



June 11, 2008

Ms. Marcia Eugenio  
Director  
Office of Child Labor, Forced Labor, and Trafficking  
Bureau of International Labor Affairs  
U.S. Department of Labor  
Washington D.C. 20210

Dear Ms. Eugenio,

The National Confectioners Association appreciated the opportunity to testify at the Department of Labor's Public Hearing to Collect Information to Assist in the Development of the List of Goods from Countries Produced by Child Labor or Forced Labor on May 28th. As I shared with the panel, the industry and its partners including the governments of Ghana and Cote d'Ivoire, the International Cocoa Initiative, the World Cocoa Foundation, and numerous civil society organizations are extremely proud of the progress being made towards the elimination of the worst forms of child labor from the cocoa supply chain.

I appreciate the opportunity to share additional information on the topics outlined in your follow up note, as well as supplemental materials identified by the industry which describe our financial commitments, our certification model, and our programs on the ground in both countries.

*1. On the question of raw data from the certification process being made publicly available.*

As I stated in my testimony, the certification process committed to under the Harkin-Engel Protocol has and will continue to yield transparent, publicly available annual reporting on labor practices in rural cocoa communities in Ghana and Cote d'Ivoire. The next two certification survey reports covering in excess of 50% of the cocoa sectors in both countries will be published by the governments of Ghana and Cote d'Ivoire during the month of June.

The raw survey data collected by these two sovereign nations is the property of each government. A key component of the Protocol, verification of the survey data by an independent third party is a commitment that both governments have embraced. The International Cocoa Verification Board (ICVB), comprised of five members of civil society, two from industry, and one representative each from the governments of Ghana and Cote d'Ivoire, have selected two social research and auditing firms of outstanding reputation and recognized expertise to conduct the verification of the survey data: Fafo Institute for Applied International Studies, based in Norway, and Khulisa Management Services, based in South Africa (please see the press release from the ICVB attached).

Working as a team, these two groups will conduct an independent review of the data produced by the surveys, including a review of the survey methodology, in-depth interviews with the enumerators who did the fieldwork, a data quality and statistical sampling assessment, and the implementation of their own sub-sample surveys in cocoa communities in Ghana and Cote d'Ivoire. Their publicly posted evaluations including their recommendations on refinements to the process will be critical in assisting both governments in their approach going forward.

*2. On the question of the number of children benefiting from the industry's educational initiatives and the types of services they receive.*

A multi-year cooperative agreement between World Cocoa Foundation (WCF) and U.S. AID created the Empowering Cocoa Households with Opportunities and Education Solutions (ECHOES) Alliance, which leverages the expertise of WCF and its member companies, U.S. AID's Africa Education Initiative, and the governments of Ghana and Cote d'Ivoire to create expanded educational opportunities for children in rural cocoa communities. Approximately 200,000 children will be reached through this initiative in Ghana and about 140,000 in Cote d'Ivoire between October 2007 and October 2009.

The project will provide for enhanced teacher training, which improves the children's learning experience, the establishment and outfitting of community education resource centers, youth livelihood education, family support scholarships, and child wellness monitoring. A specific focus of the project is on community awareness programs for in-school and out of school youth that provide safe agricultural training, trafficking and slavery awareness, and HIV/AIDS and malaria preventive education. While ECHOES does not intervene directly in exploitative labor situations, its programs reduce dependency on negative practices by strengthening local knowledge and awareness of appropriate and inappropriate labor practices, which in turn builds the capacity for positive change. The community awareness programs also help foster monitoring activities among community members.

On the number of children withdrawn or prevented from exploitive labor through our partnership efforts, I would like to highlight again the strong commitment of the governments of Ghana and Cote d'Ivoire to protect, nurture and sustain the children living in cocoa communities in both countries. Interventions designed to rehabilitate children withdrawn from child labor are included in the National Programme for the Elimination of the Worst Forms of Child Labor 2006-2011 in Ghana and the 2007 National Action Plan in Cote d'Ivoire, and both countries have ratified ILO Convention 182 and increased training for district officials and local law enforcement. Numerous international aid organizations have also implemented programs targeted at children and the worst forms of child labor including the ILO, GTZ, the International Cocoa Initiative, the World Cocoa Foundation, and other industry civil society partners. Specific numbers are difficult given the multiple stakeholders involved in these efforts, but thousands of families have been sensitized to appropriate and inappropriate labor practices through these programs.

*3. On the question of cost allocation of industry's commitments over the last three years.*

As you will see in the attached April 8, 2008 Industry Financial Commitments document, the global chocolate and cocoa industry in fact invested approximately \$38.7 million in activities under the Protocol between January 2005 and December 2008; that number does not include the substantial investments made by the industry between 2001 to 2005. A break down of that total \$38.7 million includes \$6.4 million for data collection and reporting under the certification process, and \$1.8 million for verification, a key component of certification. The remaining \$30.5 million has been spent on programs that support the well-being and livelihoods of families in cocoa communities including farmer field schools, child labor sensitization programs, education initiatives, and health and wellness programs, among others. For further information on the scope of these programs, please see the attached Industry Reports to Tulane University, which details projects supported by industry groups as well as those supported by individual companies in both countries.

In conclusion, in addition to the statement from the ICVB on the selection of the independent verifiers, NCA would like to submit for the record the following documents: Letter to industry on its certification model from the Harkin-Engel offices dated March 19<sup>th</sup> 2008; industry's submission to Tulane on certification and on industry supported programs; and an overview document of the industry's financial investments in this process over the last three years.

The improvements in working conditions that Congress is seeking under the Trafficking Victims Protection Reauthorization Act and the activities that the listing of a product would trigger are currently underway in the cocoa sectors in Ghana and Cote d'Ivoire, and evidenced by the extensive efforts that have been described here and in my previous testimony. We respectfully maintain that if the list of goods that the Department of Labor is developing is to be consistent with its statutory purpose, cocoa should not be included on it. We look forward to continuing conversation with the Department of Labor on our on-going commitment to children in cocoa communities in Ghana and Cote d'Ivoire.

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If we can be of additional assistance, please don't hesitate to contact us.

With best regards,

A handwritten signature in blue ink that reads "Larry Graham". The signature is written in a cursive, flowing style.

Lawrence T. Graham