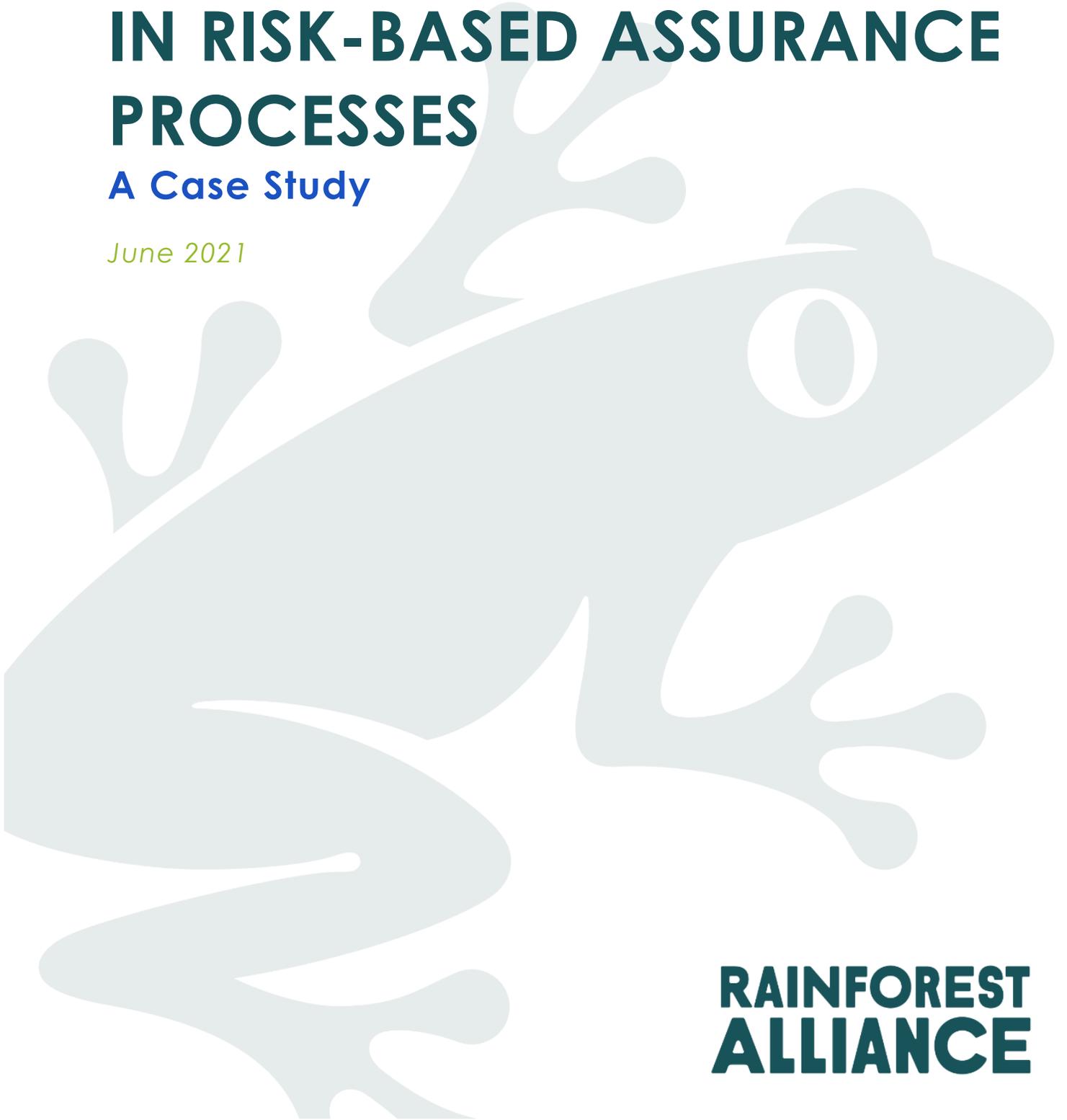# USE OF RISK MAPS FOR CHILD AND FORCED LABOR IN RISK-BASED ASSURANCE PROCESSES

A Case Study

June 2021

RAINFOREST ALLIANCE

This case study forms part of the Rainforest Alliance project Use of Risk Maps for Child and Forced Labor in Risk-Based Assurance Processes, *supported by the ISEAL Innovations Fund. The project sought to test the prototypes of sectoral risk maps for child labor and forced labor in Kenya, Cote d'Ivoire, and Honduras. Between August 2020 and June 2021, Rainforest Alliance consulted with Certificate Holders (CHs) and Certification Bodies (CBs) in these three countries to validate the tool and determine whether the initial assumptions and models were correct. This document presents the results of this validation exercise and how the feedback has been used to improve the prototypes. The Rainforest Alliance is pleased to be able to share learnings from this project to inspire other sustainability standards wishing to adopt a risk-based approach to their assurance systems.*

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Disclaimer: The views expressed in this publication are those of the author(s) and do not necessarily represent those of the ISEAL Secretariat, ISEAL members, or donor entities to the ISEAL Innovations Fund.

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INTRODUCTION

Child labor and forced labor are global phenomena. According to International Labour Organization estimates, 152 million children worldwide are engaged in child labor, 71% of them in agriculture.[1] In 2016 it was estimated that 24.9 million people were victims of forced labor, with 16 million being victims of exploitation in economic activities, including agriculture.[2]

The Rainforest Alliance (RA) is aware that there are risks of these issues occurring in the landscapes where our certification program operates, which is why the current Rainforest Alliance Standard requires all Certificate Holders (CHs) to implement identical requirements on child labor and forced labor, and all Certificate Bodies (CBs or third party auditors) to exert the same level of effort to detect these issues. However, these risks vary considerably from one country and sector to another and, until 2020, we were not utilizing country- and sector-level data to channel our focus toward areas of greatest risk. This lack of nuance meant that for some CHs and CBs, effort is being exerted where it was not needed – and with effort always comes cost. Moreover, there could be a risk of minimization of a certain risk perception based on the embeddedness of the actor judging the risk in the local context and perceiving it as common reality.

OUR INNOVATIVE APPROACH TO ASSURANCE

CHs invest in certification starting by setting up an internal management system and training plan to close the gap before the third-party audit, conducted by CBs. However, in the traditional process they only know after the audit whether they were ready for certification or not. In the case of smallholder farmer groups, this can mean lots of investment to then realize that they must exclude part of their group members from the certificate.

As part of our "Re-imagining Certification" program, RA is working to create an assurance system where risks and barriers to certification are assessed in advance, feedback between CHs and RA is quicker, and CHs and CBs can make informed decisions about the risks assessed by RA.

To help farms channel scarce resources as effectively as possible, our new 2020 Standard is a risk-based system that automatically selects and assigns requirements for each producer, based on specific characteristics inherent to their location and other factors. As such, producers will only be required to comply with requirements that are relevant in their context and can avoid having to invest in measures that are not relevant.

We recognize that sustainability is a journey, so we're not only moving away from the one-size-fits-all model of certification, we're also moving beyond the classic pass/fail model and adopting an approach that incentivizes continuous improvement. Our new certification program embraces the power of data—meaning better analysis of risks and measurement of performance, new digital tools for farmers, clearer performance insights for companies, and more. This digital shift to a more data-driven approach, in turn, supports our new risk-based assurance model as geospatial technologies, among others, will help CHs, CBs, and companies make better-informed decisions.

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[1] ILO, Global Estimates of Child Labour, https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575499.pdf.

[2] Per ILO estimates, approximately 13 million adults are in forced labor exploitation in the private economy. Eleven percent of those are in the agriculture and fishing sector. https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf.

OPERATIONALIZING A RISK-BASED APPROACH TO CHILD LABOR AND FORCED LABOR

The new 2020 RA Standard requires each farm CH to establish and implement an "assess-and-address" system to prevent and respond to child labor, forced labor, discrimination, and workplace violence and harassment. The assess-and-address system, based on the internationally recognized human rights due diligence model, requires commitment from the producers, as well as an awareness of risks, risk mitigation, monitoring of workplaces and communities, and remediation if cases are found. These due diligence actions are fundamental to ensuring the protection of human rights in agricultural workplaces but do require investment which can be difficult for some producers to afford.

RA is implementing this risk-based approach through various strategies. One of those strategies is developing risk maps on certain topics, including child labor and forced labor. By upgrading the previous RA information flow and building out social risk maps, the plan is to move from fewer points of data to multiple integrated sets and form comprehensive risk maps that would allow RA to more accurately pin-point risks of forced/child labor at the country level, with a view to possibly go sub-national in the future (once we have compiled a sufficient amount of data).

These country- and sector-level child labor and forced labor risk maps enable CHs and CBs to better target their efforts to implement or audit the Standard. Farms located in countries and sectors that are designated as medium or high risk are required to take additional actions to identify and mitigate those risks and implement more robust self-monitoring. In addition, over time, mandatory improvement requirements become applicable for farms operating in medium- or high-risk countries and sectors. For example, farms and groups with a medium/high risk level for child labor must actively encourage the education of every child living on the farm. Additional requirements such as this do not apply to CHs in countries with low risk levels. Similarly, the CBs authorized by RA to carry out audits of the Standard are required to carry out their own risk assessments prior to the audit, and tailor their audit approaches accordingly, as detailed in our Certification and Auditing Rules. They must also consider the risk map scores. For countries and sectors designated as high risk, the CB must take additional steps in its audit, such as conducting more worker interviews or investing more time in auditing these issues.

For RA to be able to include the use of risk maps in its new assurance system, the innovative elements of this approach include:

- The development of the risk model and risk maps includes both external and internal data in collaboration with Ergon Associates
- The predictions of risks are validated with RA regional staff and with stakeholders (CHs and CBs)
- The risk model is not a one-time analysis, rather an iterative process based on feedback loops that see the inclusion of stakeholders
- Outcomes of the risk mapping exercise are used to guide the certification and auditing processes instead of having a one-size-fits-all type of model
- Risk levels help determine the specific risk mitigation steps CHs are required to take to be certified/recertified

This new solution was proposed to add the following high-level benefits:

- Improved data-driven RA Assurance System
- Improved data-driven decision making for Implementers (CHs)
- More data at the beginning of the certification process instead of at the end (audit)
- Better data sharing and shared decision making between RA, CBs, supply chain actors
- Better CH awareness of issues, giving them the tools and power to address risks
- Potential for continuous improvement, rather than the previous pass/fail approach
- Potential for targeting the audit to address the actual risks
- More efficient audits, as they can be planned and tailored to highest risk issues

VALIDATION OF PROTOTYPES FOR HONDURAS, KENYA, AND COTE D'IVOIRE

Designing a credible methodology for the risk maps went smoothly, due to the availability of key global indices, most of them free to the public, and RA's access to other data sources such as subject matter experts and local staff. However, since these human rights abuses are sensitive topics, particularly in origin countries, the success of these risk maps depends on their acceptance and uptake by CHs and CBs. If these actors find them to be inaccurate, overly complex, or have other concerns, there is a risk they will not be used as envisioned.

To address this, RA is conducting testing with CHs and CBs to determine whether the initial assumptions and models were correct. The ISEAL-funded project *Use of Risk Maps for Child and Forced Labour in Risk-Based Assurance Processes* focuses on the testing of the risk map methodology and the risk levels/scores with CHs and CBs in Cote d'Ivoire, Honduras, and Kenya. As with the other prototypes, RA is working with Ergon Associates to adjust these prototypes based on the results.

METHODOLOGY

The first step in the project was to use the risk map prototypes to calculate the risk scores for child labor and forced labor in Cote d'Ivoire, Honduras, and Kenya. RA did this following the methodology described in detail in the Guidance Briefing and Method Note.

In sum, a risk score is comprised of 40% "structural" factors – international indices from the World Bank, UN, and other internationally recognized sources – and 60% "risks in practice," a set of indicators specific to the country and sector in question. For each country/sector/labor type combination, there is a numeric score from 1-10. Numeric scores from 1-3.3 equate to a risk "level" of low, numeric scores from 3.4-6.6 equate to a medium risk level, and numeric scores 6.7-10 equate to a high risk level. The numeric scores and risk levels were made publicly available on the RA website in March 2021.

Table 1 below provides an overview of the risk level for the countries that we included in this project. Please see **Annex B** for more details on the calculations for Honduras/coffee/child labor and forced labor, Kenya/tea/child labor and forced labor, and Cote d'Ivoire/cocoa/child labor and forced labor.

	Coffee		Cocoa		Tea		Bananas	
	Forced Labor	Child Labor	Forced Labor	Child Labor	Forced Labor	Child Labor	Forced Labor	Child Labor
Côte d'Ivoire	🔴	🔴	🔴	🔴			🔴	🟡
Kenya	🟡	🟡			🟡	🟡		
Honduras	🟡	🔴					🟡	🟡

Table 1. Risk maps scores for forced and child labor in the relevant commodities in Cote d'Ivoire, Kenya, Honduras. Red represents high risk, yellow represents medium risk.

The second step in the project was to agree on a set of research questions to guide the testing with CHs and CBs. We agreed on the following:

Key research questions for CHs:

1. Do CHs understand and agree with the purpose of the risk maps?
2. Do CHs understand the methodology of the risk maps?
3. Validation of risk levels (CL, FL) for the specific country
4. Ideas for tailoring risk levels to specific CH contexts

Key research questions for CBs:

1. Validation of risk levels (CL, FL) for the specific country
2. Validation of the additional auditing rules in case of medium/high risk
3. Testing of the "stakeholder consultation" approach
4. Ideas for tailoring risk levels to specific CH contexts

Based on these research questions, we developed questionnaires (see **Annex A**) and interviewed two CHs in each of the three countries (Cote d'Ivoire, Kenya, Honduras). In addition, outside the official scope of this project, we had similar conversations with two CHs in Brazil whose responses are incorporated into our findings. The pilot also included interviews with one CB in Honduras, one in Cote d'Ivoire, one in Brazil, and one RA staff person in Kenya due to the unavailability of a Kenyan CB.

Interviews were conducted in the language of the interviewee. Due to Covid-19, all conversations were held remotely and digitally.

RESULTS

a) CH and CBs feedback on risk scores

On the whole, CHs agreed in principle that having these risk maps enhances Rainforest Alliance certification and agreed with the methodology. A majority of CHs, while agreeing with the approach in principle, felt that their own individual risk scores should be lower than that of the general country and sector. One CH put forward a suggestion that we include a "very high risk" category as well.

As far as CBs are concerned, they weighed in more heavily on the methodology – suggesting improvements to specific indicators, asking for clarification on specific terms, asking for a rationale for weighting, etc. In some countries, the CBs did not initially disagree with the risk scores, although they clarified that in order to give a more in-depth and definitive answer, they would like to see the exact scoring per question, better understand why certain other countries in same sector would score lower. One CB disagreed with the child labor score, raising concerns about certain common practices of children working as hired labor together with their parents. CBs offered some interesting suggestions for additional questions that could be included in the next version of the methodology, such as level of education of the workforce, number of migrant workers in the region, distinction between certified and non-certified farms, and levels of unionization. These ideas were noted and will be taken into consideration for version 2.0 of the risk maps (to be developed later in 2021).

b) CH and CBs feedback on proposed areas for improvement

i. Development of training materials to improve awareness on issue

A common thread from both CH and CB feedback was that the concepts of child labor (and child work) and forced labor are complex and not always understood, and for our new approach to be effective, RA will need to communicate clearly the definitions part of the RA Standard Glossary (also available online) on the topics to CBs and CHs (and ensure that they communicate this to their farmer members and/or workers). This communication will need to be done in a way that is sensitive to low levels of literacy and cultural considerations. RA does have efforts underway (outside of this project) to create materials on child labor and forced labor that meet the needs of these populations. The illustration below is an example of the material that we have developed as part of a suite of training materials.

Visual depictions of child labor and forced labor in cocoa production

ii. Accounting for regional variability

The issue of regional (sub-national) variability and how to account for this was also discussed with both CHs and CBs. The questions we already use in the methodology, such as whether third party labor brokers are used, or whether schools are available to children at the local level, can differ significantly from one part of a country to another. RA will take this input into account in developing our methodology 2.0 for these risk maps, as there are pros and cons associated with developing risk maps at the sub-national level. On the "pro" side, risk levels would be potentially closer to the reality on the ground in different regions. On the "con" side, first, in order to ensure consistency in scoring across the world, we would need to compare "apples to apples." That is, whatever data sets we use in one country to analyze risks at the subnational/regional level, we would need the same or similar data sets for all countries. However, such data sets do not exist in a consistent manner across the world. For example, some countries have published government labor inspection data which could be very useful for this purpose, but only a very small number of countries have done this. Secondly, even within a sub-national zone/region, the practices of individual CHs can widely vary. Since we already possess a great deal of CH-level data, and are steadily gathering more through our certification system, it may make more sense to move in the direction of eventually calculating risk scores that are individual for each CH, making a region/zone-level score unnecessary.

iii. Addressing border proximity in results

Another element mentioned was the proximity to international borders; closer proximity could increase the risk of migrant workers, who are vulnerable to forced labor. RA will take this input into account in developing our methodology 2.0 for these risk maps, possibly integrating a geographic (border proximity) question into the forced labor "risks in practice" section.

iv. Adapting scoring to individual CH scores

Another common thread was how to deal with the reality that an individual CH's level of risk could differ significantly from that of the country and sector. CHs raised the issue of variability from one CH to another. Some CHs offered suggestions for how an individual CH might demonstrate to an auditor that its risk level is lower than that of the overall country/sector. CBs were asked how the risk maps could be adjusted/re-scoped towards the level of the individual CHs. CBs offered some thoughts on how their own risk assessments at the CH level – which CBs will be required to do in the 2020 Standard assurance system – could complement or be integrated with the RA risk maps or data collected during the audit, although it was clearly noted that RA would need to create alignment among CBs to ensure they would all use similar approaches and it would not become a part of competition among CBs.

NEXT STEPS

The project has informed our understanding of whether the methodology produces an accurate picture of risk in the countries and sectors in question and ways we can improve the methodology in the future. Feedback and learnings from this piloting phase have already brought new ideas that will shape the risk maps strategy for the next few years. Based on the learnings from the piloting phase, new activities were prioritized for this project. Here are our next steps:

Further testing and validation of the risk maps:
- All information gathered has been used by the team to assess the perception of risk maps scores by CHs and CBs; no further action is required here, as there was no substantial evidence for recalculating and changing the scores.
- More testing will occur to further validate use of risk maps in RA's certification process. Therefore, in the second phase of the project, one CH in Honduras will be audited with the use of the risk maps information and procedures. This will help RA understand what actions need to be taken, if any, to ensure a smooth use of the risk maps and what value they add to the different steps of the certification process.

Actions to improve effective use of the risk maps in the short term (by the end of the project):
- Within the scope of this project, RA is developing of a template that CBs can use for their own risk assessments, that will help them understand and build upon the risk maps scores. This is the ARA (audit risk assessment), a tool that CBs can use to take further steps prior to and during audits in medium- and high-risk countries to increase the quality of their assessments. This tool will be drafted in the second phase of the project through joints efforts of RA's Assurance team and an external auditor RA has a long-lasting relationship with.
- This project is allowing us to train more CHs on the use of the risk maps and how they link to other components of the assess-and-address approach, such as the Farm Risk Assessment Tool. The trainings also ensure that participants understand the concepts of child labor (and child work) and forced labor and what they may look like in their own context; this is a response to having learned that these topics are still difficult to understand for many CHs.

Plans to improve an effective use of the risk maps in the medium-long term (next 2-3 years):
- In the long-term, RA would like to assess whether the tool is well understood and user-friendly and has the potential to create impact. RA will launch the new certification program in July 2021 and therefore it would take probably a year to gather enough data from audits and users' feedback to assess the above.
- Additional long-term steps could be to assess whether the model a) needs to be changed, and b) whether RA has enough CH data to come up with a regional/sub-national level set of risk maps.

RA will update the risk maps in the coming year to include additional countries where we certify coffee, tea, cocoa, and bananas. Going forward, the risk maps will be updated every 3 years. These updates could include changes to the methodology, updating current scores based on new evidence, and/or adding additional countries and sectors. Currently, RA is not planning to develop sub-national risk maps, as there are big differences among the data availability at sub-national level among different countries, and often this data is not available or, where available, is cost prohibitive. In the next few years, as RA gathers data on child and forced labor through audits and through the tools of the new assess-and-address system (especially the Farm Risk

Assessment Tool and Monitoring Tool), we will consider integrating this data into the risk scoring methodology.

Annex A. Questionnaires for CBs and CHs

Annex B. Calculations for Cote d'Ivoire, Honduras, and Kenya