International Labour Organization | 8.7 Accelerator Lab

Global Launch of the CLEAR Supply Chains project

Ending child labour in supply chains: Addressing the root causes of child labour in supply chains through an area-based approach

Summary report

28 June 2024
Copenhagen, Denmark

Contents

1. About the CLEAR Supply Chains project

Countries covered
Democratic Republic of Congo, Honduras, Uganda, and Viet Nam

Target supply chains
coffee (primary); cobalt (secondary)

Duration
40 months
(May 2023 - August 2026)

Budget: € 10 million

Beneficiaries
- children and their families in relevant communities;
- workers in agriculture and mining;
- women and young workers;
- migrant and indigenous workers;
- cooperatives and farmers' groups;
- private sector including local businesses;
- key ministries and other governmental agencies;
- employers' and workers' organizations;
- key global and regional networks and platforms.

Partners
Governments, employers' and workers' organizations, farmer's organizations, private sector, Alliance 8.7 members, civil society organizations, NGOs, universities, research institutes, and professional associations.

Implementing agencies
International Labour Organization (ILO) as the lead agency, the Food and Agriculture Organization (FAO), the International Trade Centre (ITC) and the United Nations Children's Fund (UNICEF).

Development partner
European Union

The "Ending child labour in supply chains: Addressing the root causes of child labour in supply chains through an area-based approach" (CLEAR Supply Chains) project, co-funded by the European Union, brings together the International Labour Organization (ILO) as the leading UN agency, the Food and Agricultural Organization (FAO), the International Trade Centre (ITC) and the United Nations Children's Fund (UNICEF) to jointly address the root causes of child labour. The program runs from May 2023 until September 2026, and is implemented in Honduras, Uganda, and Viet Nam with a focus on child labour in the coffee supply chain, and in the Democratic Republic of Congo (DRC) with a focus on the cobalt supply chain.

The project's overall objective is to implement integrated and area-based interventions that address the root causes of child labour and enhance global partnerships to deploy them strategically. Based on the project's strategy, the knowledge generated on the root causes and drivers of child labour is strengthened and shared among partners to promote and adopt integrated and area-based sustainable solutions that will be scaled up through global and regional partnerships to foster the elimination of child labour in coffee supply chains. In addition, capacity is strengthened, and existing efforts leveraged to tackle child labour in the cobalt mining supply chain.

Consultations with representatives of the respective Governments, employers', workers' and farmers' organizations, producers' organizations, civil society organizations, United Nations agencies, communities and other stakeholders have taken, and will continue to take place to assess and discuss national priorities, and to determine the major areas of interventions including the role of the relevant stakeholders through a participatory approach. An analysis of the Ugandan and Honduras' coffee value chain has been conducted and the results have been shared with key stakeholders in both countries. Thematic priorities and geographic intervention areas have been identified and endorsed by key stakeholders in both countries.

The project is implemented within the framework of the ILO 8.7 Accelerator Lab, an initiative established by the ILO in 2021, aimed at accelerating progress on the eradication of forced labour and child labour by optimising the effectiveness of development cooperation interventions.

2. Background and objectives of the global launch

457 participants attending in-person and online

16 speakers

4 panels and presentations

6 coffee companies and national coffee institutions represented

The global launch of the "Ending Child Labour in Supply Chains" project took place during the **World of Coffee** event, a major coffee specialty trade show organized in **Copenhagen, Denmark** at the Bella Center Exhibition Hall, from **June 27-29, 2024.**[1] The event was moderated by Birgitte Krogh-Poulsen, independent social development consultant.

The coffee industry, including traders, roasters, brands, associations, and producers' organizations, plays an important role in the CLEAR Supply Chains project. The project has engaged in global consultations with industry organizations, including the top eleven global coffee buyers, to seek partnerships and strategies that will translate into on-the-ground action in coffee producing regions. Organizing the launch during the World of Coffee trade show provided a unique opportunity to present the program's integrated and area-based model to eliminate child labour in the coffee supply chain to the coffee industry and global coffee stakeholders, and to bring in the issue of child labour to the centre of the debate on human rights due diligence that is currently at the top of many industry players' agendas.

The purpose of the launch was to present the project's objectives and expected results, and to exchange and enlarge partnerships with the broader coffee industry on the issue of child labour and decent work in the coffee supply chain. It also served as a platform to strongly identify opportunities to anchor the project in the human rights due diligence framework.

[1] For a full overview of the session, including the event recording and key resources, visit the event web page.

> Our project, CLEAR Supply Chains, has the ambition to address the adverse impact of child labour in coffee production. A multi-faceted approach applied in partnerships with public and private stakeholders and implemented jointly by ILO, FAO, ITC and UNICEF, aims at finding successful models to bring child labour in coffee to an end.

- **Antti Karhunen** / Director for Sustainable Finance, Investment and Jobs, DG INTPA, European Commission

3. Summary of discussions

The global launch featured informative and meaningful discussions across various panels that highlighted the importance of an integrated, area-based approach to effectively tackle the root causes of child labor in the coffee supply chain. Panelists highlighted the multifaceted issues at play—ranging from legislative gaps and economic pressures to business practices and climate change— and discussed promising initiatives to prevent child labour and to build a sustainable coffee supply chain that meets the needs of farmers, workers, and their families.

They also recognized that this ambitious goal cannot be achieved without robust global partnerships among governments, private sector stakeholders, workers' and employers' organizations, civil society, UN agencies, and international sectoral networks. Achieving success requires a convergence of efforts and thinking centered around an integrated area-based approach, ensuring that actions across all stakeholders are aligned and complementary. The active participation of diverse stakeholders at the project launch, including key representatives from the four partner agencies as well as the International Coffee Organization, the Uganda Coffee Development Authority, the Instituto Hondureño del Café, and the International Women's Coffee Alliance, underscored the broad commitment to this initiative. Strengthening these partnerships will be crucial for expanding and replicating the integrated area-based model, not only in other coffee-producing regions but also across different supply chains, and for advancing global efforts to eradicate child labour.

3.1. Joint video: Voices of young people working in Uganda's and Honduras' coffee value chain

The launch event featured the screening of a video jointly produced by the project partners. The video showcased the stories of young, mainly female coffee farmers from Uganda and Honduras, capturing their passion for coffee-growing and the challenges they face, including limited access to land, capital, and training. They discussed the impacts of climate change, labour shortages, and gender-based discrimination. The video also highlighted their dreams and aspirations to expand their businesses and create opportunities for their communities.

To view the video, please visit the CLEAR Supply Chains project webpage or ILO's YouTube page

3.2. Opening session

Speakers

- **Rigo Belpaire,** Head of Private Sector Engagement and Employment Unit, European Commission
- **Vanúsia Nogueira**, Executive Director, International Coffee Organization (ICO)
- **Vera Paquete-Perdigão**, Director Governance and Tripartism Department, ILO
- **Benjamin Davis**, Director Rural Transformation and Gender Equality Division, FAO
- **Leila Pakkala**, Director Supply Division, UNICEF
- **Martina Bozzola**, Senior Sustainability Advisor, ITC

Key takeaways

- There has been an increase in child labour, with the most recent global estimates showing a rise even before the COVID-19 pandemic. This situation is expected to worsen as many children have been out of school due to the pandemic. Child labour in the agricultural sector is primarily informal and often hidden within family farming, making it complex and difficult to address. This raises concerns about living wages, access to education, and social protection. Among the 25 million coffee producers worldwide, over 5 million live below the poverty line, making the assurance of a living income a critical issue.

- There has been an increase in children engaged in hazardous work, emphasizing the importance of occupational safety and health in tackling child labour. In 2022, the ILO adopted occupational safety and health as a fifth fundamental principle and right at work (FPRW), addressing the heightened need for worker protection in the wake of the pandemic. The other FPRWs include non-discrimination in respect of employment, elimination of child labour and forced labour, freedom of association and collective bargaining. Regardless of ratification, ILO Member States are required to uphold the Fundamental Conventions, with all FPRW being interrelated and mutually reinforcing.

- The project identifies poverty as a central structural driver of child labour, emphasizing the need to unpack its various economic and social constraints. These constraints include market failures, limited access to credit, inadequate functioning of labour markets, high costs of education and health, and the low quality of services in rural areas, which contribute to the inability to manage both idiosyncratic and covariate risks. The project proposes a multifaceted approach to address child labour, emphasizing the need for solutions that encompass both economic and social factors.

- Small-scale producers and family farmers, particularly women and poorer families, are especially vulnerable to climate change. Despite the increasing importance of green finance to address climate change, the data available estimates that only 7.5 % of climate financing was allocated towards adaptation in 2017/18. Of this total, only 3% went to agriculture and only 1.7% to small-scale producers. With the support of FAO, the project will focus on economic diversification and climate change adaptation by promoting climate-smart practices, improved technologies, and tailored extension services.

- The European Union's new Corporate Sustainability Due Diligence Directive (CS3D) presents both an opportunity and a challenge, as compliance must not exacerbate the vulnerabilities of small-scale producers by excluding them from markets. A solution could be to transform rural communities to enhance their resilience and create more sustainable agricultural systems, thereby reducing reliance on child labour in the long term.

- The Convention on the Rights of the Child ensures children remain a primary focus, particularly in preventing and addressing child labour, with UNICEF acting as its guardian. It is critical to ensure that children have access to education and basic services, particularly social protection, which helps address risks and liquidity constraints while supporting transformative initiatives that address social norms and promote gender equality.

- Preventing and addressing the root causes of child labour is crucial, requiring effective analysis and collective action to support governments, businesses, and civil society. The ICO is supportive of a collaborative approach to develop innovative solutions and alternatives for tackling child labour in the coffee sector. ITC's contribution to the project will involve facilitating collaboration among various private sector actors along the value chain, in conjunction with the public sector and support organizations.

> The ambitious objective of this project is not just to contribute to the elimination of child labour in coffee, but to develop a model that provides sustainable solutions for the root causes of child labour in the coffee supply chain that can be replicated across other value chains and regions. By fostering an integrated and area-based approach that addresses all fundamental principles and rights at work (FPRWs), we can tackle the vulnerabilities that lead to child labour.

▶ **Vera Paquete-Perdigão** / Director, Governance and Tripartism Department, ILO

3.3. Presentation of the project: Key issues concerning child labour in the coffee supply chain and the project's response

Speaker

- **Wouter Cools**, Project Manager, Ending Child Labour in Supply Chains, ILO

Key takeaways

- For the first time in 20 years, there has been an increase in child labour globally, rising from 152 to 160 million children, which means almost one in 10 children worldwide are engaged in child labour. Of these, 70% work in the agriculture sector, underscoring agriculture as a key entry point to child labour. Additionally, at least 72% of these children work on family farms or in family microenterprises, with a significant share of this labour being hazardous. A substantial portion of coffee is produced by smallholder family households, where child labour is prevalent. This provides a clear rationale for this project.

- Child labour in the global coffee supply chain can be attributed to an interplay of three dimensions: 1) gaps in legislation, enforcement, and access to justice; 2) socio-economic pressures; and 3) business conduct and environment. An integrated area-based approach is necessary, encompassing a comprehensive set of actions that target all three dimensions within a specific geographical area. These actions focus on prevention, removal, rehabilitation, and protection. A collaborative effort involving UN agencies, governments, the private sector, civil society, development partners, and various international networks and platforms is essential to effectively address the root causes of child labour.

- The project represents a unique partnership between four UN agencies – ILO, FAO, UNICEF, and ITC, with each agency bringing its specific mandate, knowledge, and expertise. The project is led by the ILO and supported by the European Union. The project began in May 2023 and will conclude in August 2026. Key stakeholders include governments, workers' and employers' organizations, the private sector, including 11 major global coffee buyers actively involved through the ILO Child Labour Platform, as well as regional and global platforms. The three target countries where the project will address child labour in the coffee supply chain are Uganda, Viet Nam, and Honduras.

- The project strategy is built on three interconnected pillars:

    1. Improving the knowledge base regarding the root causes of child labour in coffee and other supply chains at both global and national levels.
    2. Establishing and replicating integrated area-based models to eliminate child labour in the coffee supply chain at the national level.
    3. Strengthening global partnerships to eradicate child labour in supply chains, with the ultimate goal of expanding the established models of integrated area-based solutions not only to other coffee-producing countries but also across various supply chains.

- To effectively address the root causes of child labour in the coffee supply chain, two key considerations must be taken into account: first, actions need to be implemented across all three dimensions through an integrated area-based approach; second, there must be a convergence of thinking and efforts among stakeholders. This approach aims to build a sustainable coffee supply chain that meets the needs and aspirations of coffee farmers, workers, and their families.

> With this new project, we're working with our partners to tackle poverty, limited sources of income, and poor-paying, low value-added jobs. We're working to ensure child labour-free value chains through better, more responsible trade.

- **Pamela Coke-Hamilton** / Executive Director, ITC

3.4. Panel discussion I: Towards responsible business conduct in the coffee supply chain

Speakers

- **Beata Plonka**, Directorate-General International Partnerships, European Commission
- **Nestor Meneses**, Deputy Technical Manager, Instituto Hondureño del Café (IHCAFE).
- **Dr. Gerald Kyalo**, Director of Development Services, Uganda Coffee Development Authority (UCDA)
- **Silvia Possenti**, Supply Chains Officer, ILO
- **Elisabeth Andvig**, Child Rights in Global Supply Chains, UNICEF
- **Martina Bozzola,** Senior Sustainability Advisor, ITC

Key takeaways

- The European Union is set to adopt the Corporate Sustainability Due Diligence Directive (CS3D), approved in May 2024. All 27 EU member states will be required to transpose it into national legislation. Aimed at promoting environmental and social sustainability, the directive is rooted in the EU's foundational values of democracy, human rights—including labor rights—and the rule of law. The CS3D is aligned with established international frameworks, including the UN Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). By aligning with this directive, the European private sector will be positioned to play a vital role in global value chains, helping to achieve social sustainability while EU trade relations serve as leverage to foster this positive change.

- In Honduras, IHCAFE has conducted a project with the ILO over the past six years to prevent child labor in the coffee sector. The project established a social compliance system designed to prevent, detect, and eliminate child labour abuses, which cooperatives and organizations can implement within the coffee supply chain. However, cultural challenges persist, particularly the normalization of children participating in light labour on farms from an early age. The overarching goal is to shift this cultural mindset, emphasizing the rights of children to education, health, and recreation.

- One of the top priorities for the Ugandan Government is establishing traceability in the coffee sector to address child labour issues. To achieve this, Uganda is currently developing an official farmer registry, a crucial step for ensuring compliance with EU Deforestation Regulation (EUDR) and CS3D. This registry will facilitate communication with farmers and make it easier to address child labour. Another priority for the government is sustainability, focusing on enabling coffee farmers to generate sufficient benefits from their farms. Increased returns, potentially through better pricing, can help farmers reinvest in the value chain and reduce reliance on child labor by allowing them to afford paid labor instead.

- The ILO's Child Labour Platform (CLP) is a multi-stakeholder, cross-sectoral forum for peer learning, action, and collaboration to eliminate child labour, particularly in supply chains. Through the CLP, companies can join initiatives to assess, prevent, and mitigate child labour risks as well as other labour rights risks, adopting a root causes approach and taking action through specific country working groups. Currently, 11 major coffee buyers are involved in the CLP under the CLEAR Supply Chains project. The collaboration between the CLP and the project exemplifies a strong commitment to advancing progress and addressing systemic issues, aiming to bring lasting change within the coffee supply chain and beyond.

- Addressing child labour requires a holistic approach that moves beyond the compliance box-ticking exercise and focuses on root causes, such as decent work conditions and the roles of parents and caregivers. UNICEF has developed tools and guidance for businesses that outline indicators and metrics for due diligence processes that address specific elements particular to children. In 2012, UNICEF, Save the Children, and the United Nations Global Compact launched the Children's Rights and Business Principles (CRBPs), based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. These principles require businesses to have a specific policy commitment that incorporates a child rights lens when conducting due diligence.

- The ITC's "Alliances for Action" approach is being applied in value chain pilot projects in Africa and Latin America, including the coffee sector in Uganda. This initiative includes raising awareness of the CS3D and fostering dialogue among key stakeholders, including MSMEs and producers. After mapping existing programs and activities, gaps can be identified and priorities set. Clear guidance is necessary to ensure all the actors are ready for successful implementation and can navigate the various available tools effectively. Costly implementation presents a challenge that requires all stakeholders—buyers, traders, MSMEs, and producers—to collaboratively co-invest and fairly share these additional costs.

> UNICEF believes in the importance of fostering collaboration and partnerships in the efforts to prevent child labour, and with this project also recognizes the role of the private sector in mitigating any potentially adverse impacts through child-rights based approaches to due diligence.
>
> ▶ **Sheema Sen Gupta** / Director, Child Protection, UNICEF

3.5. Panel discussion II: Child labour and decent work in the coffee supply chain: Addressing vulnerabilities to child labour

Speakers

- **Vera Paquete-Perdigão**, Director Governance and Tripartism Department, ILO
- **Benjamin Davis**, Director Rural Transformation and Gender Equality Division, FAO
- **Vanúsia Nogueira**, Executive Director, ICO
- **Blanca Castro**, Executive Director, International Women Coffee Association (IWCA)
- **Kenneth Barigye**, CEO, Mountain Harvest Uganda
- **Ariane Genthon**, Programme Officer (Child Labour in Agriculture), FAO

Key takeaways

- Addressing the root causes of child labour requires a multifaceted approach aimed at creating sustainable value chains within the coffee industry. In Uganda, this includes addressing the issue of the aging farmer demographic, who are often required to care for grandchildren while their parents migrate to urban towns. Enhancing the accessibility and quality of education and addressing the economic underpinnings that compel families to rely on child labour, such as the global undervaluation of coffee, are also key concerns. Mountain Harvest is implementing initiatives such as regenerative agriculture training, support for farmers to enter the specialty segment, and financial literacy programs that aim to elevate community standards, increase farmers' incomes, and ensure that children can stay in school.

- The ICO Coffee Public-Private Task Force focuses on improving the economic stability of coffee producers through enhanced productivity, quality, market access, and transparency. The initiative, active in 13 countries, seeks to ensure coffee farmers receive a living income, reducing the economic need for child labour. This collaborative effort emphasizes the importance of local leadership and tailored national plans that address specific industry gaps through sustainable and community-driven solutions.

- Increasing access to social protection is a crucial strategy to combat the economic pressures that often lead to child labour. Addressing market failures through social protection programs can provide families with the necessary stability to prioritize long-term benefits like education over immediate economic gains. This will enable households to move beyond the day-to-day survival and seasonality of agriculture, allowing them to adopt a longer-term vision to be able to invest in children. Social protection programs are also important in terms of climate change adaptation and can be directed to address specific vulnerabilities faced by women and people of different ages or classes.]

- Climate change significantly disrupts agriculture, increasing the risk of child labour. Extreme weather, shifting temperatures, pest proliferation and water shortages reduce crop yields, heighten production costs, and adversely affect farmers' incomes and working conditions. Economic pressure, migration, and hazardous working conditions, such as exposure to pesticides and extreme temperatures, disproportionately affect children. Addressing this issue requires innovation, stronger policies, and sustainable practices to reduce reliance on child labour.

- Effective governance and compliance mechanisms are essential to ensure that fundamental principles and rights at work are respected in coffee production. Inequalities in wealth distribution also affect whether families benefit from their labour. It is important to note that child labour is an economic decision for families, who must choose between sending a child to school or using their labour for coffee production. This decision must be seen in a broader perspective, including a gender perspective, as girls are often kept out of school to work.

- Empowering female coffee producers, by providing education, market access, and capacity-building for their organizations, is important to allow women to participate more fully in coffee production without resorting to child labour. The IWCA support programs and projects, such as collaborations with local coffee associations to establish coffee schools and kindergartens during harvest season to help keep children in educational settings while their parents work. These programs can also incorporate agricultural education for children and teenagers, thereby creating a sustainable cycle of knowledge and appreciation of the benefits of coffee cultivation.

> Poverty and food insecurity are the main drivers of child labour in agriculture, exacerbated by factors such as climate change, which is affecting harvest seasons and productivity. We are proud to join forces with the European Union, the ILO, UNICEF, and ITC to offer concrete solutions to these challenges.

Máximo Torero / Chief Economist and Deputy-Director General, FAO ilo.org/clearsupplychains

International Labour Organization

Food and Agriculture Organization of the United Nations

International Trade Centre

unicef

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The CLEAR Supply Chains project is implemented within the framework of the ILO 8.7 Accelerator Lab.

Co-funded by the European Union

The CLEAR Supply Chains project is co-funded by the European Union represented by the Directorate-General for International Partnerships of the European Commission.