of certified cocoa produced, and some improvement in the efficacy of certification in mitigating child labour risks, but the majority of cocoa will still be uncertified, with the risk of a two-tier system of farmers emerging;
- Farmers will remain largely unorganised, with the majority of farmers not belonging to functional cooperatives, unions or associations, limiting their genuine empowerment, the growth of certification and the effectiveness and efficiency of sustainability investments;
- Despite a strong moral commitment from cocoa-producing governments, there will be an ongoing struggle to translate commitment into nationally-driven and nationally-owned coordinated action; and,
- A persisting lack of connectivity will prevail between the sustainable cocoa community and traditional development actors.

The desired future

In imagining where they wanted the cocoa sector, and the problem of child labour within it, to be in 2018, participants identified the following factors as underpinning their aspirations:

- Access to high quality and appropriate education will be universal;
- Vocational training will be available for the youth, ensuring the safe and organised transfer of business-minded farming skills to the next generation;
- The majority of farmers will be organised into cooperatives, agricultural unions or farmers' associations, as platforms for empowerment and sustainability;
- Capacity and coverage of trained labour inspectors will have increased;
- Farmers will enjoy a diversified livelihood base, but with profitable cocoa contributing to a predictable, stable, "living" income;
- Basic needs in rural areas will have been met (infrastructure, roads, water, healthcare, adequate nutrition, etc.);
- Needs of specifically vulnerable households/individuals will be met through targeted social protection;
- The area-based approach will be applied across all sectors, commodities and geographic regions;
- National strategies will be in place for broader child protection and the safeguarding of children's rights, with businesses working to respect and support them;
- Coverage of child labour monitoring systems linked to remediation will be nation-wide;
- Strong, nationally-driven coordination of all stakeholders will lead to coherence, efficiency, collaboration and coverage;
- Sub-national/district-level coordination capacities will exist and function;
- Taxes on cocoa exports will be transparently reinvested in cocoa-growing communities;
- Standardised data, indicators, tools and information will be used to map progress and impact of child-labour elimination efforts against baselines;
- Evidence on effective and scalable solutions to child labour will be stronger;
- Certification will serve as a vehicle for social mobility, reaching and benefiting the poorest across the cocoa-sector; and,
- Pre-competitive alignment and collaboration will distinguish the entire cocoa industry, on child labour.

How to get from the likely to the desired future?

The following principles, approaches, interventions and inputs were identified as essential to bridging the gap between the expectation and the aspiration:

- More resources, better coordinated, better prioritised and targeted to needs;
- Investment in coordination capacity, and in monitoring/impact assessment tools;
- Evidence-based advocacy (for area based approaches, provision of basic services, scaling-up of social protection, land-rights, access-to-credit, transparency);
- Constructive engagement of all stakeholders, including chocolate consumers;
- Focus on farmers and their communities (moving from productivity-per-hectare, to income-per-capita; moving beyond sensitisation to remediation and protection);
- Investment in women;
- Modernising rural communities and professionalising farming;
- Development and understanding of effective risk-management tools; and,
- A roadmap for multi-stakeholder collaboration in the cocoa sector, built around specific roles, responsibilities, milestones and targets.



How do we define the concept of a “thriving cocoa-growing community”?

Participants unpacked the concept of a “thriving cocoa-growing community” as having the following characteristics:

- A place where people want to live, rather than migrating to other (urban) areas;
- A place where people choose to grow cocoa from amongst other livelihood alternatives;
- A place where children are safe and reach their full potential;
- A place where farmers choose, and can afford, to invest in their own livelihoods; and,
- A place where the cocoa sector has modernised, and where cocoa farming is a proud and resilient livelihood- and not just a subsistence means of survival.

Crowd-sourcing exercise: “shared responsibility – whose responsibility for what?”



The afternoon session consisted of a crowd-sourcing exercise where participants were asked to collectively explore the roles and responsibilities of different actors in the cocoa sector that would better address the child labour challenge and help advance the sector towards the stated aspiration. ICI’s potential to play an enabling or catalytic role with each of these actors was also considered.

Cocoa-producing governments

Cocoa-producing governments have the primary responsibility to protect their citizens. They need to uphold good governance and promote the rule of law. They should focus on bringing leadership, national coordination, financial transparency and investment in rural infrastructure (schools, hospitals, water and sanitation, etc.).

Cocoa-producing governments should re-inject income derived from cocoa taxes into rural communities, investing in social welfare, and providing access to quality education for all children. They should also set up and run nation-wide child labour monitoring and remediation systems, to better measure progress and identify needs. In addition, governments in cocoa-producing countries should take responsibility for solving the problem of land rights that contributes to underinvestment, uncertainty and instability in rural areas.

ICI's role: ICI can help cocoa-producing governments by providing training and capacity building to government officials on child labour. ICI can provide tools and technical support to help governments fulfil their national coordination and child labour monitoring roles. ICI can influence the development of appropriate legislation and policies, and should advocate for acceptable provision of basic services in rural areas.

Governments in cocoa-consuming countries



Governments in cocoa-consuming countries should focus their efforts on supporting the capacity of cocoa-producing governments, promoting knowledge transfer, defining international standards with cocoa-producing countries and providing more funding to support the provision of basic services and the promotion of cocoa sustainability. They should also concentrate on developing effective, coherent and appropriate international policies (for trade, human rights, public procurement) that positively support cocoa farmers and maintain

a level playing-field between north and south. It is also desirable that cocoa-consuming governments put in place safe forums for essential discussions on pricing and the cocoa economy, such that the fundamental issue of the cost of sustainable cocoa, and who pays, can be addressed whilst fully respecting anti-trust and anti-competition laws.

ICI's role: ICI should play an important role at the level of consuming countries, by engaging with- and informing- the relevant policy debates, particularly ensuring that they are based on an accurate analysis of the child labour problem. ICI should also link with human rights platforms to bridge theory and practice, offering concrete examples from its own operations of how child rights in business can be respected and supported in practice. ICI should feed its technical knowledge of the issue, and of good-practice, into the discussion on international standards.

The chocolate and cocoa industry

Industry needs to ensure better alignment of measures, approaches and standards in cocoa sustainability and child labour mitigation efforts, for all actors in the value chain (traders, grinders, processors, chocolate manufacturers, retailers, logistics, certification bodies). To this end, a stronger commitment to coordination is needed, and to the pre-competitive principle, with proactive and transparent sharing, between companies, of lessons and experiences in mitigating child labour.

In spite of progress made, the chocolate industry can still raise the bar in terms of scale, quality and innovation. Businesses should focus more on monitoring the projects they are investing in, in order to properly measure and cost their impact, and to improve their efficiency, so that they can increase resource flow to the most effective approaches. Commitment to a bigger pooled-funding mechanism could also be considered, to support pre-competitive joint efforts.

ICI's role: ICI is well placed to champion the pre-competitive ideal, as an existing platform where companies and other stakeholders collaborate on child labour, and with a modest pooled-funding mechanism already

in place. ICI can bring focus to sector-wide efforts, using evidence to prioritise, and pulling in the relevant respective skill-sets. ICI should also preside over a common set of indicators that best track progress on child labour in cocoa. And ICI could also link with other sector initiatives, and other geographic areas, to foster important learning, expansion and efficiencies.

Civil society

It was agreed that there is a need, in future, to distinguish between northern civil society and southern civil society, as some of their roles and engagements are distinct.

Northern civil society organisations should commit to a principle of constructive campaigning, complementing public pressure on businesses with trust-building measures and pragmatic engagement in the search for solutions, rather than just confronting and criticising from afar. NGOs' advocacy efforts need to be evidence-based and credible, and their expectations of business should be bold but realistic.

NGOs also need to fully understand what is going on the ground, and better measure the impact of their own projects and efforts. NGOs should be able to clearly define their added value and their expertise, in order to be credible advisers to businesses on the best approaches to tackle child labour.

A priority for civil society is to ensure that the voices of the most vulnerable and disempowered are heard. To this end, civil society should take real efforts to listen to cocoa-farmers and their children.

Northern civil society organisations also have a key role to play in lobbying governments in cocoa-consuming countries for more coherent and appropriate policies at the national and international levels, as well as in responsibly educating consumers and the media on the realities of child labour.

Finally, there was an appeal that civil society subscribes to the same principle of pre-competitive behaviour as it encourages industry to adopt. There are indeed competitive behaviours between NGOs that do not always contribute to clarity, coherence or efficiency.

ICI's role: ICI has clear added-value in its multi-stakeholder composition, providing a bridge between civil-society and industry, and a platform for constructive engagement in the pragmatic search for solutions. ICI should continue to convene and broaden the multi-stakeholder group. In particular, more representation from southern actors (governments, civil society organisations and farmers) emerged as a key priority for ICI, as did finding ways to channel the voice of farmers and children from its community operations to its international strategies.



Development actors

Development actors need to focus more on strategic investments, capacity building and technical assistance to cocoa-producing countries, on better alignment of sectoral interventions, on relevant policy guidance to origin governments, and on facilitating and participating in better coordination among different actors.

They should mainstream child labour into sector-specific development plans and budget-support, facilitate more dialogue between all governments (cocoa-consuming and cocoa-producing governments), help measure the long term impact of their projects on child labour, and uphold principles of accountability to the tax-paying public.

Development actors should also aim at de-politicising the issues, working collectively to define what needs to be done and who has the capacity to address the needs.

ICI's role: ICI should link more concertededly with development actors, engaging them in the challenge of national coordination, advocating for child labour to be better mainstreamed, and ensuring that the poverty drivers of child labour are adequately addressed by the poverty-eradication community. Fostering public-private funding relationships around results-driven approaches should also be prioritised.

Academia/research



Whilst there is now sufficient research material into the causes of child labour, research institutes and academics could contribute more to improved tools and indicators for measuring child labour/trafficking incidence, and monitoring operational progress. They could also enhance the sector's understanding of other important issues, such as demographics, labour markets etc. They should also work to build the capacity of national research institutions in origin countries to carry out studies at the national level.

ICI's role: It was suggested that ICI should work to formalise a longstanding relationship with the academic community as a key stakeholder, and that ICI could play a useful role in ensuring that relevant research and studies are disseminated to the right actors, and optimally influence operational interventions and strategies, as well as national / international policy.

Cocoa-growing communities

Cocoa-growing communities need to take more ownership of programmes, and involve all members (including the marginalised) in local initiatives to get children out of work and into school, to better monitor their communities, to contribute effort and resources to projects, and to organise themselves better (e.g into cooperatives or farmers' associations, but also into informal farmer groups). It is important to remember that communities need to be broken down into their composite and distinct parts, including households, women, children, farmers, other specific groups, in order to be brought sufficiently into the sustainability effort, and for those efforts to be optimally designed.

ICI's role: ICI's traditional focus on community empowerment gives it a strong role and voice in promoting community ownership and local responsibility. Its work with certifiers to improve child labour mitigation, and its promotion of improved livelihoods and vocational training for youth, also give it considerable influence when it comes to the organisation of farmers and the promotion of thriving cocoa communities.

Chocolate consumers

Consumers need to make more effort, and take more time, to better understand the child labour issue and the real challenges in the cocoa supply chain. They need to engage with companies in a constructive way, with clear and realistic expectations, and they also need to be ready to pay more for sustainable chocolate.

ICI's role: As a technical reference, ICI should continue to provide balanced and accurate information about child labour issues on its various information platforms. ICI's limited direct reach to consumers can be enhanced by also ensuring that the journalists and campaigners, who influence consumers more directly, are capable of disseminating the right messages about the child labour challenge in cocoa.

Conclusions

The main achievements of the day were in defining a bold future-vision for the cocoa sector, exploring some of the key elements and strategies needed to attain that vision, and considering the roles and responsibilities of various actors and stakeholders in implementing those strategies. As such, the meeting was instrumental in advancing and better defining the concept of “shared responsibility”.

While different stakeholders had distinct roles within this collective effort, a number of common themes emerged, to which all parties need to subscribe and increase their efforts.



- (a) **Coordination** and the necessity of bringing coherence, alignment and efficiency to the multiple efforts and initiatives that will, of necessity, proliferate in the years ahead.
- (b) **Measurement** of results and impact, so that progress can be better tracked, innovation tested, accountability ensured, and good-practice captured.
- (c) **Constructive engagement** and dialogue between multiple stakeholder groups and actors, based on knowledge, technical added-value, and the joint search for solutions in the interest of farmers and children.

Most topics raised during the day were not necessarily new for the participants. However, the holistic mapping of these issues onto a future vision, and the examination of stakeholder roles, felt like real progress.

ICI’s role within this collective effort emerged quite clearly, as it did in 2012, as:

- a technical reference;
- a facilitator, broker and bridge-builder;
- a knowledge manager and knowledge broker;
- an operationally-grounded catalyst;
- an evidence-based advocate;
- an empowerer and influencer;
- a multi-stakeholder convener;
- a champion of child rights.

Key learnings from this second ICI External Stakeholder Meeting included the need to integrate and listen to the voice of farmers and children more actively, and the related need to maintain and expand the inclusion of different southern actors within the broad multi-stakeholder alliance.

There was a common agreement from everyone in the room to take the reflections of the day to another level. ICI will be integrating these perspectives into its day-to-day operations and into its mid-term strategy setting. Participants expressed their willingness to commit more time in the future for more discussion on the key questions raised during the day, and to collectively move closer to defining, and scaling up, the sustainable solutions to the child labour challenge in cocoa.

*ICI Secretariat
6 August 2013*