Mid-Term Review and Revision of ICI’s 2015 – 2020 Strategy

Approved by the ICI Board at the 37th ICI Board meeting on 19th April, 2018.

External Version
## Contents

Executive Summary ................................................................................................................. 3  
1. Introduction & Background ............................................................................................... 5  
2. What’s Changed in ICI’s Operating Context Since 2015 .................................................. 6  
3. How ICI Has Evolved Since 2015 .................................................................................... 7  
4. Results To-Date 2015- 2017 ............................................................................................ 8  
5. Revised 2020 Targets & KPIs ......................................................................................... 9  
6. Adapting, Innovating and Learning ................................................................................ 10  
7. Catalysing and Upscaling ............................................................................................... 12  
8. ICI Strategic Operating Model ....................................................................................... 14  
Annex A – Influencing Matrix ............................................................................................ 18  
Annex B – Targets, Results and KPIs ................................................................................. 20
Executive Summary

As validated in the November 2017 Board, the ICI undertook a Mid-Term Review (MTR) of the ICI Strategy 2015-2020. The review was conceived as an internal process, co-owned by the ICI Senior Management Team and a Board Strategy Review Subgroup (SRSG).

The SRSG noted the relatively short timeframe remaining on the current Strategy: all strategy revisions validated by the April 2018 Board will need to be quickly implementable for completion within the following 24-months. The Revised Strategy should instead be seen as a stepping stone towards a 2020-2025 Strategy in which broader changes will be explored.

Overall, the review found that the last 3 years of implementation under the ICI 2015-2020 Strategy have proven the relevance of the Strategy itself and the value of ICI to the sector. The Vision, Mission and three mutually reinforcing Strategic Objectives have allowed ICI to specialize and deepen its core competencies around children's rights and child protection, to engage as a credible agent of change at all levels (community, supply-chain, national and international), and to embrace an appropriately holistic and integrated palette of activities that address the multiple drivers of child labour with proven impact.

Success has been faster and greater than that which was foreseen in the Strategy's original ambitions. At the Mid-Term point, ICI's annual revenue is 40% greater than what was foreseen (CHF 15.1 M compared to CHF 10.7 M foreseen for 2017), and ICI's staffing is 170% greater than anticipated (165 staff compared to 61 foreseen). ICI's direct action impact at end-2017 is estimated to have reached 94% of the original 2020 target equating to 121% greater than was originally foreseen for the mid-point. Across most of ICI's Strategic Objective KPIs, positive trajectories are noted, suggesting that ICI is doing well within the natural limits of its operational scope.

The influencing analysis (Annex A) also reveals that ICI's greatest impacts to-date, its greatest potential future impacts, and its likely USP compared to other actors, stem from its role as a technical catalyst amongst its primary stakeholders, playing to its original mandate as a clearinghouse of good-practice, rather than from any broader policy/advocacy efforts. This suggests that ICI's efforts will therefore be best deployed mainly in support of the technical and operational endeavours of its members over the coming 3 years. That said, its expertise, sector knowledge and convening power could also be more emphatically applied to unite those various partners who are engaged, influential and assertive in the national and international policy arena (civil society, international organisations, WCF) as an important means of multiplying impact.

Proposal 1: Revised 2020 Targets and KPIs

It is proposed to retain the original 2020 target of 1 million children with improved child protection for direct-action and influencing combined. However, it is proposed that ICI's revised direct-action target be increased from 200,000 to 375,000 children, so 37.5% of the total impact is now expected to be derived from ICI's direct-action (as opposed to the original 20%), with the remaining 62.5% (625,000 children) derived from ICI's influencing or "catalysing" (as opposed to the original 80%, or 800,000 children).

Proposal 2: Adapting, Innovating and Learning

ICI’s innovation to-date has primarily focused on the CLMRS model, but with increased pressure to upscale the established approach, innovation is now somewhat eclipsed by more routine implementation, even though innovation could well hold some answers to the upscaling challenge. Furthermore, the use of ICI’s core resources in core communities simply to marginally increase coverage of the standard community development approach no longer seems strategic.

It is proposed that ICI shifts core resources towards adaptation, innovation and learning to support its broader "collective learning" ambition as a "clearinghouse of good practice". It is proposed to re-configure SO1 core communities as “Innovation & Incubation Hubs”, supported by a stronger M&E function so that lessons on impact, cost and scalability can be extracted and disseminated for the common good.
Proposal 3: Catalyzing and Upscaling

As envisaged in the original 2015-2020 Strategy, ICI’s ambition to support, directly and indirectly, the scale-up of good practices will continue to form the bulk of ICI’s efforts. Within the core programme, that will not only be supported within the new Innovation Hubs and the associated learning derived from them, but also from efforts to build consensus, alignment and coherence across stakeholders. It is proposed that ICI’s technical expertise should continue to reinforce the capacities of its members and of the origin governments to upscale responses and increase the coverage of needs, and that ICI’s multi-stakeholder convening power should serve to identify and promote supportive policy measures at national and international levels.

Within its project work, in addition to doubling the scale of its own operations, it is proposed that more intentional effort be applied to analysing capacity deficits in the sector and forming technical and strategic alliances with others so that the upscaling burden can be shared and so that various capacities can be sustainably reinforced.

Proposal 4: ICI’s Operating Model

A number of shortcomings were identified with the original ICI Strategic Operating Model 2015-2020, so an adapted model is proposed which: a) emphasizes the centrality of Innovation; (b) houses that alongside other modes of influence within a broader Catalysing function that is mainstreamed and integrated across ICI’s work; (c) breaks down the artificial silos of SO1 (communities) and SO2 (supply-chains) with a strategic convergence towards the roll-out of integrated child protection systems and responses; and (d) binds all elements together within a mutually reinforcing cycle that delivers the urgently needed scale up of those systems and responses across the cocoa sector.
1. Introduction & Background

As validated at the November 2017 Board Meeting, ICI has conducted a Mid-Term Review (MTR) of ICI’s Strategy 2015-2020. The original expected results of this externally-facilitated internal review included:

- Progress reviewed across the Objectives, KPIs and Activities of the 2015-2020 Strategy;
- Appraisal of the relative relevance and importance of the Objectives and Activities of the 2015-2020 Strategy against the current and foreseen needs and priorities in the cocoa sector (up to 2020 and beyond, to 2025) also identifying any critical gaps;
- Review of ICI’s USP, added-value and comparative advantage relative to other actors in the sector;
- Agreement on revised 2020 targets for ICI’s direct operational and indirect influencing work;
- Exploration of potential revisions to the ICI Operating Model, Business Model and Fundraising Model to support the achievement of the revised 2020 targets; and,
- A Revised 2020 Strategy, and Plan of Action for 2018-2020, for Board consideration and approval.

This review was conceived as being an internal process, co-owned by the ICI Senior Management Team and a Board Strategy Review Subgroup (SRSG), and accompanied by the same external facilitator who led the original 2015-2020 Strategy development process. Additionally, a selection of other stakeholders from industry, non-profits and civil society were consulted on an earlier draft of this document.

Similar to the development of the ICI 2015-2020 Strategy process, the objectives of the internal review were met through a planned series of focused videoconferences organized between December 2017 and March 2018. These conversations were supported by analysis and concept papers prepared by the Secretariat; short summary notes were provided following each session. In broad terms, the respective calls iteratively addressed the following issues:

- A snapshot of developments in the cocoa sector, a review of ICI’s progress against its Strategic Objectives, then conversations around USP, focus and scope;
- An exploration of ICI’s Influencing work (stakeholders, means of influence, projected results) and of the potential to revise ICI’s 2020 targets and how it uses its core resources;
- A deeper discussion on ICI’s Direct Action and Influencing Impacts feeding recommendations for adjustments to ICI’s direct action target, the validation of a proposal for ICI to shift core resources towards innovation, incubation and learning, and reflection on proposed revised Operational Models for 2018-2020 and 2020-2025;
- A complete review of the first draft ICI’s Mid-Term Review (MTR) document enabling the Subgroup to comment, shape, challenge and validate the findings and recommendations; and,
- A Board Consultation videoconference, open to all Board members, alternates and advisors, introducing a revised MTR document and creating a space to collect initial comments and questions before finalization of the document for tabling and adoption at the April 2018 Board Meeting.

In the process of deliberating, the SRSG noted the relatively short timeframe remaining on the current Strategy. Thus, all revisions validated by mid-2018 will have to be fairly instantaneously implementable for completion within the following 24-months, and so should not be too complex or too radical. The Revised Strategy and the resultant roadmap should instead be seen as a stepping stone towards a 2020-2025 Strategy in which bigger changes might be launched. This required the MTR exercise to include an element of future-thinking to the ICI we want to be beyond 2020.

Against the original objectives for the Strategy Review process (above), most have been achieved, although further reflection on how ICI’s business model and fundraising approach can support the Revised Strategy will naturally be needed into the implementation period, and the foreseen Plan of Action 2018-2020 will now be deferred (to allow for the completion of ongoing activities in 2018) and will be packaged instead into the regular 2019 and 2020 Action Plans to be approved in the next two November Board Meetings.
2. What’s Changed in ICI’s Operating Context Since 2015

Many of the fundamentals on which the original 2015-2020 Strategy was premised remain, most notably with the scale and complexity of child labour in cocoa generally eclipsing the sum-total of individual and collective efforts to tackle it, and a derived urgency for all parties to accelerate and upscale solutions based on a principle of shared responsibility.

On one side, this urgency has been amplified over the last 3 years with the release, in 2015, of the 2013/14 Tulane Survey which recorded a 21% increase over the previous 5 years in the absolute number of child labourers in cocoa, in Ghana and Cote d’Ivoire, to a revised total of 2.1 million children (compared to ICI’s original 2014 estimate of up to 1 million). Furthermore, a dramatic 36% drop in the world market price of cocoa since early 2017 is expected to have further exacerbated the child labour risks linked to farmer poverty and structural under-investment in the social sector.

On the other side, the same 2013/14 Tulane survey also revealed some signs of progress that give rise to cautious optimism. Whilst the absolute number of child labourers in cocoa increased, this was linked primarily to demographic and production increases, and within an average cocoa-growing household the incidence of child labour in fact decreased by 16%. Furthermore, the survey showed that there was a significantly decreasing frequency and severity of child labour in cocoa, and that 652,000 children in cocoa-growing areas had been newly enrolled in school over the previous five years. Over the past three years, some of the measures that are thought to have contributed to this lower child labour risk in cocoa households have been distilled into new policies and good practices that both the industry and the origin governments have committed to upscaling, whether in national sector policies (e.g. for compulsory basic education and for social protection) or National Child Labour Action Plans, or through industry commitments such as CocoaAction. The potential to better link and align these potentially synergistic and mutually reinforcing commitments is significant.

The launch of CocoaAction’s implementation phase\(^1\) in 2015, and concurrent efforts by other ICI member companies, symbolised the start of a new phase of greater, more aligned industry effort and corporate investment to tackle many of the issues that contribute to child labour in cocoa. The operational challenge of turning this commitment into action has dominated the landscape for the last two years. Whilst momentum is now building, progress in implementation has been relatively modest to-date, and with the next follow-on to the Tulane Survey scheduled for 2018/19, the pressure on both industry and governments to deliver more and to show progress have already translated into an unprecedented demand for ICI’s knowledge, expertise and capacity, demand which is only going to increase as 2020 approaches, and as the sector starts to consider where it needs to head thereafter.

At the same time, the cocoa sector’s agenda has also naturally evolved over the last three years. A rapidly-changing regulatory environment is driving greater push for corporate due-diligence and reporting that fully validates ICI’s efforts in support of responsible supply-chains, but also urges further evolution of its models. With a growing focus within those regulations on the risk of forced labour, specifically, there is a need for ICI to consider expanding the scope of its work. With deforestation and climate change emerging as major issues linked to and threatening cocoa production, there is a strong case for ICI to examine the links between deforestation and child protection and to climate-proof its endeavours so that there is confidence that its actions in support of child protection are reinforcing rather than exacerbating the sector’s broader efforts. And with over-production of cocoa at least partly to blame for the drop in world cocoa prices, sustainability strategies are evolving of necessity away from a primary focus on cocoa productivity to more diversified livelihood prescriptions, potentially opening up opportunities for stronger community development investments, but also demanding more multi-commodity orientations.

\(^1\) CocoaAction’s operational goal is to reach, by 2020, 300,000 cocoa-farming households and 1200 cocoa-growing communities with improved productivity, community development and child protection.
3. How ICI Has Evolved Since 2015

The last 3 years of implementation under the ICI 2015-2020 Strategy have proven the relevance of the Strategy itself and the value of ICI to the sector. The Vision, Mission and three mutually reinforcing Strategic Objectives2 have allowed ICI to specialise and deepen its core competencies around children’s rights and child protection, to engage as a credible agent of change at all levels (community, supply-chain, national and international), and to embrace an appropriately holistic and integrated palette of activities that address the multiple drivers of child labour with proven impact. Whilst preserving its community engagement as a platform for tackling root causes of child labour through a prevention logic, ICI has innovated within the supply-chain in its design and promotion of CLMRS as a due-diligence function. It has successfully used its sectoral credibility and influence to carry those best practices into the commitments and ambitions of its various members, partners and stakeholders.

In many respects, success has been faster and greater than that which was foreseen in the Strategy’s original ambition. At the Mid-Term point, ICI’s annual revenue is 40% greater than what was foreseen3 (CHF 15.1 M compared to CHF 10.7 M foreseen for 2017), ICI’s staffing is 170% greater than anticipated (165 staff compared to 61 foreseen) and, as shown below in Section 4, ICI’s direct-action impact was 121% greater than anticipated at end-2017. Over the last three years, ICI has diversified and expanded its membership (although slightly below what was foreseen in the Strategy) with 20 industry members/partners at end-2017 (compared to 25 foreseen), and 10 civil society members/partners (compared to 9 foreseen), and a satisfactorily balanced Board comprising 9 industry and 7 non-industry seats. With slightly fewer corporate members than anticipated and therefore a shortfall in expected core contributions, it is evident that ICI’s growth has been built more on the expansion of its project work which accounted for 66% of revenue in 2017 (compared to 50% foreseen for the mid-point in the original Strategy).

This project growth accounts with the greater-than-anticipated demand for ICI’s support as a specialised and dependable operational partner to companies and stakeholders in their scale-up to meeting of CL commitments. In some respects it has posed a significant challenge to the Foundation as it has had to staff, structure and equip itself accordingly. Whilst a particularly steep gradient of 40% growth from 2016 to 2017 presented a variety of management and organisational hurdles, it also accelerated ICI’s professionalism through the forced adaptation of its systems, procedures, capacities and structures. These have effectively future-proofed the Foundation for further growth, affording ICI a greater scale of ambition now than it envisioned in 2015. Direct delivery on SO1 and SO2 has also been at the core of ICI’s growing credibility and has strengthened ICI’s unique role as a technical influencer (or as an "operationally-grounded catalyst"). Built on its operational delivery, ICI has also played its originally mandated role as a “clearinghouse of good practice” in some areas (e.g. with the CLMRS Effectiveness Review, through CocoaAction, with the National Governments).

While these illustrate great success both in delivery and in influencing, the resultant speed and scale of growth has taken up a lot of the organization’s energies and has not left adequate room for deeper learning. Preoccupied with the roll-out of a fairly standard but necessary package of support within both its core programme and its restricted projects, ICI’s ability and capacity to inspire and catalyse beyond this direct action programming has been limited. To exemplify this, ICI has a growing- and historically under-exploited -operational data-set that could and should be tapped to foster innovations and adaptations that increase the scalability and cost-effectiveness of the good practices identified, and ICI’s operational platform potentially offers a fertile testing-ground for those innovations and adaptations.

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2 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. Mission: 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. SO1: Cocoa-growing communities are more protective of children and their rights. SO2: The cocoa supply-chain manages the risk of child labour responsibly. SO3: 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.

3 Although annual expenditure in 2017 was more or less as foreseen at CHF 10.5 M, owing to capacity-related spending constraints and deliberate front-loading of projects by some donors.
While ICI has evolved well to take on the greater scale, the broader scope and the heightened urgency required by the sustainability challenges and demands in the cocoa sector, it also needs to find focus and a greater clarity of purpose if it is to be meaningfully catalytic and impactful over the next 3 years. Whilst child labour mitigation demands a holistic approach at multiple levels, it will not be possible for ICI to serve its members and stakeholders as a specialised “one-stop shop” for every issue. On one side, it will probably be necessary for ICI to leave certain aspects that fall beyond its current competencies to the growing number of actors in the cocoa sector who have a comparative advantage in those areas (for instance, NGOs specialising in livelihoods and climate-change) or to work more in a support & facilitation role with specialists whose expertise are needed in the sector (e.g. international NGOs specialising in Forced Labour). On the other side, a refined approach to working with others within ICI’s remit and intervention zone will also be needed, encompassing capacity-building, development of tools, technical advisory support, knowledge-promotion, outsourcing, strategic partnerships, thought-leadership and agenda-setting. This will ensure that ICI’s catalytic function, as originally foreseen within SO3, can both harness and build the capacity that drives the scale-up of good practices more emphatically and more sustainably.

4. Results To-Date 2015- 2017

a) Progress Against Overarching Targets

The original Strategy’s “rallying call” and primary target was to “increase child protection for at least 1,000,000 children by 2020”. Based on the agreed operating model, it was intended that 20% of this target (200,000 children) would be achieved through ICI’s “direct action”, and 80% (800,000 children) would be achieved through “influencing the actions of others”.

Through the activities within its core programme (supporting community development in 75 communities) and restricted projects (supporting community development in 62 communities and targeting 90,826 farming households with CLMRS, of whom 44.6% are so far considered to be covered4), ICI’s direct action impact at end-2017 is estimated to be an improvement in child protection5 for 187,767 children6. 94% of the original 2020 target has therefore already been achieved at end-2017, and direct-action impact is 121% greater than was originally foreseen for the mid-point7.

ICI’s influencing impact, to-date, is harder to estimate due to challenges of causality, attribution, reporting and reliability. The analysis provided in Annex A articulates the hypotheses by which influencing impact can be assessed. This is used to project potential impacts by 2020 (see section 5 below) and will be used to track and verify those over the next three years.

The other Overarching Target is “reduced child labour in 20% of at-risk cocoa growing communities by 2020”, equating to 1800 communities, of which 360 (or 4% of at-risk communities) were expected to be impacted through ICI’s direct action. Internal ICI evaluations5 have confirmed that ICI’s model of community development can reduce child labour by approximately 20% through the three-year development cycle, and, to-date, ICI’s direct-action in community development covers 137 communities (equating to 38% of the target at the mid-way point). This shortfall is mainly linked to the implementation sequence of ICI’s growing number of dual-approach communities, wherein CLMRS has to be set-up first before communities can be selected for deeper community-development investments. Additional community-level impacts in more communities covered only by ICI’s household-targeted CLMRS work cannot be ruled out, especially given the community focus of some awareness-raising and remediation activities, although these can neither be assumed nor quantified at this time. ICI’s influencing impact in promoting or guiding community development by others to contribute to the additional 16% of at-risk communities can also

4 Owing to start-up time-lags, currently 44.6% of children targeted have so far been covered (i.e. monitored at least once) by CLMRS.
5 Children with improved child protection are defined as those living in households covered by CLMRS or those living in communities with community development support and child protection capacities enhanced.
6 86,686 children registered as living in the 137 community-development communities, plus 101,441 children (0-17y) monitored / covered so far by CLMRS in 49,384 households, in 54% of the 90,826 households targeted equals 187,767 children in total.
7 The original Strategy’s impact forecast for end-2017 equated to 90 communities in CDI (x 717 children = 64,497 children) and 70 communities in Ghana/WA (x 288 children = 20,160) = 84,657 children.
8 2014 PCCF Validation Survey (Ghana) and 2016 Twinings Project Evaluation (CDI)
not currently be estimated, partly due to reporting timelags on industry’s CocoaAction initiative. However known delays, the mismatch between CocoaAction’s 1200 community target and this Strategy’s 1800 community target, and a relative paucity of other actors implementing projects at the community level, would all suggest that this specific target may only be 50% achieved by 2020, albeit compensated for by a greater number of farmers targeted and benefitting at the household level.

c) Lessons and Implications for 2018-2020

The above review of Results and KPIs also reveals that some of the original Impact Indicators and KPIs can not easily be reported against, or are not optimally aligned to the actions being undertaken in the sector, either by ICI or others. Therefore, whilst maintaining most of the ambitions and thematics, some refinement of the KPIs for the second phase of the Strategic cycle is warranted, with changes proposed in Annex B.

ICI’s direct-action impacts to-date have been impressive and well in excess of expectation. ICI’s influencing impacts are harder to ascertain at this point in time, showing more potential than actual impact to-date. Across most of ICI’s Strategic Objective KPIs, positive trajectories are noted, suggesting that ICI is doing well within the natural limits of its operational scope. However, set alongside the stated sector-level indicators, there should be some concern for what currently appears to be a relatively low collective coverage of global needs (even though it is scaling up) which in turn risks being revealed in disappointing national and sector outcomes. With ICI’s potential to influence far greater now than it was 3 years ago, the critical strategic question for the next 3 years is how can ICI, beyond its direct implementation role, contribute to and better catalyse the scale-up of coverage and impact in the sector?

5. Revised 2020 Targets & KPIs

The above review of ICI’s Progress against Overarching Targets (section 4.a) reveals that, with the direct-action 2020 target already exceeded at end-2017, a revised 2020 target is needed. Based on an analysis of sector demand for ICI’s support and services and of ICI’s growing capacities on the ground, it is proposed that ICI’s revised 2020 direct-action target be increased from 200,000 to 375,000 children, representing a further doubling of ICI’s current scale and impact over the next 2.5 years.

The analysis of ICI’s potential indirect influencing impacts provided in Annex A looks at the various modalities of ICI influence (Collective Learning, Research, Public Campaigning, Technical Advisory Support, Political Advocacy, Standard Setting / Quality Assurance, Promotion of Good Practices, Innovation & Piloting) across the various ICI Stakeholder groups (Industry, Certifiers, Investors, Origin Governments, Consuming States, International Organisations, Media, Civil Society, Donors, Researchers and Consumers), and articulates the hypotheses by which those impacts can be reasonably assumed. Based on the matrix and the assumptions therein, an upper indirect-impact of over 2 million children with improved child protection could be most optimistically projected by 2020. However, leaving margin for error, realism and attribution challenges, it is proposed instead to retain the original 2020 target of 1 million children for direct-action and influencing combined, but with 37.5% of that impact (375,000 children) now expected to be derived from ICI’s direct-action (as opposed to the original 20% or 200,000 children), and the remaining 62.5% (625,000 children) derived from ICI’s influencing or “catalysing” (as opposed to the original 80%, or 800,000 children). ICI’s influencing impacts will then be more closely evaluated in the Strategy’s final evaluation.

The Influencing analysis also reveals that ICI’s greatest impacts to-date, its greatest potential future impacts, and its likely USP compared to other actors, stem from its role as a technical catalyst amongst its primary stakeholders, playing to its original mandate as a clearinghouse of good-practice, rather than from any broader policy/advocacy efforts. This suggests that ICI’s efforts will therefore be best deployed mainly in support of the technical and operational endeavours of its members over the coming 3 years. That said, its expertise, sector knowledge and convening power could also be more emphatically applied to unite those various partners who are engaged, influential and assertive in the national and international policy arena (civil society, international organisations, WCF) as an important means of multiplying impact.
Finally, Annex B takes stock of the observed weaknesses or reporting challenges within ICI’s current list of KPIs in its 2015-2020 Strategy and proposes some alternatives that better reflect ICI’s operational realities and that better align either with ICI’s annual Action Plan reporting or with industry’s CocoaAction results-framework, whilst retaining most of the thematic and strategic ambitions.

6. Adapting, Innovating and Learning

It is proposed that ICI shifts a portion of its core resources towards adaptation, innovation and learning to support its broader “collective learning” ambition as a “clearinghouse of good practice”. It is proposed to re-configure SO1 core communities as “Innovation & Incubation Hubs”, supported by a stronger M&E function so that lessons on impact, cost, sustainability and scalability can be extracted and disseminated for the common good.

a) Context:

In spite of a stated intention in the original 2015-2020 Strategy to “innovate and pilot” across the full scope of its activities, ICI’s innovation to-date has primarily focused on its CLMRS model under its Strategic Objective 2. This has been pioneering and impactful beyond expectations. However, with increased pressure to upscale the now established model, innovation on CLMRS is now somewhat eclipsed by more routine implementation, even though innovation could well hold some answers to the upscaling challenge, for instance by increasing impacts, facilitating coverage or lowering costs. Furthermore, innovation was formally adopted in 2016 as an ICI Core Value, and the potential to build the next phase of ICI’s growth and success on its role as an Innovator are considerable.

At the same time, on Strategic Objective 1, the original intention to innovate in the 75 communities where community development activities have been rolled out, and to do that in a mentoring/partnership role with the ICI member companies allocated community quotas, has not quite evolved as planned. Instead, SO1 community work has offered a platform for the roll-out of the standard CocoaAction community development package which, by definition, is geared to already-defined good practices rather than more untested and potentially risky innovations (even though it has allowed ICI to trial some approaches that are new to ICI and its members, like bridging classes, vocational and literacy training, or CCPC-driven remediation). With companies now scaling up the same community development work within their own programmes, the use of ICI’s core resources and core communities simply to increase coverage of the standard approach, and only by a handful of communities (75 ICI communities amongst 1200 CocoaAction communities), no longer seems strategic or proportionally relevant.

Finally, through its various operational axes and through the ramping up of the M&E and Information Management functions within its operations, ICI has a precious and growing body of data from which to learn and adapt its approaches. However, in the absence of sufficient learning space, capacity and reflex, and without a dedicated innovation and incubation function, this M&E data is currently underexploited.

b) Proposal:

To reinforce ICI’s strategic commitment to innovation into its next (2020-2025) strategic cycle, to support its broader “collective learning” ambition, and to keep ICI at the leading edge of its mandate as a “clearinghouse of good practice”, it is proposed to trial a more focused innovation function within the ICI Core Programme in 2019 and 2020. Illustratively, this may look something like the following, although precise numbers and timings will be later elaborated, with ICI needing to retain some flexibility so that relevant innovations are tested in appropriate, logistically-optimal settings:

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ICI’s Core Values state: “INNOVATION – We encourage creative thinking, challenging the status-quo, and adapting to new realities. We are results-focused but are also ready to take calculated risks and to learn from failure as well as success. We aim to influence, inspire and lead the way.”
a) Graduation from +/- 70% of the existing SO1 core communities (i.e. 52 communities) by the close of Y3 (end-2018);

b) Continued engagement for an additional 2 years (Y4 and Y5) in the remaining +/- 30% of existing SO1 communities (i.e. 23 communities) to test innovations built on pre-investment in community capacities;

c) 70% of these (i.e. 16 communities) still to be located in ICI member companies’ supply-chains / sustainability programmes, but no longer proportional to contribution level, instead seeking joint communities where suppliers and brands are working together, and thereby aiming for a quota of two communities per company, ideally spread between community development, supply-chain and dual-approach contexts;

d) The remaining 7 communities to be continued from amongst those that are currently supported in the standard supply-chain, ensuring that that sizeable and challenging context remains part of ICI’s scope;

e) These 23 communities (in total) to serve as “Innovation and Incubation Hubs” where ICI and its members can jointly pilot new approaches or adaptations through a Y4 and Y5 timeframe, building on the community investments already made in Y1-3;

f) An additional +/- 15 communities to be selected as new, again ideally equally spread across ICI’s members, as hubs in which innovations can be tested in the context of zero pre-investment;

g) With this net reduction from 75 to 38 core programme communities, approximately 50% of ICI’s current core budget currently spent implementing SO1 activities to be transferred to core capacities, principally to reinforce ICI’s M&E and learning functions, and other related support areas (complementing e.g. Jacobs Foundation funding) so that innovations can be properly tested, analysed and fed into the collective learning process between ICI, its members and other stakeholders;

h) The remaining 50% of ICI’s current core budget currently spent implementing SO1 community development activities to be channeled into an Innovation Fund to support the design, implementation and testing of new or refined operational approaches in those 38 Innovation and Incubation Hubs. Options to attract complementary co-funding to grow this Innovation Fund will be explored. The M&E and Learning functions required to properly test the innovations will be supported from the enhanced internal capacities enabled by the 50% of funds released in (g) above.

c) Potential Innovations:

Whilst avoiding any pre-emptive prescription for innovations to be tested, and subject also to the findings of the imminent SO1 external evaluation (2018) which should offer important suggestions for how ICI’s community work can be more impactful, the following illustrative examples demonstrate the potential scope of ICI’s innovation, moving forward. ICI will need to place a cap (3-5 innovations) on the actual number of innovations that can be realistically and meaningfully tested in the 38 hubs over the limited two-year timeframe remaining on the Strategy. A strong emphasis will be placed on “adaptation” as well as innovation, striving to refine and improve those emerging good practices that have already benefitted from significant pre-investment so that, whether through a lowering of cost, an easing of implementation or an amplification of impact, the accelerated scale-up that is clearly still needed in the cocoa sector, can be supported. Where relevant, trials in these innovation and incubation hubs will be linked to local government, cooperative or community capacities, not only to draw in complementary, amplifying support, but also to test scalability and sustainability beyond the life-cycle of the trial. ICI will also actively seek out innovation inputs from its members and other strategic partners with experience in this space. Through a rigorous, evidence-based testing of adapted or alternative tools or approaches, ICI, its members and its stakeholders would aim to collectively define and evolve good practices to feed into the next Strategic period beyond-2020.
POTENTIAL INNOVATIONS (Illustrative)

- System adaptations to identify Forced Child Labour in due diligence functions.
- System adaptations to broaden support and promote selected Children’s Rights.
- Using community capacities (CCPCs) for supply-chain due diligence.
- Adaptations to CLMRS to improve cost-effectiveness (e.g. risk-based targeting, reduced frequency of data collection for more mature coops).
- Adaptations to Community Development to improve cost-effectiveness (e.g. reduced 80:20 scope, lighter CAP).
- Linking CLMRS or community indicators to traceability (e.g. blockchain).
- PCCF Scoring-System to improve needs-based targeting.
- Awareness-raising using video animations / e-learning.
- Enhanced smart-phone applications for improved data-collection.
- Quality education (e.g. child-safeguarding in schools).
- Women’s literacy training and IGA to boost CCPC effectiveness and sustainability.
- Wheelbarrows to reduce risk of children carrying heavy loads.
- Fuel-efficient stoves as a climate-smart remediation response to children carrying heavy loads.
- Supporting CLMRS Remediation through VSLA resources.
- Mobile money cash-transfers for CLMRS Remediation.
- Child-safeguarding reporting & referral responses.

The spirit of innovation that this shift in Strategic emphasis will herald should not only impact the ICI Core Programme, but also ICI’s internal quest for efficiencies in its operational management, and in ICI’s project work with companies and other partners. Indeed, subject to the agreement of the project donor, projects will continue to offer an invaluable platform on which to test and upscale new approaches. ICI will actively encourage its project donors to share openly all evidence and learnings from projects with the broader ICI membership, and will facilitate the collective learning processes required to cross-fertilise across its multi-stakeholder network. Accordingly, ICI and its partners will need to embrace and promote a heightened readiness to take calculated operational risks, to document failure transparently, and to learn from it.

Finally, the 2019-2020 period in which innovation will be trialled in ICI should be viewed as a transitional experiment in itself, to see whether the Foundation, its structure, its staff, its work-culture and its members can re-orient themselves to a more innovative footing. For the remainder of the ongoing Strategy, Innovation will represent a relatively small portion of ICI’s core programme (20-30%) and of ICI’s global budget (5-15%), with the majority of ICI’s work still focused on supporting the operational scale up of identified good practices. But if the experiment proves successful and is seen to enhance scalability or impact, a more pronounced innovation role could be envisaged in the next ICI Strategy post-2020.

7. Catalysing and Upscaling

As envisaged in the original 2015-2020 Strategy, ICI’s ambition to support, directly and indirectly, the scale-up of good practices will continue to form the bulk of ICI’s efforts. It is proposed from 2018 onwards that this will be reinforced and more overtly integrated across its Core Programme, its project work and the way in which it engages other key actors and stakeholders. ICI will seek to catalyse an increase in capacity, reach and impact to respond to the current gap between coverage and needs.

The Core Programme will be more deliberately oriented towards testing innovations that improve the impact, the cost-effectiveness or the scalability of child labour mitigation efforts. Also within the Core Programme, building on its unique multi-stakeholder composition that ties in a broad diversity of skillsets and influences, ICI will continue to drive collective learning processes (like the CLMRS Effectiveness Review) alongside a technical research agenda and, in building consensus around good practices, will foster a more aligned, efficient and scalable approach. Within its Core programme, ICI will continue to offer technical advice, tools and training10 to its members, and will

10 Within the limits of its available capacity to do so within the core programme budget, beyond which additional project resources will be required.
support the National Authorities in origin to ensure a permissive and enabling environment for the operational work of its members and stakeholders, for instance by supporting relevant government departments in exercising their coordination and oversight function over multiple actors to improve coherence, efficiency and quality-assurance. Furthermore, ICI will continue to support the governments to design, refine and implement their relevant sector development plans and their National Action Plans for the Elimination of Child Labour, through training, equipment and technical advice so that they can better fulfil their primary responsibility of promoting and protecting children’s rights. With a view to defining the post-2020 agenda, ICI will also work closely with leading policy advocates (e.g. UN agencies, financial institutions, civil-society, industry bodies), offering its expertise and its multi-stakeholder convening power to redirect and reinforce the leverage that exists towards strategic measures that will deliver outcomes at scale.

ICI’s project work will not only be implemented at twice the scale originally foreseen, it will similarly seek to test and drive innovation, and will also be supported by a stronger M&E function so that lessons on impact, cost and scalability can be extracted and disseminated for the common good. Recognising that the needs in the sector currently outstrip the available capacities to address them, ICI will continue and enhance its efforts in mapping, harnessing and reinforcing the competencies of other actors. ICI will look to outsource specific components of its operational work (e.g. certain commonplace remediation responses) to local partners so that companies and other stakeholders have a tried-and-tested pool of partners to work with as they scale-up their efforts. ICI will also focus on building the internal capacities of the companies it partners with, and their operational partners, so that upscaling can continue independently of ICI’s capacity to fully implement at an ever greater scale. Recognising the ICI Core Value of Partnership adopted in 2016, ICI will also seek out Strategic Partnerships or divisions of labour with other competent allies carrying complementary skill-sets, particularly in new priority areas that fall beyond ICI’s existing expertise (e.g. Forced Labour, Climate Change) so that optimally blended responses can be scaled up, and so that ICI can focus on sharpening rather than broadening its competencies. For example, strategically allying with a reputable INGO that can deliver the standard community development component of the dual-approach may allow ICI to scale-back its commitments in the event of overstretch and focus its energies where it brings most added-value. This will likely require more concerted mapping of collective competencies against anticipated needs, and more emphatic pursuit of efficiently aligned and coordinated responses.

11 ICI Core Value – PARTNERSHIP: “We believe that durable, scalable and impactful solutions depend on dialogue, collaboration, joint learning and coordinated, collective action.”
8. ICI Strategic Operating Model

ICI’s existing Strategic Operating Model is as follows:

Original ICI Strategic Operating Model 2015 – 2020

When compared to the newly emerging emphases within this Strategy Revision, a number of shortcomings can be identified in this model:

- Innovation and Piloting appear too peripheral, and ICI’s broader Influencing role (SO3) is not sufficiently integrated across the other Strategic Objectives (SO1 and SO2), nor applied to all Core and Project dimensions;
- Similarly, Scale-Up appears too confined to one segment of ICI’s work, rather than being the central objective to which all of ICI’s endeavours should contribute;
- With a more pronounced technical and operational edge to its influence, Catalysing appears to be a better definition of the SO3 function than Influencing, with M&E, Research, Collective-Learning, Capacity Building and Policy Engagement currently missing as core Catalytic functions;
- Given the inextricable linkage between supply-chains and communities, given the fact that ICI’s supply-chain work is both rooted in and impacting upon communities, and given the emerging consensus on the need to uphold a “dual approach” that ensures both prevention and response, the distinction between SO1 and SO2 is over-stated and risks to give a false sense of two competing options;
- Action boxes are currently a mix of activities and outcomes that could be presented more coherently as one or the other.
Accordingly, whilst resisting the temptation to completely re-work the Strategic Operating Model for the remaining 3 years of the current Strategy, an adapted model is proposed as follows, to (a) emphasize the centrality of Innovation, (b) house that alongside other modes of influence within a broader Catalysing function integrated across ICI’s work (c) break down the artificial silos of SO1 and SO2 with a strategic convergence towards rolling out child protection systems and responses\textsuperscript{12}; (d) bind all elements together within a mutually reinforcing cycle that delivers the Scale Up of those systems and responses that is urgently needed in the cocoa sector. Additionally, whilst the “action boxes” are only meant to be illustrative and non-exhaustive, a few have been added to highlight new priority areas for ICI engagement, investment and innovation, and a few have been removed as being more peripheral to the refined ICI remit:

\textbf{Revised ICI Strategic Operating Model 2018 – 2020}

\textsuperscript{12} A Systems & Responses Model was provisionally explored by the SRSG as the possible operating model for 2021 onwards, exploring Systems from the perspective of scope, approach and tools, and exploring Responses from the perspective of prevention, remediation and referral. To be revisited in the design of the next Strategy post-2020.
9. Resourcing

ICI’s resourcing over the last 3 years has shown strong advances compared to the preceding 4 years, with year-on-year growth of almost 40% per annum from 2015 to 2017:

To transition out of the current strategic cycle in 2018, and to deliver the revised Strategy described herein by end-2020 so as to meet the revised targets across ICI’s core programme and project work, a total estimated revenue of CHF 47 million will be needed from 2018 to 2020. Recognising the need to start and complete three-year community and supply chain cycles by end-2020, and in line with known cost sequencing in these approaches (with community-development’s lower initial costs offsetting CLMRS’s higher initial set-up costs) a fairly even annual apportioning of the budget is tentatively anticipated, as follows:
With existing members’ annual contributions expected to hold generally constant through 2020 (assuming members approve the Core Programme budget reallocation proposed in section 6), with the possible addition of one or two additional mid-size members from 2019 onwards, and with an historical average of 8% ISC claw-back from restricted projects back into the core programme, the anticipated CHF 47 million budget over three years, from 2018 to 2020, is expected to break down as follows:

- **TOTAL ESTIMATED BUDGET 2018-2020 – CHF 47M**
  - **Core Programme – CHF 14 M (30%)**
    - Core Contributions – CHF 11M
    - ISC Claw-Back – CHF 3M
  - **Restricted Projects – CHF 33 M (70%)**

*****
### Annex A – Influencing Matrix

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Target Priority</th>
<th>Means of influence*</th>
<th>Outcomes</th>
<th>Benchmark / means of measurement</th>
<th>Estimated Impact as at end-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Industry (CA)</td>
<td>1</td>
<td>x x x x x</td>
<td>1. Inclusion of effective CLMRS and CD best practices in CA strategy</td>
<td>As per CA KPIs:</td>
<td>No direct impact, reinforces industry actions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Moving towards more due diligence</td>
<td>- CCPC numbers and effectiveness</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Increased funding for child protection</td>
<td>- Primary school enrolment, attendance + performance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Uptake of good practices</td>
<td>- Women benefiting from IGA and economic gain</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>5. Increased coverage of their child protection interventions</td>
<td>- Individuals / households covered by effectively functioning CLMRS</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>80 CD communities reported so far (+ 80 x 615 kids = 49,200 kids) but scale-up ongoing.</td>
<td></td>
</tr>
<tr>
<td>2. Industry (non-CA)</td>
<td>1</td>
<td>x x x x x</td>
<td>1. Alignment to CA</td>
<td>As above, plus additional CP indicators relating to older children (e.g. kids in secondary / VT, literacy/numeracy outcomes).</td>
<td>Various CocoaAction companies stretching beyond their CocoaAction commitments, and a number of non-CA companies also implementing CLMRS / CD based on Ki model.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Moving towards more due diligence</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>3. Increased funding for child protection</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>4. Uptake of good practices</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>5. Increased coverage of their child protection interventions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Certification</td>
<td>2</td>
<td>x x x x x</td>
<td>1. Increased uptake of good practices</td>
<td>Tonnage of cocoa reliably certified according to improved codes that capture CP good practices</td>
<td>No direct impact, reinforces industry actions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Moving from compliance to risk-management</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Increased coverage of CLMRS</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4. Poverty reduction and social development expanded</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Investors</td>
<td>2</td>
<td>x x ? x</td>
<td>1. Inclusion of human rights due diligence</td>
<td>Number of investors engaged on relevant CP issues (and $ value of funds under investment)</td>
<td>No direct impact, reinforces industry actions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Specific GPs into guidance to companies</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>2. Moving from reporting to specific action</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Intl. Organization (e.g. ILO, UNICEF)</td>
<td>2</td>
<td>x x x x x</td>
<td>1. Uptake of cocoa-related good practices</td>
<td>Funding level for IO projects in support of relevant CP actions in the cocoa sector - ICI-defined good practices promoted through IO platforms, and vice versa</td>
<td>Some direct impact through cocoa sector operations (to be quantified) and reinforcement of industry and origin government actions.</td>
</tr>
<tr>
<td>7. Media</td>
<td>2</td>
<td>x x x</td>
<td>1. Increased number of articles reporting accurately on the issue</td>
<td>Number and percentage of accurate, balanced articles on relevant subject matter</td>
<td>No direct impact.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Improved knowledge of journalists on the issue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Civil Society (Implementers)</td>
<td>1</td>
<td>x x x x x</td>
<td>1. Increased uptake of defined cocoa-sector good practices</td>
<td>Number of child beneficiaries assisted by NGO CP projects in the cocoa sector</td>
<td>Direct impact (to be quantified).</td>
</tr>
<tr>
<td>9. Civil Society (Campaign/Activists)</td>
<td>2</td>
<td>x x x x x</td>
<td>1. Increasingly well-informed, balanced and accurate campaigns</td>
<td>Number and percentage of accurate, balanced campaigns on relevant subject matter</td>
<td>No direct impact, reinforces industry and origin government actions, as well as expanded certification (potentially).</td>
</tr>
<tr>
<td>10. Donors</td>
<td>1</td>
<td>x x ? x</td>
<td>1. Increased donor funding for education and child protection</td>
<td>Levels of donor funding for CL / CP in business (DFID, DoL, RVO etc)</td>
<td>Primarily in support of industry and NGO activities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Increased call for proposals for CLMRS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Research Institution</td>
<td>3</td>
<td>x x</td>
<td>1. Increased no. of research studies conducted and disseminated</td>
<td></td>
<td>No direct impact.</td>
</tr>
<tr>
<td>12. General Public/Consumer Sts</td>
<td>3</td>
<td>x</td>
<td>1. Increased site visits (website) / retweets etc</td>
<td></td>
<td>No direct impact.</td>
</tr>
<tr>
<td>13. Gvt Origin Nations (National Policies, Technical Competence, Coordination)</td>
<td>1</td>
<td>x x x x x</td>
<td>1. Increased awareness and recognition of private sector CLMRS</td>
<td>NAP outcomes linked to CP</td>
<td>Some direct impact to be quantified (extracting from national NAP and education reporting).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2. Improved coordination of national authorities with private sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Increased coverage of educational opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Non-Cocoa stakeholders</td>
<td>1</td>
<td>x x x x x</td>
<td>1. Inclusion of human rights due diligence</td>
<td>N/A as impacts beyond cocoa sector.</td>
<td></td>
</tr>
</tbody>
</table>

* Means of Influence Legend

- IP = Innovation & Piloting
- GP = Definition & Promotion of Technical Good Practices
- SQ = Standard Setting & Quality Assurance
- TS = Technical Support & Advice
- PC = Public Campaigning
- R = Research
- CL = Collective Learning
1. **Industry (CA)**

- **Priority:** 1
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** 1200 CD communities planned = 738,000 kids plus 300,000 CLMRS farmers planned = 2.1 kids per hh = 630,000 kids, assuming 20% overlap, therefore total planned = 1.24 million.

- **Assume:**
  - Community Development: CocoaAction community development package delivers community-wide Child Protection impacts through increased CP capacities (Awareness-raising & CCPIC) + CocoaAction community development package delivers community-wide primary education impacts for younger kids through improved schooling facilities and school-management capacities (SMICs) + CocoaAction community development package delivers community-wide gender empowerment impacts, and secondary child protection impacts, including through economic empowerment (IGAs) + ICI estimates 20% reduction in CL after 3 years of Community Development → **THEREFORE** ASSUMES every child per community has some degree of improved child protection, with avg 615 children per community.

- **ICIs Influence:** Impact = estimated 364,000 children.

2. **Industry (non-CA)**

- **Priority:** 1
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** 100,000 CLMRS farmers beyond CocoaAction commitments (from CA and non-CA companies) plus additional Amplifier activities = 210,000 children.

- **Assume:**
  - Additional activities (e.g. TRECC) extending impacts to other individual (e.g. older) children. Additional 100,000 farmer coverage conservatively implied through ICI's demand survey of CA and non-CA members. ICI's Influence on child protection would be the total impact anticipated, net of the scale of ICIs direct operations in this area (direct impact = 105,000, Influence = 105,000).

3. **Certification**

- **Priority:** 2
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** certified tonnage exceeds that produced by the 1200 communities / 400,000 farmers above (i.e. 400,000 MT), then this surplus corresponds to additional farming households where CP may have been increased.

- **Assume:**
  - If certified tonnage exceeds that produced by the 1200 communities / 400,000 farmers above (i.e. 400,000 MT), then the surplus corresponds to additional farming households where CP may have been increased.

4. **Investors**

- **Priority:** 2
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** As above.

- **Assume:**
  - e.g. human rights due diligence legislation is informed by ICI best practice and leads to upscaling, or that sustainable consumption targets (e.g. in Holland, Switzerland) drive increases in certification that in turn have been improved as a result of ICI influence.

5. **Civil Society (e.g. ILO, UNICEF)**

- **Priority:** 2
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** Improved synergy and cooperation between industry and national governments supported by ICIs facilitation of international agencies' agendas in the cocoa sector (e.g. SOSTECI, MoE). - Expansion of industry action to include additional child rights elements (e.g. through CRBP).

- **Assume:**
  - Improved cooperation and synergy leads to improved efficiency, coverage and effectiveness of each party's CP actions.

6. **Media**

- **Priority:** 2
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** Supports the promotion and upscaling of good practices. Creates an enabling and rewarding environment for responsible businesses etc.

- **Assume:**
  - Supports the promotion and upscaling of good practices. Creates an enabling and rewarding environment for responsible businesses etc.

7. **Donors**

- **Priority:** 2
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** A number of child beneficiaries covered by projects delivering increased CP (net of all above actions).

- **Assume:**
  - A number of child beneficiaries covered by projects delivering increased CP (net of all above actions).

8. **Research Institutions**

- **Priority:** 3
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** Supports the promotion and upscaling of good practices. Creates an enabling and rewarding environment for responsible businesses etc.

- **Assume:**
  - Supports the promotion and upscaling of good practices. Creates an enabling and rewarding environment for responsible businesses etc.

9. **Gvt (Implementers)**

- **Priority:** 1
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** Additional cocoa communities / households benefitting from expanded NGO action in the cocoa sector (beyond CA and non-CA ICI members).

- **Assume:**
  - Additional projects including NGO action in the cocoa sector (beyond CA and non-CA ICI members).

10. **Gvt (Origin Nations (National Policies, Technical Competence, Coordination))**

- **Priority:** 1
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** Take 2015-2017 NAP results x 2 (dd):

- **Assume:**
  - Assumes activities have been implemented as reported, with CP benefits. Creates an enabling environment for responsible businesses.

11. **Non-Cocoa stakeholders**

- **Priority:** 1
- **Target:** CL
- **Influence:** GP SQ PA TS PC R CL
- **Impact:** NA as impacts beyond cocoa sector.
Annex B – Targets, Results and KPIs

Revised Results Framework for 2018-2020

In light of the observed weaknesses or reporting challenges within ICI’s current list of KPIs in its 2015-2020 Strategy, some alternative KPIs are proposed as follows, to better reflect (a) an improved awareness of how the national surveys are likely to report, (b) ICI’s operational realities, (c) other tools and measures that have been applied within ICI’s evolving M&E work and ICI’s annual Action Plan reporting, and (d) coordination with industry’s CocoaAction results-framework. Nevertheless, most of the thematic and strategic ambitions are retained.

Specifically, the following indicators from the original Strategy have either been dropped or have significantly adjusted, for the reasons specified.

13 Top-Level Sector Indicator

TLSI13 2 – “Number and % of at-risk cocoa-growing communities showing an increased level of protectiveness”

TLSI 3 – “% increase in protectiveness”

TLSI 4 – “Number and % of at-risk cocoa-growing communities showing a significant reduction in CL incidence”

➔ No comprehensive national surveys being undertaken to count communities where child protection has increased or where CL has reduced, at the community level. PCCF scoring system not yet finalised and will only be applied to ICI-assisted communities, rather than nationally.

TLSI 7 – “% of cocoa farmers aged 20-30 years old”

➔ No comprehensive data being collected sector-wide to track longitudinally average age of farmers (although proposed as possible KPI for the Global Cocoa Agenda).

KPI 1.2 – “Increased household income measured by improved dietary diversity in cocoa-growing households”

➔ Dietary Diversity Index has not been adopted, instead ICI looks at women’s economic empowerment as a powerful driver of child protection.

KPI 2.3 – “Access to adult labour”

➔ Access to adult labour is not being reliably measured to the extent that it’s adequacy to meet the labour requirements of the household can be tested.

KPI 3.1 – “% or volume of total cocoa sustainability investments directed towards the social pillar / CL”

➔ Budgets unlikely to be available from industry to track this.

Accordingly, the revised Results Framework for 2015-2020 now looks as follows:
### SECTOR TARGETS

Child Protection increased for 1,000,000 children by 2020 and child labour reduced in the communities and/or households in which they live.

<table>
<thead>
<tr>
<th>Activity or Outcome Indicator?</th>
<th>KPI Equivalent&lt;sup&gt;14&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>CST&lt;sup&gt;15&lt;/sup&gt;</td>
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</tbody>
</table>

| Number and % of Children engaged in child labour, and severity/frequency of child labour, in cocoa-growing areas and cocoa-growing households (national CL incidence rates 2013/14 – 2018/19: Reference Tulane/NORC) | Outcome | TLSI<sup>16</sup> 5+6 |
| Number and % of communities covered by the community development model, the responsible supply-chain model (CLMRS) or the dual approach. | Activity | TLSI 1 |
| % of children enrolled in school in cocoa-growing areas (national enrolment rates for cocoa-growing regions/districts) | Outcome | TLSI 2 1.4 |

#### Intermediate/ Sub-Objectives

<table>
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<tr>
<th>Indicators</th>
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</thead>
</table>

#### SO1: ICI-assisted cocoa-growing communities are more protective of children and their rights

| Sub-objectives 1.1 and 1.2: Knowledge, capacities, systems and services that protect children and mitigate child labour are strengthened and communities, especially women, children and youth are empowered. | Number and percentage of communities with a CCPC demonstrating effectiveness (or “effectively functioning”) | Outcome 1.1 |
| Percentage of CCPCs with women’s participation | Activity Outcome 1.1 1.3 |
| Knowledge, Attitude and Practices (KAP) results (pre and post) for community-members and Community Child Protection Committees (CCPC) trained by ICI | Outcome 1.1 |
| Number and % of ICI-assisted communities showing an increased level of protectiveness (PCCF scoring system). | Outcome 1.1 |
| Number and % of CAP/CP actions supported by local authorities, businesses and civil society organisations (disaggregated) | Outcome 1.5 |
| School enrolment and attendance in ICI-assisted communities (by gender, each schooling level) | Outcome 1.4 |
| Number of children enrolled in vocational training / apprenticeship /bridging classes’ schemes (by gender) | Outcome 1.4 |
| Number and percentage of women who report on increased income as a result of IGA | Outcome 1.2 |

#### SO2: The cocoa supply-chain in ICI intervention areas manages the risk of child labour responsibly

| Sub-Objectives 2.1 and 2.2: Supply-chain actors’ knowledge and understanding about child labour and child rights is improved throughout the supply chain, and capacities and systems are reinforced in the supply-chain. | % of cocoa-farming households covered by effectively-functioning CLMRS | Activity 2.2 |
| #/% of children living in CLMRS-covered farmers’ households participating in CL (cocoa-related or other) | Outcome 2.1 |
| #/ % of children living in CLMRS-covered farmers’ households participating in child labor (cocoa-related or other) and followed up / remediated | Activity 2.1 |
| #/% of identified child labor cases that are no longer in child labor (cocoa-related or other) | Outcome 2.2 |
| Knowledge, Attitude and Practices (KAP) sample-survey results (pre and post) for supply-chain actors on child labour, schooling and child rights | Outcome 2.4 |

---

<sup>14</sup> Comparing with Original 2015-2020 Strategy’s results framework  
<sup>15</sup> Cocoa Sector Targets  
<sup>16</sup> Top Level Sector Indicators
### SO 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

<table>
<thead>
<tr>
<th>Sub-Objective 3.1: Evidence-based advocacy encourages and supports key actors to take appropriate action.</th>
<th>Number of companies and other actors (e.g. IOs, other sector bodies, governments, NGOs, certifiers) contributing data and analysis to shared learning processes.</th>
<th>Activity</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Objective 3.2: Capacities of national authorities are reinforced to strengthen child protection.</td>
<td>Number of relevant National Bodies with ICI participation.</td>
<td>Activity</td>
<td>3.3</td>
</tr>
<tr>
<td></td>
<td>Number of national actors trained.</td>
<td>Activity</td>
<td>3.2</td>
</tr>
<tr>
<td></td>
<td>Knowledge, Attitude and Practices (KAP) results (pre and post) for national actors trained by ICI.</td>
<td>Outcome</td>
<td>3.2</td>
</tr>
<tr>
<td></td>
<td>Value of ICI support (financial &amp; technical) to the implementation of the National CL Action plans</td>
<td>Activity</td>
<td>3.2</td>
</tr>
<tr>
<td>Sub-Objective 3.3: ICI is recognized as a leader and influential authority on child protection and child-centered community development in cocoa-growing communities, and target audiences know about the issue of child labour in cocoa and about ICI’s work.</td>
<td>Accuracy and relevance of media reports, campaigns, social media.</td>
<td>Outcome</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td>Number of “engagements” (likes, tweets, follows etc) on ICI’s social media platforms (disaggregated by audience).</td>
<td>Outcome</td>
<td>3.5</td>
</tr>
<tr>
<td></td>
<td>Number of ICI corporate and non-profit contributing partners / members.</td>
<td>Outcome</td>
<td></td>
</tr>
</tbody>
</table>