

#### **WORKSHOP REPORT**

# Making supply chains free from child labour

Exploring options to end child labour in global value chains

10 March 2022



#### **BACKGROUND:**

DG INTPA, the Directorate-General for International Partnerships of the European Commission, Unit E2, Micro-economic analysis, investment climate, private sector, trade and employment, organised the *Virtual workshop-Making supply chains free from child labour: Exploring options to end child labour in global value chains.* 

The aim of this workshop was to **explore** evidence-based practices that have worked or not, building knowledge and better understanding of the root causes, drivers and gaps; **discuss** and exchange views on holistic and systemic solutions that connect different players and stakeholders along a sectorial value chain and an area based approach; **identify** options where support is much needed for an impactful action. The discussion's outcomes will feed into thematic sessions at the upcoming 5th Global Conference on Child Labour on 15-20 May 2022.

The event was moderated by Kunera Moore, Global lead on child labour, Rainforest Alliance, and attended by approximately 70 people, representing EU Member States, international organisations, civil society and not for profit organisations, the private sector and EU institutions

The <u>event was recorded</u> and the slides that were used by various speakers are available <u>here</u>.

During the workshop a series of three short animations were shown that depict the lived experiences of children in child labour performing hazardous tasks to produce raw materials exported worldwide:

Asha's story: a girl in child labour in cotton.

Faustin's story: a boy in child labour in mining.

Pitang's story: a girl in child labour in sugarcane.

## **OPENING:**

The moderator, **Kunera Moore**, opened the event, introducing the agenda and objectives. **Cécile Billaux, Head of Unit, INTPA E2**, highlighted the European Commission's commitment to tackling child labour with a focus in selected global value chains. She pointed out a number of ongoing and recently announced initiatives, including the decent work worldwide communication and the directive proposal on <u>Corporate Sustainability Due Diligence</u>. She underlined the importance of tackling child labour in partnerships for a positive impact and mentioned the good results achieved in Uzbekistan.

Maria Rosa De Paolis, Policy Officer, INTPA E2, presented the goals of a planned INTPA intervention to end child labour in global supply chains. The objective of the action is to reduce child labour in key sectors and countries where child labour is persistent and prevalent, and for which trade with the EU is significant. The action will have a holistic and innovative approach, encompassing research, pilot interventions and global initiatives.



Asha's story: a girl in child labour in cotton

# SESSION 1: UNDERSTANDING THE PROBLEM

The discussion of the first session was organised around three questions, with experts opening the discussion with a short presentation and participants having an opportunity to react, followed by a questions and answers session.

QUESTION 1: What data and analysis would be needed to identify and address the deeply rooted causes and drivers sustaining the dynamics of child labour? Do data and analysis vary by supply chain and help identify most perturbing supply chains?

The session was kicked off by **Claudia Cappa, Statistics and Monitoring Specialist, UNICEF**, responsible with ILO for the latest global estimates on child labour. She discussed the need for accurate data and the process for obtaining and using data. She advocated for all countries to produce child labour and sectoral data, that are generated at regular intervals and integrated into national systems. Data should be used to design, implement, and monitor interventions.

**Alessandro Batazzi, Policy Officer, EC, DG INTPA G4**, spoke of the importance of data for the identification of

risk factors and drivers of child labour.

He presented tools for measuring inequality dynamics and the magnitude of child labour, including Oxfam's Multidimensional Inequality Framework and a Handbook on Inequality Measurement for Country Studies developed by the EC, AFD and the African Centre of Excellence for Inequality Research.



presented some of the approaches used by the Centre for undertaking risk assessments and addressing child labour. She pointed to the importance of supply chain transparency and using a mix of qualitative and quantitative data. Data and progress should be assessed against conventions, laws and benchmarks, while all stakeholders, including children themselves, should be included. Indicators can inform on root causes, working conditions, the gender dimension and vulnerable groups. The risk assessment can be applied to multiple sectors and countries.

**Federico Blanco, Senior Research Officer, ILO**, presented different methods of data collection and analysis and called for child labour to be included into existing labour

market surveys. The general determinants of child labour are known, but country or sector analysis allows for an understanding of the relative importance of specific determinants. Risks are not distributed equally across the supply chain and sectoral surveys can be targeted at the lowest tiers of a supply chain. He informed the workshop that the ILO will soon release a new methodology to assess different levels of the supply chain. He reminded participants of data sets that may already be available, providing an example from the tobacco sector in Malawi.

QUESTION 2: Who would need to be engaged to obtain that data and how can capacities, collection and management be organised? Should other mechanisms than data collection be considered? How to bring stakeholders on board and get broad acceptance and ownership of the analysis?

**Claudia Cappa, Statistics and Monitoring Specialist, UNICEF**, spoke of the elements needed for a comprehensive and effective data collection and monitoring systems, including research on child labour: political commitment at national level (commitment in SDGs, yet only half countries are collecting child labour data), coordination, cooperation and partnerships, the regulatory framework for policy, data collection and monitoring, and dedicated resources. A multitude of actors have a role to play, including national statistics offices, economic statistics across industries, and the need for research to support monitoring and understanding causes.

**Farhat Parveen, Executive Director, National Organisation for Working Communities in Pakistan**, spoke of the situation in Pakistan where children are working across all levels of the value chain. Legislation and commitments, facilitated by the EU trade regime (General System of Preferences+/GSP+), have been undertaken. She recommended that data include resource distribution, the situation of women and girls and to not forget the urban informal sector. She proposed a performance-based renewal of the GSP+ regime.

QUESTION 3: Domestic and global supply chains: As the majority of children involved in child labour help family work that also engages in domestic supply chains, how can we mitigate the risk that child labour addressed in global chains will move to these domestic value chains? How to address global supply chains that upstream link to highly informal supply chains? Could an area-based approach tackle this?

Sofie Ovaa, Programme Manager, HIVOS, Humanist Institute for Co-operation with Developing



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**Countries**, presented their programme "<u>Work: No Child's Business</u>". Linking a supply chain approach to an area based approach allows the tackling of all forms of child labour with a focus on root causes. For a sustained change, she underscored the importance of ensuring access to a formal and friendly education, promoting decent work and addressing social norms, with the slogan: "parents earn, children learn".

**Bernd Seiffert, Rural Livelihoods Officer, FAO**, spoke of how to maximise positive impact in agriculture, especially in small-scale production and highly informal family farms. Approaches that look beyond global value chains, include life cycle approach and territorial or areas based approaches that address root causes along the value chain to reduce poverty and malnutrition. Commitment and investment is needed from private and public sources. As an incentive, the technical support helps reduce production costs, strengthen farmers organisations, create awareness and commitment, instead of relying only on labour inspections.

Jazz Smith-Khaira, Specialist - Child Labour and Responsible Business Approaches, UNICEF, said that addressing root causes can be sector agnostic. She also pointed to the fact that some business practices can create or mitigate child labour risks. Businesses can be part of the solution to tackle root causes through an area based approach.

Katherine Torres, Senior Specialist on Supply Chains, ILO, Fundamentals Branch, discussed how an integrated area based approach can tackle domestic and local supply chains. The importance of linking measures such as alternative livelihood programmes into productive supply chains was underlined. She stressed that the cross-sectoral approach is crucial to avoid child labour displacement in particular in agriculture for seasonal work. Investing in collective empowerment, and facilitating social dialogue was also highlighted.

The **Questions and Answers** session included a discussion on how business can use data and how studies are useful for business; how to interpret smaller surveys for granular data and small-scale studies that might not be

representative; the resources required for analysis; the need for data for programme design and results; national databases; taking account of national/local contexts, sectors' data differences and how best to communicate.

#### SESSION 2: FROM EVIDENCE TO ACTION

Session two – like the first session – was organised around three questions, with experts opening the discussion with examples and participants having an opportunity to react, followed by a questions and answers session.

QUESTION 4: What is the mechanism to convert the analysis into pilot actions? How to build broad multi-stakeholder action? How can implementing partners work together to end child labour in a selected value chain?

Ariane Genthon, Programme Officer, FAO, discussed how to transform analysis into meaningful actions. Multi-stakeholder dialogues are indispensable for an integrated approach, with the example of the World Banana Forum provided. She called on promoting inter-ministerial synergies and the involvement of national and local value chain actors. She referred to the recent FAO and ILO organised the "Global Solutions Forum, Acting together to end child labour in agriculture" that put forward some promising actions.



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**Mattias Forsberg, Senior Advisor, Child Rights and Business, Save the Children**, spoke of how they work primarily through local organisations. He called on actors to make best practice normal practice (scalability). He referred to issues with the accountability of multi-stakeholder forums and the risk that due diligence may take away from addressing wider root causes. He pointed to 'set-backs' with the EC's new due diligence legislation limiting responsibilities, that may prevent collective action. He called for locally owned, locally empowered and locally monitored actions.



Badra Alawa, Chief Technical Officer Clear Cotton, ILO, presented the EU co-funded CLEAR Cotton project working to eliminate child labour from the cotton, textile and garment

value chains, as an example of a multi-stakeholder approach at country level. The project addresses all aspects of the value chain, the surrounding context and root causes through capacity building, research and policy work, with area based approaches, access to education and improvement of livelihoods incorporated.



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QUESTION 5: What institutional support is needed to organise this? How can we encourage an institutional frame that could support similar processes in other sectors and or countries? Are there successful approaches that could inspire or offer opportunities for replication?

**Mattias Forsberg, Save the Children**, talked of the need to support social accountability at local levels and help enable local to global voices in international policy and decision making. He cautioned about relying on multinational corporations to influence local actors and to avoid isolated mechanisms. The EU can play an important role in spearheading a holistic approach that includes advocacy and participation, which are usually under resourced.

**Katherine Torres, ILO**, informed the workshop of the work of Alliance 8.7, a multi-stakeholder forum, including 200 partners and 25 pathfinder countries. There is a need to improve communication and trust amongst supply chain actors, align advocacy efforts and multiply good approaches. There are examples of good practices in understanding and addressing hazardous child labour. She discussed the importance of the policy framework and the challenges, especially in taking account of the gender dimension. She called for a move from reactive to preventive measures and the promotion of accountability.

QUESTION 6: The EU is planning to offer accompanying support to partner countries' institutions and economic actors to comply with the EU sustainable corporate due diligence legislation. What practical business guidance on identifying and addressing child labour risks would be useful? How could its implementation be supported and how could this be extended to the informal sector?

Wieneke Vullings, Head of Unit, Ministry of Foreign Affairs, Department for Sustainable Economic Development, The Netherlands, presented some of their lessons learned. The Netherlands supports companies (Fund Against Child Labour), area based approaches and capacity building of local organisations. She spoke of the need to understand the role a company plays in the value chain. Their support measures for companies include funding, responsible business conduct (RBC) support, practical guidance and a toolkit. She called on an EU approach to implement the OECD guidelines and a tool for monitoring the impact on partner countries.

**Katherine Torres, ILO**, informed about two services provided by the ILO: the Child Labour Platform and the Multinational Enterprises Engagement Unit (MULTI). She spoke of the fact that not all EU companies have the same understanding or capacities to address child labour. It is crucial to engage staff working on procurement, alongside those responsible for sustainability and human rights. Many companies still struggle with child labour and they require help in understanding the root causes and legal and policy frameworks. The ILO have produced a due diligence guide to build company systems and help with risk-identification.

Matthias Altmann, Policy Officer, DG INTPA, introduced the toolbox of support measures planned for businesses under the new due diligence legislation also to prevent negative effects. Despite the inclusion of large companies in the legislation proposal, these companies work directly with smaller companies in partner countries. INTPA's new global action will contribute to support partner countries. A set of guidelines for companies are being developed, for example the EC has already published guidance on voluntary standards to combat forced labour. He referred also to Germany's business tool on "Deforestation-Free Supply Chains" and the OECD guidance on minimum wages.

Marco Dubbelt, Senior Director, Global March Against Child Labour, called to engage with actors on the ground: the role of trade unions and women is crucial in informal supply chains. He talked of the importance of supporting middle-men in their role to link informal and formal supply chain's segments and help local actors including local governments to address informality. Legislation with



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enforcement and access to remedies is crucial for empowering those at the lowest level of the supply chain.

During the Questions and Answers session a representative of the business community (Jan Gilhuis, IDH/SSI/ SVI), spoke of companies' difficulties in tackling child labour sustainably, which was considered taboo, with problems around definitions, prevalence and the lack of institutional capacities to tackle child labour in some countries, such as Madagascar. Institutions are necessary to provide the enabling environment and the private sector can support. He recognised that there is still a lot to do to eliminate it and companies/sectors need to engage with the stakeholders to tackle the problem. He gave the examples of the positive changes achieved in some sectors, including in the vanilla, spices (including apricots and hazelnuts) sectors, in Turkey, Vietnam and India and cocoa that have taken proactive measures. There is still much more needed in cotton (despite many farmers producing both cocoa and cotton).

A representative of the ILO (Thomas Wissing) spoke of replicating the formal sector in the informal sector, especially in agriculture, and promoting a framework for decent work, labour conditions and wages, and providing a framework for trade unions and workers. There are major challenges with

the lack of institutional structures. Governments must do more to ensure the education and social protection infrastructure is in place, especially around agricultural communities where most child labour occurs.

#### **CLOSING:**

**Jean-Paul Heerschap, INTPA E2**, closed the workshop.

He noted the following take-aways:

- Promote a systemic approach to data collection, while balancing cost and effectiveness;
- Engage all stakeholders, including trade unions and the private sector;
- There is a recognition of the intrinsic link between child labour in domestic and global supply chains;
- Focus on agriculture supply chains due to the prevalence of child labour;
- There are positive examples including how best to address social norms ('let children learn and parents earn') and adopting an area based approach;
- · Improve labour conditions and wages.
- Ensure companies are part of the solution, while recognising that they cannot do it alone;
- The convening power of Alliance 8.7 can play an important role:
- Local ownership of initiatives is crucial:
- The EU is committed to supporting companies and institutions in partner countries

He thanked the moderator and all participants for their active involvement.

The <u>song by Bernice from Burkina Faso</u> closed the event. The singer is the winner of the CLEAR Cotton category of the song competition organised for the International Year for the Elimination of Child Labour by <u>Music Against Child Labour</u>.



# Making supply chains free from child labour

Exploring options to end child labour in global value chains

Virtual Workshop 10 March 2022 14.30-17.00 CET



The European Union aspires that all products that reach the Single Market are produced with full respect for social and environmental standards. This includes addressing child labour in all its forms.

The European Union is launching an intervention to help end child labour in selected value chains. To implement this action the Directorate General for International Partnerships of the European Commission (INTPA) will identify a number of sectors where child labour is prevalent and where the volume of exported commodities and products to the European Union is significant.

This action will help implement the sustainable development chapter of EU trade agreements and forms part of the accompanying support that the EU will offer to partner countries' institutions and companies to comply with the EU sustainable corporate due diligence legislation under preparation.

This workshop aims at exploring options, exchanging views and identifyiving best practices to build knowledge and understanding on how best to reduce and prevent child labour in global supply chains, with stakeholders and partners.

The outcomes of the workshop will also contribute to the envisaged session on value chains at the upcoming 5th Global Conference on Child Labour in May 2022.

### **BACKGROUND**

Despite progress over the last 20 years, 160 million children are still in child labour worldwide, half of whom are performing hazardous work. Causes are

multi-dimensional and deeply rooted in poverty and inequalities. Very often child labour is the symptom of other labour rights violations involving family members. Indecent work, low wages, unfair incomes and underdeveloped or absent social protection systems, are the main reasons why children drop out of school to contribute to family income and perform full time work, compromising their development and well-being. Child labour is present in local and global value chains for commodities exported worldwide including the EU such as raw materials from agriculture, fisheries and mining, and components for manufactured products. The complexity of global value chains makes it often difficult to identify child labour, especially upstream of the supply chain, due to a lack of transparency in informal and family settings.

The EU action aims at reducing child labour in key sectors and, subsequently, countries where child labour is persistent and prevalent, and for which trade with the EU is significant. It will align to European Commission President von der Leyen's political guidelines for zero tolerance on child labour and to the EU Strategy on the Rights of the Child, with the commitment to work towards making supply chains of EU companies free of child labour.

#### FORMAT AND LANGUAGE

The workshop will use a moderated participatory format, where participants will be invited to respond and provide inputs to the guiding questions in two sessions. The language of the workshop will be English and will be recorded.

## **PROGRAMME**

**14:30 O Introduction,** Kunera Moore, Moderator

**Opening remarks,** Cécile Billaux, Head of Unit INTPA E2 Micro-economic Analysis, Investment Climate, Private Sector, Trade and Employment - Directorate-General for International Partnerships, European Commission

**Objectives,** Maria Rosa De Paolis, Policy Officer, INTPA E2 Micro-economic Analysis, Investment Climate, Private Sector, Trade and Employment - Directorate-General for International Partnerships, European Commission

#### 15:00 Session 1: Understanding the problem

- **1. What data and analysis would be needed** to identify and address the deeply rooted causes and drivers sustaining the dynamics of child labour? Do data and analysis vary by supply chain and help identify most perturbing supply chains?
- 2. Who would need to be engaged to obtain that data and how can capacities, collection and management be organised? Should other mechanisms than data collection be considered? How to bring stakeholders on board and get broad acceptance and ownership of the analysis?
- **3. Domestic and global supply chains:** As the majority of children involved in child labour help family work that also engages in domestic supply chains, how can we mitigate the risk that child labour addressed in global chains will move to these domestic value chains?

How to address global supply chains that upstream link to highly informal supply chains? Could an area based approach tackle this?

#### 15:45 Short break

15:50

#### Session 2: From evidence to action

- **4. What is the mechanism to convert the analysis into pilot actions?** How to **build broad multi-stakeholder action?** How implementing partners would work together to end child labour in a selected value chain?
- **5. What institutional support is needed** to organise this? How can we encourage an institutional frame that could support similar processes in other sectors and or countries? Are there successful approaches that could inspire or offer opportunities for replication?
- 6. The EU is planning to offer accompanying support to partner countries' institutions and economic actors to comply with the EU sustainable corporate due diligence legislation. What practical business guidance on identifying and addressing child labour risks would be useful? How could its implementation be supported and how could this be extended to the informal sector?

#### **16:45** Wrap up and conclusions

17:00 Closing

### **BACKGROUND READING**

- Empowering women and girls to end child labour
- Child labour has a profound impact on the health and wellbeing of children
- To eradicate child labour we must focus our attention on agriculture
- The time to act to end child labour is now
- When child labour is reduced, opportunities for youth increase
- Child labour is keeping millions of children out of school
- Are the clothes you are wearing free from child labour?
- Study on Ending child labour and promoting sustainable cocoa production in Côte d'Ivoire and Ghana (with executive summary in English and French)
- <u>Conference report: United to end child labour in agriculture organised by the European Commission, the FAO and the ILO, 12 June 2019.</u>
- EC Communication on Trade Policy Review An Open, Sustainable and Assertive Trade Policy, February 2021
- <u>DG TRADE's Guidance on due diligence for EU businesses to address the risk of forced labour in their ope</u> rations and supply chains
- Council Conclusions on Child Labour, 2016
- Council Conclusions on Human rights and Decent Work in Global Supply Chains, 2020
- Child Labour Global Estimates 2020, Trends and the Road Forward (ILO & UNICEF)
- Ending child labour, forced labour, and human trafficking in global supply chains (ILO, OECD, IOM & UNICEF)
- <u>Measuring child labour, forced labour and human trafficking in global supply chains: A global Input-Output approach, Technical Paper (ILO, OECD, IOM & UNICEF)</u>
- Ending child labour by 2025: A review of policies and programmes, 2017 (ILO)
- FAO Framework on Ending Child Labour in Agriculture, 2020
- OECD Guidelines for Multinational Enterprises and Child labour risks in the minerals supply chain
- UN Global Compact Principle 5: Labour, Businesses should uphold the effective abolition of child labour
- <u>50 billion Euros: Europe's Child Labour Footprint in 2019</u> (Development International/The Greens/EFA in the European Parliament)

# EU FUNDED PROJECTS

- <u>CLEAR Cotton: Eliminating child labour and forced labour in the cotton, textile and garment value chains:</u> an integrated approach (ILO and FAO)
- Tackling child labour through education in African, Caribbean and the Pacific (ACP) States (TACKLE) (ILO)
- <u>Ship to Shore Rights Project</u> (ILO, IOM & UNDP)
- <u>Trade for Decent Work Project</u> (ILO)