Verité’s Year-end Report to the Offices of Senator Harkin and Representative Engel

“Independent verification lends credence to the story that Ghana tells about its efforts...I strongly recommend that we ask the right questions under the right circumstances so that we gain the right information.”

-Madame Akosua Frema Osei-Opare, Deputy Minister, Ministry of Manpower, Youth and Employment and Member of Parliament, Government of Ghana

“Ultimately, the Harkin-Engel Protocol must drive sustainable rural development - for that is what is needed to truly transform conditions on the ground.”

Madame Amouan Assouan Acquah, Special Counselor to the Prime Minister of Côte d’Ivoire

Executive Summary

Verité was hired in June, 2007, by the global cocoa industry to develop a “Road Map” to guide them in creating a verification process that would be independent, transparent and of high credibility. As the first year of Verité’s work on verification draws to a close, we would like to provide an overview of the numerous milestones that have been reached over the past year.

While the findings and analysis from the verifiers selected by the International Cocoa Verification Board (ICVB) (which will be released independently in November) will be the true litmus test of the robustness of verification, a review of the Verité Road Map indicates that the process we designed did achieve the desired outcome - independent verifiers are at work with the full support of all the key stakeholders: industry, government and civil society.

The independent verification process has been successfully launched and it will continue to grow and evolve over time. The signal achievement of the road map implementation was the creation of the International Cocoa Verification Board. For the first time, there is now a fully functional multi-stakeholder body that alone will govern the verification activities going forward.

Some have asked why Verité, as a respected labor rights organization, did not merely conduct the verification activity itself. Our response to this question is central to understanding why we recommended that industry form the multi-stakeholder ICVB instead. The scale of verification, the breadth of actors and the urgency of the issue indicated to us that no single organization could carry the
program on its own. The complexity and magnitude of verifying surveys produced by two sovereign nations whose economic survival depends on the commodity in question requires that the verification be conducted in such a way as to have broad support from the variety of stakeholders involved.

The willingness of industry to adopt a multi-stakeholder approach has been important to making progress towards verification. This approach has required industry to work closely (on the ICVB in particular) with civil society actors (NGOs, unions, etc.) that have been strongly critical of them to date. Civil society organizations and trade unions too have demonstrated willingness to engage in dialogue, facilitated by Verité, that has moved the conversation over labor conditions in a constructive direction. Thus, the creation of the ICVB has served an additional and critically important function beyond the activity of verification itself. The nine members of the board are forging new ways for industry, civil society and government to work together. Prior to 2007, the cocoa sector was beset by inertia and lack of constructive or direct dialog. Future certification and remediation efforts will be stronger for the new spirit of collaboration that the ICVB embodies, and the institutional mechanism to enact that spirit.
Introduction

As illustrated by the chart below, independent verification plays a central role in the certification effort outlined by the Harkin-Engel Protocol.

In response to the challenge of designing a process that would independently verify the certification surveys of, initially, the regions producing 50% of the cocoa in Côte d'Ivoire and Ghana, Verité adopted a multi-pronged approach in the creation and implementation of the verification effort. Specifically, the central elements of our strategy included:

- the creation of a multi-stakeholder board (ICVB) to select independent verifiers and oversee the verification process.
- the solicitation and inclusion of a wide array of viewpoints throughout the process regarding, among other topics, board member selection and verifier qualifications through NGO -Industry Consultative Meetings (see reports from the Boston 2007 and London 2008 meetings). Concretely, feedback from the Boston pre-meeting interviews is what led to the addition of a fifth NGO seat on the ICVB.
- the development of a third-party feedback mechanism on the ICVB’s website (www.cocoaverification.net) to ensure that stakeholders globally have the opportunity to regularly provide the ICVB with suggestions and comments.
ICVB Formation

As outlined in the Verité Road Map, the multi-stakeholder verification board (now known as the ICVB) would include four representatives from civil society (NGOs, trade unions and academics), two industry representatives and two government representatives (one from each Côte d’Ivoire and Ghana). As industry and governments were responsible for filling their own seats under our model, we needed to create a process to fill the four (subsequently five) “NGO” seats.

Recognizing that inclusiveness and transparency are among the most important features of any broad-based initiative, Verité conducted an open nomination process to fill the NGO seats. Verité undertook the following activities to ensure that we received a large number of nominations:

- issued a press release (with postings to various internet sites such as CSR Newswire) seeking nominations to the multi-stakeholder cocoa verification board
- held interviews and meetings with a wide array of child labor and cocoa experts
- sent a letter to 200+ civil society representatives in 15 countries inviting them to nominate potential board members

In addition to seeking board member nominations, the interviews conducted in the fall of 2007 were also designed to solicit stakeholder input on the overall verification process. The groups consulted included, among others:

- Free the Slaves
- Ghanaian Agricultural Workers Union
- Amnesty International (UK)
- Oxfam
- Rescue Foundation of Ghana
- Anti-Slavery International
- International Cocoa Initiative
- International Institute of Tropical Agriculture
- African Development Foundation
- WAO - Afrique (Togo)

Verité received 23 nominations, five of whom were immediately disqualified because of conflicts of interest or lack of requisite experience. The remaining nominees were evaluated by Verité’s senior management and Executive Director to ensure that they met the following criteria (see appendix H in the Verité Road Map for more details):

- A “footprint” in Africa or programs on the ground
- Experience with the issues relating to the worst forms of child labor (WFCL)
• Track record with progressively implemented remediation programs
• Experience with cross-sectoral initiatives (public/private)
• Demonstrated willingness to work collaboratively
• Viewpoint, objectives of the NGO or other organization indicative of a constructive approach

The individuals who were short-listed were then interviewed by Mil Niepold, Senior Policy Advisor at Verité, to investigate any potential conflicts of interest and further review their experience. Verité’s selection of the final board members was done to balance and consider the following:

• Expertise (trade unions, academics and NGOs)
• Geographic origin (African, North American and European)
• Gender
• Number of nominations received for each nominee

As indicated by the following charts, the net result of this selection process was the creation of a board of highly-skilled and dedicated experts who are very well balanced in terms of experience, perspective and nationality.
ICVB Composition by Geographical Origin

- African: 56%
- American: 33%
- European: 11%

ICVB Activities

During the first board meeting in Brussels (full board meeting minutes available on www.cocoaverification.net) in January 2008, the board unanimously agreed to be governed by the principles of transparency, efficiency and independence. The longest discussions and dominant theme of the meeting were on the subject of remediation. The board reached agreement on nearly 50 topics, including:

- Agreed to make decisions by consensus
- Adopted a phased approach to addressing remediation as part of verification
- Created Committee structures (Technical, Communications and Finance and Administration)
- Selected Verité as the interim Secretariat
- Outlined qualifications required for verifiers
- Created numerous board policies (conflict of interest, term limits, etc. - details available on the ICVB’s website)

The period between the Brussels meeting and the next meeting in London was a watershed time for the board and the overall verification process. Following is a list of the board’s achievements:
• Legal counsel retained and non-profit (501c3) status obtained for the ICVB
• Pre-solicitation notice written and published (for the selection of verifiers)
• Detailed Request for Proposal (for selection of verifiers) written and published
• Budget created, approved (and later posted to ICVB’s website). The budget is included in this binder for ease of reference
• The Technical Committee of the board reviewed proposals and short-listed two verifier candidates
• The full board questioned the short-listed candidates in an extensive multi-day interview process. Two organizations (see below) were selected and asked to partner to conduct the verification effort
• The two organizations selected to be the verifiers, Fafo Institute of Advanced International Studies (Fafo AIS) and Khulisa Management Services, are highly reputable and, combined, offer unparalleled cultural awareness and methodological expertise (see section below on verification as well as the verifier summaries in the binder)

The board is currently drawing up bylaws which will soon be available on their website.

ICVB Members

The multi-stakeholder cocoa verification board (named the International Cocoa Verification Board (ICVB) at the first board meeting) was convened by Verité in December, 2007. The board includes nine representatives from NGOs, academia, trade unions, government and industry (see ICVB Biographies). The nine board members are:

• Amouan Assouan Acquah, Special Counselor to the Prime Minister (Côte d’Ivoire)
• Isabelle Adam, European Cocoa Association (Belgium)
• Stephen Ayidiya, University of Ghana-Legon
• Tony Fofie, Ghana Cocoa Board
• Jeff Morgan, Mars, Inc. (USA)
• Diane Mull, International Initiative to End Child Labor (USA)
• Alice Koiho Kipre, Afrique Secours et Assistance (Côte d’Ivoire)
• Andrews Addoquaye Tagoe, General Agriculture Workers Union (Ghana)
• John Trew, CARE International (USA)

During its April, 2008 meeting, the ICVB voted to expand the committee structure and nominated ICVB Co-Chairs, Secretary, Committee Chairs and Alternates. (The Chair of the Finance and Administration Committee also serves as ICVB Treasurer.) Per ICVB bylaws, membership and nominations to board and committee positions are open to all ICVB members. Please see the ICVB Organizational Chart for more details.
Verité’s role as Secretariat

During the first board meeting, the ICVB agreed that Verité would serve as the interim Secretariat for the ICVB for the first year (with a possible renewal for a second year). Verité does not sit on the board and has no input into board decisions. The functions of the Secretariat are administrative in nature and cover the following activities, among others:

- Overseeing the work plan and deliverables for each committee
- Organizing all board and committee meetings and conference calls
- Travel (booking travel, visas, etc.) planning for board activities
- Periodic participation at conferences (attending or speaking)
- Media interviews (of Verité and organized for board members)
- Website design and maintenance
- Management of the Third Party Feedback tool on the ICVB website (ensuring that emails received are addressed by the appropriate committee)
- Managing all translations (the ICVB is a bi-lingual organization)
- Outreach to NGOs regarding verification
- Overseeing budget (accounts payable, etc.)
- Maintaining ICVB contacts database and mailing list
- Composition and distribution of press releases
- Liaising with the ICVB’s attorney (on IRS filing, contracts, etc.)

In its role as Secretariat, Verité operates to ensure that expenditures are kept low and that board activities are conducted efficiently. We aim for verification to support the vital work of impactful remediation, and that an increasing share of resources to be directed towards remediation. As Secretariat we are making efforts to reduce operational costs after the initial start-up phase is complete.

Verification Activity

Verification is a crucial element in fulfilling the Harkin-Engel Protocol and will play a critical role in informing policy decisions on how to remediate the worst forms of child labor and forced adult labor in the cocoa sectors of Côte d’Ivoire and Ghana.

The verifiers were selected by the ICVB after a competitive application process. The following timeline provides a useful overview of steps taken:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>ICVB issues pre-solicitation notification</td>
<td>February 13, 2008</td>
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<tr>
<td>ICVB issues RFP</td>
<td>February 18, 2008</td>
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<tr>
<td>Deadline for proposal submissions</td>
<td>March 17, 2008</td>
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<tr>
<td>Technical Committee reviews proposals and creates short-list</td>
<td>March 17 – March 24, 2008</td>
</tr>
<tr>
<td>Short-listed applicants present to ICVB</td>
<td>April 3-4, 2008</td>
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ICVB selects verifiers

April 5, 2008

Verifiers sign confidentiality agreements and begin preliminary data assessment

April 10, 2008

ICVB signs contract with verifiers

May 30, 2008

The verifiers will soon be submitting a preliminary report that describes their expertise, work plan and methodological approach in greater detail. A brief summary of the organizations appears below:

The ICVB selected **Fafo AIS** and **Khulisa Management Services** as the agencies to carry out the independent verification of the certification surveys in Côte d’Ivoire and Ghana. These two agencies will collaborate with in-country organizations Research International (Côte d’Ivoire) and HEDGE (Ghana) to conduct an independent verification process and to make recommendations for strengthening future certification surveys and remediation activities. The ICVB asked these two organizations to partner and the result is a unique multi-national team, involving experts from Europe, Africa and the United States.

Fafo Institute for Applied International Studies (Fafo AIS) is a Norwegian-based nonprofit with a reputation for expertise in data collection and analysis, particularly for populations that are often elusive, such as child laborers. Areas of experience in Africa include West and Central Africa, child labor and vulnerability, and trafficking and migration. Fafo AIS has worked with UNICEF, UNDP, World Bank, and the ILO, among others.

Khulisa Management Services (Khulisa) is a South African-based firm with 14 years experience in monitoring, evaluation, research and data quality auditing in the fields of child labor, education and public health across numerous African countries. Khulisa’s clients include the US Department of Labor (USDOL), US Agency for International Development (USAID), UNICEF, the US State Department, Global Fund, the European Union and others. In-country organizations Research International (Côte d’Ivoire) and HEDGE (Ghana) will also play a key role in engaging with cocoa producing communities during the representative sample stage of the verification.

Together these organizations have the technical, local and cultural capacities to conduct a rigorous and culturally sensitive verification process, which they will accomplish in two main stages:

- **Phase One**: an assessment of the certification data collection activities will be carried out in the two countries. This activity will include an assessment of the research objectives and outcomes, the examination of suitability of research techniques, the use of child-centered interview techniques, conducting a data quality assessment (DQA) and an assessment of the data analysis and output quality (results).
• **Phase Two**: a representative sample survey will be carried out in the two countries. This will include the creation of a representative sampling design, instrument (questionnaire) development, pilot testing, training, data collection and analysis and report writing.

Based on this approach, an overall synthesis and verification report will be presented, with a particular emphasis on ways to improve future certification surveys and the remediation efforts that they inform. Their distinct partnership also allows for an internal peer review process of the data analysis. The final report will fully synthesize the contributions and observations of the various agencies.

The ICVB made contractual arrangements with the verifiers that allowed them to begin the verification activities in April, prior to the actual signing of contract in May. The Governments of Ghana and Côte d'Ivoire expedited all visas and governmental permissions and the first phase of in-country work began within weeks of verifier selection. The verifiers will also be providing the ICVB with regular progress reports. The reports to the Harkin and Engel offices will be delivered during the weeks of June 23rd and November, 30th, 2008.

**Outreach activities**

Outreach to other civil society stakeholders is the other major part of the verification strategy as created by Verité. An effort of this complexity is strengthened by including the viewpoints of a wide array of organizations globally. We invested particular time and resources to ensure that a greater number of African voices were heard throughout this process, including sponsoring a portion of the 22 African attendees at the December and March 2008 Consultative Meetings. The following activities are the central components to our outreach strategy:

- NGO-Industry Consultative Meeting December 2007 (Boston)
  Including 18 pre-meeting interviews

- NGO-Industry Consultative Meeting March 2008 (London)
  Including 12 pre-meeting interviews

- Individual meetings/presentations throughout the fall with over 30 organizations (including Amnesty International, Anti-Slavery International, Free the Slaves, Child Labor Coalition, ILRF, etc.)

The feedback we received from both of the Consultative Meetings was uniformly positive (and there was a consensus that additional meetings, and longer meetings, should be held again in the future). The detailed summary of both meetings is included here for your reference.
We would especially like to highlight some of results from these activities:

- The Child Labor Coalition participated in nominating board members (two of whose nominees were ultimately selected for the ICVB)
- Numerous meeting participants expressed pleasure that there were high attendance levels of West African stakeholders (several of whom had heretofore never been invited to participate in such meetings, despite their first-hand experience dealing with WFCL in the cocoa sector)
- Feedback from the pre-meeting interviews leading into the December meeting led us to add a fifth NGO seat to the ICVB
- Participants from the London meeting engaged in a robust dialogue about how best to ensure a transparent and effective verification process. All of their suggestions were presented to the ICVB prior to their board meeting. These suggestions helped to inform the selection of the verifiers.
- Numerous participants commented on how a new spirit of cooperation, despite very divergent opinions, was emerging between government, industry and civil society actors

Conclusion and Next Steps

Looking ahead, verification of the surveys of 100% of the cocoa producing regions is expected within the next eighteen months. The ICVB specifically asked the independent verifiers to include recommendations in their final report (due in late November 2008) about ways to strengthen verification in the future. The intention is that course corrections can be made and that verification could be more efficient if it could take place concurrently with the surveys.

Efforts will also be made by the ICVB and Verité to lower the cost of verification so that remediation can take a more central place in ICVB activities. The board also decided at their first meeting to include a focus on remediation efforts in the second year of verification.

The board’s vision statement, drafted at their first meeting, sets the bar high. Their efforts will be judged on the basis of whether or not the lives of children and cocoa farmers improve. Specifically, it states:

“Verification is an essential step in assessing labor conditions in cocoa-growing communities in West Africa. The ICVB holds the strong conviction that accurate data will help guide strategic planning and programming to effectively address potential areas of concern, including child and forced adult labor. Properly verified data will ensure that future remediation activities are more strategic, cost-effective, targeted and synergistic. Our true stakeholders are the cocoa farmers and children and we measure our success or failure by how well their lives improve, in part, due to our work. Accurate data matters.”

All of this is driven by the real need to shift the focus in the near future to activities that address, and help improve, the root causes of WFCL. Such a shift will
require the continued engagement of industry, civil society and the governments themselves. At the conclusion of the April 2008, International Cocoa Initiative meeting in London, there was an emerging consensus in favor of a focus on root causes of WFCL like lack of access to quality education and poverty. Many participants also mentioned a desire to see increased support and emphasis on the National Plans of both countries.

Verité agrees with this view. We are specifically encouraging industry to consider the following activities in the coming months:

- Convening a donors conference (along the lines of the Clinton Global Initiative funding model). Participants might include organizations like The Gates Foundation, Children’s Investment Fund Foundation, USAID, the World Bank, ICI, African Development Foundation, World Cocoa Foundation, etc. This conference would explore strategies for increasingly diversified and more synergistic funding.
- Hosting a meeting with leaders from the Fair Trade movement (such as Transfair, Fair Trade Alliance, Divine Chocolate, etc.) to explore areas of mutual collaboration and knowledge sharing
- Convening additional Consultative Meetings, next in West Africa, that would specifically include civil society organizations in the labor “supply” countries like Burkina Faso and Mali
- Consulting with economists and supply chain experts to map the economics of cocoa

Ultimately, cocoa, like many other commodities, is rife with complexities that make cookie-cutter solutions impossible.

Anecdotes from the field are not encouraging. Remediation is not coordinated. According to the governments some villages are getting too much foreign aid or the wrong kind, while neighboring villages go without any help at all. Reliable data will help all stakeholders be more strategic in the deployment of their resources.

The current verification effort is not the sole solution to the dramatic challenges facing all stakeholders - not least the children themselves - in cocoa fields and the cocoa supply chain.

The ICVB is hopeful that the scale of this innovative certification and verification effort will set an important precedent for comprehensive analysis and multi-stakeholder collaboration for other commodities. This is not the dry statistical exercise that some claim will do little or nothing to improve conditions on the ground. Every data point tells a human story. Through our work we give voice to the voiceless. Accurate data matters and the ICVB is in a position to provide data to solve the problems of the worst forms of child labor and forced adult labor in cocoa.
Appendix A: Diagram of ICVB Composition

Key:

Boxes = current seats on the board,
Yellow circles = civil society organization from which the NGO seats were filled

Illustration of ICVB Composition and Decision Making

ICVB Operates by Consensus

Verité Selected 5 NGOs