

COMMUNICATION ON ENGAGEMENT

International Cocoa Initiative

Period covered by the Communication on Engagement

From: 31 July 2021 to: 31 July 2023

Statement of Continued Support by the **Executive Director**

1 July 2023

To our stakeholders:

I am pleased to confirm that the International Cocoa Initiative (ICI) reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Matthias Lange

ICI Executive Director

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II. Brief description about the International Cocoa Initiative and its role in the Cocoa sector

ICI is a non-profit foundation that works to ensure a better future for children in cocoagrowing communities. It is a multi-stakeholder partnership advancing the elimination of child labour and forced labour, by uniting the forces of the cocoa and chocolate industry, civil society, farming communities, governments, international organisations and donors.

ICI has been working in cocoa-growing communities in Côte d'Ivoire and Ghana since 2007 and within that time has helped advance quantified progress in the fight against child labour in cocoa.

Vision and Mission

ICI's vision is of thriving cocoa-growing communities within a dignified, sustainable and responsibly managed cocoa supply chain, where child rights and human rights are protected and respected, and where child labour and forced labour have been eliminated.

ICI works together with its members and partners to improve the lives of children and adults at risk of child labour or forced labour in cocoa-growing communities. ICI innovates, catalyses and supports the development, implementation and scale-up of effective policies and practices that promote child rights and that prevent or remediate child labour and forced labour.

ICI is committed to working towards the advancement of the <u>2030 Agenda for Sustainable</u> <u>Development</u> and especially supports the fulfilment of <u>SDG 8.7.</u>

Our current list of members can be found here: https://www.cocoainitiative.org/about-us/our-members

Our 2021 - 2026 Strategy

Our new 2021-2026 strategy lays out a vision to support cocoa communities to thrive through the advancement of children's and workers' rights. ICI's new approach aims to catalyse the scale-up of prevention and remediation systems to reach all children and adults at risk of child or forced labour. Our strategic objectives aim to contribute to the creation of three key pillars that are essential to achieving this goal:

- A responsible cocoa supply chain: Systems and services that responsibly and transparently prevent and remediate child labour and forced labour in the cocoa supply-chain, and its cocoa-growing communities, are strengthened, conjoined and scaled up.
- A supportive enabling environment with local, national and international policies and laws, that inspire, motivate and obligate progress, from human rights due diligence legislation in cocoa-consuming countries, to policies that continue to advance access to quality education and social protection in cocoa-producing countries.
- Coordinated approaches to support collaboration, alignment and accountability across the cocoa and chocolate industry, civil society, governments, and donors to maximise their collective impact.

Learn more about our 2021-2026 Strategy

III. Description of actions

Introduction

ICI works together with its members and partners to improve the lives of children and adults at risk of child labour or forced labour in cocoa-growing communities. ICI innovates, catalyses and supports the development, implementation and scale-up of effective policies and practices that promote child rights and that prevent and remediate child labour and forced labour.

Operational Support

Effective strategies exist to prevent and address child labour and forced labour. A core part of our work is supporting the cocoa sector to adopt and scale up effective practices that are proven to protect and promote the rights of children and adults. We directly implement programmes to tackle child labour and forced labour, together with our members and partners. We also support actors across the cocoa sector to put in place effective practices themselves, by providing advice, tools and training.

Two approaches that we have found to be successful, and which can be implemented separately or together, include a Child Centered Community Development approach, and the implementation of Child Labour Monitoring and Remediation Systems (CLMRS).

- Child Centered Community Development is an approach that brings communities together and helps them to play an active role in implementing child-centred development. The needs and priorities of the community are discussed with community members, including farmers, their families, children, village leaders, and others. A Community Action Plan is then drawn up, that describes the activities that can help the community to reduce child labour. Depending on the community, the Action Plan may include activities such as building or improving schools, supporting women's empowerment, or helping farmers to find other income sources to supplement the income from cocoa production.
- Child Labour Monitoring and Remediation Systems (CLMRS) are systems that identify, address, and prevent child labour. They are built around community facilitators (often farmers themselves) who visit households, raise awareness of the dangers of child labour, and identify children doing tasks that may be hazardous for them. If a child is found in child labour, they are recorded in the system and support is provided to the child, their family and community. This support may include things like improving access to quality education (through providing schoolbooks and uniforms, birth certificates that allow children to attend school, or improving school infrastructure), supporting cocoa farming families to supplement their income with alternative income generating activities or village savings and loans associations, and gender empowerment, all of which we know can help reduce child labour in cocoa-growing communities.

Innovation and Learning

Child labour and forced labour are complex issues. We know that to protect children and workers, these must first be understood, and solutions must be grounded in evidence, which is why Innovation and learning has been at the heart of our work for several years. We drive forward a learning agenda for the cocoa sector, assess existing solutions, test and develop new approaches, and share our knowledge with our key stakeholders. We have a number of innovation projects currently underway, where we explore new approaches such as

Landscape projects, the creation of Child-friendly spaces, and the use of Cash Transfers in combination with Labour Vouchers, as well as ways to prevent and address forced labour.

Technical Advocacy

We also actively promote knowledge and learning, sharing what works so that all stakeholders understand root causes, effective approaches and the need for policies, standards and benchmarks to create an enabling environment. We engage as a technical expert in the development of such policies and standards, advising and advocating for effective, evidence-based measures.

For example, ICI is involved as a technical partner in the US Department of Labour-led Child Labour in Cocoa Coordination Group (CLCCG). Within the National Sustainable Cocoa Platforms in Europe, ICI has also had the opportunity to contribute as co-chair of the ISCO Child Labour Working Group alongside UNICEF and the ISCO Monitoring Working Group. Furthermore, in collaboration with the Organisation for Economic Co-operation and Development (OECD) and with support from the German development agency, GIZ, ICI supported the creation of the 'Business Handbook on Due Diligence in the Cocoa Sector: Addressing Child Labour and Forced Labour,' set to provide essential guidance to businesses on human rights due diligence.

ICI remains actively engaged with the UN Global Compact network, regularly attending workshops and webinars, particularly on those relating to child labour and due diligence. In 2021, ICI presented as part of a webinar series on Child Labour in the Agricultural sector, co-hosted by the UNGC networks in the UK and the USA. With the UNGC network in Switzerland, ICI participated in the webinars on "Understanding Child Labour Risks in Swiss Supply chains in 2021 and "Addressing Children's Rights in Business" in 2022 co-hosted by UNICEF.

Human Rights Due Diligence

ICI supports the UN Global Compact's mission and works to help businesses to align their strategies and operations with the Global Compact's Principles, in addition to the United Nations Guiding Principles on Business and Human Rights (UNGPs) that require companies to conduct on-going human rights due diligence.

Our work and our tools are designed to support cocoa and chocolate companies' efforts in undertaking ongoing human rights due diligence, with a particular focus on child labour and forced labour risks in the cocoa sector. The due diligence handbook published by the OECD on addressing child labour and forced labour is one way in which ICI took an active role to support due diligence in the cocoa sector. Additionally, our CLMRS model follows an ongoing risk-based due diligence approach in line with the OECD guidance on responsible business conduct, which requires companies to identify and assess adverse impacts within their operations, prevent or mitigate them, track implementation and results, communicate transparently on how impacts are addressed and provide for remediation when appropriate. Our community development approach provides much needed support to cocoa-growing communities and is a complementary step to achieve responsible supply chains and communities.

IV. Measurement of outcomes

During the **2021–23 period** ICl's membership increased **to include 13 new members from the cocoa industry, civil society, farming cooperatives and international organizations**. This has further enhanced ICl's role as a multi-stakeholder platform and a vibrant community of learning and practice.

Our 2021-2026 Strategy aims to drive the significant scale up of systems that prevent and address child labour, such as Child Labour Monitoring and Remediation Systems (CLMRS) or equivalent systems, aiming to reach 100% coverage in Côte d'Ivoire and Ghana by the end of the Strategy period.

In 2021, in recognition of the **International Year for the Elimination of Child Labour**, ICI and its members made a pledge to scale up systems that prevent and address child labour, as part of corporate human rights due diligence efforts, to reach 540,000 cocoa-growing households in Côte d'Ivoire and Ghana by the end of 2021. By the end of that year, that pledge had been surpassed, with a total of 590,000 cocoa farming households targeted by CLMRS or equivalent systems by the end of the year.

By the end of 2022, thanks to the collective efforts of ICI and its members, 707,925 households were covered such systems, moving us further towards our target of covering all cocoa-growing households.

Impact of systems

Results from CLMRS show that they can reduce hazardous child labour by just over a third, amongst those identified as in child labour. (36% of those found in child labour are no longer in child labour after two consecutive follow up visits. For more information on how we measure the impact of these systems please see our 2022 Annual Report). Uptake from the sector means that these systems now cover approximately one third of the cocoa supply chain in West Africa. Meanwhile our three-year Community Development Programme resulted in reductions in child labour of around 20% in assisted communities.

Advancing knowledge and new approaches

Over the past five years, ICI's innovation and learning has also played a key role in advancing the sector's knowledge on issues such as child labour risk, the importance of quality education, and the role of income. Pilot projects have enabled critical issues, such as forced labour risks, to be better understood and new tools to be developed. This learning and innovation work will continue to be central as we advance the scale up of interventions, helping us to develop new tools and improve current systems, such as CLMRS. For instance, our work in 2021 on the impact of cash transfers shows the approach can help cocoa-farming households respond to unexpected changes in their income and livelihoods, and lead to a reduction in child labour. We have further built on this work in 2022, exploring the combination of cash transfers with incentives to spend the money on adult labour at a reduced cost, so as to reduce the need to rely on family members, in particular children to help. We have also trialed the creation of Child Friendly Spaces, centres where children can go outside of school hours so they don't accompany their parents to the field.

For a more detailed look of ICI's results in relation to the UN Global Compact Principles, please take a look at our 2019 and 2020 Annual Reports.

2021 Annual Report

2022 Annual Report