

Responsible business conduct in global value chains. Why child-responsive approaches are key to achieve more sustainable and competitive trade in Africa

Summary document from UNICEF breakfast on the side of the African Business and Human Rights Forum, 9 October 2024, UN Recreation Center, Nairobi, Kenya.



© UNICEF/UNI653384/Ralaivita

KEY FACTS

47% of people in Africa

Are under 18

40% of world's children

Will be in Africa by 2050

88.6 million

Child laborers in Sub-Saharan Africa

70% of Madagascar's vanilla

Is exported to the EU

50% of Tanzania's Gold

Is exported to the EU

LEGISLATIVE DEVELOPMENTS

2024

EU Corporate Sustainability Due Diligence Directive

2023

Germany's Supply Chains Due Diligence Act

2017

France's Corporate Duty of Vigilance Law

2015

United Kingdom's Modern Slavery Act

INTRODUCTION AND BACKGROUND

The meeting was organized by UNICEF Eastern and Southern Africa Regional Office (ESARO) and brought together a diverse group of stakeholders, including representatives from development banks and diplomatic missions to discuss the intersection of business and the EU, and the UK legislative measures on responsible business conduct, including on human rights and environmental due diligence, with a specific focus on child rights.

The African continent is a key trading partner for many countries and companies rely on African trade agreements for the supply of raw materials, production, distribution, thus highlighting Africa's increasing influence in global trade and economic development.

However, there are still significant inequities and deprivations across the continent that affect children, which are further exacerbated by irresponsible business behavior.

Discussions stressed the implications of emerging human rights due diligence legislation for African partner countries, including from a trade perspective, the challenges of supply chain traceability, and the critical need for multi-sectoral approaches that are protective of children and families.

The meeting was held under Chatham House rule.

SETTING THE SCENE: CURRENT STATE OF PLAY

1. Legal context: implications for children's rights, companies, sourcing countries and trade relations

In the recent years, States in the European Continent have increasingly taken action and introduced legal requirements to advance responsible business conduct.

Examples can be found in the EU (EU Corporate Sustainability Due Diligence Directive – EUCSDDD), the UK (UK Modern Slavery Act), Germany (Supply Chains Due Diligence Act) or France (Corporate Duty of Vigilance Law), among others.

While the approaches of these legislative measures have differed, ranging from transparency to due diligence legislation, they all have three aspects in common:

1. they all have a child rights aspect;
2. they all expect, and in some cases require, business to take measures to prevent abuses of child rights; and
3. they all have extraterritorial effects, including in the African continent.

With regard to legal frameworks, some participants highlighted the increasing complexity of human rights due diligence requirements and the challenges they present for businesses, particularly in tracing impacts across supply chains in Africa. Emerging regulations, such as the EU Corporate Sustainability Due Diligence Directive (EUCSDDD), demand rigorous compliance mechanisms, which require extensive preparation. While these measures aim to increase accountability and raise human rights and environmental standards, some actors have also expressed concerns about their potential impacts on emerging economies in Africa, which might have direct and indirect negative impacts on children and households.

2. Business practice on addressing negative impacts on children's rights

Participants acknowledged that we are at a critical crossroad to make these legal developments effectively work for children. Despite broad recognition that children are often disproportionately affected by business, they are often overlooked in companies' human rights due diligence.

Challenges remain regarding children in global value chains:

- There is often a lack of recognition of the wide range of impacts on children, beyond child labor.
- Companies' action is often limited to monitoring and remediation only, instead of adopting preventative approaches.
- There are significant child rights deprivations and inequities that are the product of a multitude of factors. If these root causes are not addressed holistically in partner countries, they will continue to create a challenging environment for business, for trade relationships and most importantly for the present and future potential of children.

Snapshot on Uganda: convening public and private actors to address child labor in the coffee sector: a holistic approach.

Uganda is Africa's second-largest coffee producer, with 35% of its coffee going to the European Union. While coffee production is increasing, many children have been exploited in forms of child labor on smallholder coffee farms, which feed into the supply chains of coffee brands. As many parents do not earn enough to pay school fees for children, children end up working in coffee farms, thus not only being economically exploited, but missing out on education and being exposed to health risk connected to the use of dangerous chemicals, among other negative impacts. UNICEF, with the support of the EU, is working in



© UNICEF/UN0656431/Schermbrucker

partnership with the ILO, ITC, and FAO to address the root causes of child labor by adopting an area-based multisectoral approach. While the project focuses on specific districts and on the coffee value chain, the area-based approach allows to address the root causes of child labor across various sectors in targeted districts. At the same time, this model prevents children from being displaced to other commodities' value chains.

UNICEF takes a multi-sectoral approach designing programs that support education of children combined with child protection measures and the promotion of decent labor market policies with the government and the coffee sector. UNICEF collaborates with partners, national and local governments, the private sector and civil society to create multisectoral coordination mechanisms that ensure children benefit from a well-coordinated and streamlined service delivery, that duplication of resources is minimized, that companies embed child rights in human rights due diligence and that duty bearers are held to account.

Specifically, UNICEF is supporting the Government of Uganda to develop a **Child Wellbeing Management Information System** (CWMIS) to inform child well-being systems to support response measures that protect children, caregivers, and their communities. This approach entails working with parasocial workers, teachers, child wellbeing committees, and private companies to strengthen their capacities on prevention and monitoring of child risks as well as on child-responsive human rights due diligence, and to support the establishment of interconnected remedial mechanisms by the government and the private sector.

Based on risks identified, private sector companies can not only inform child wellbeing systems but also efficiently invest in programs to address child rights deprivations at the local level while ensuring compliance with human rights due diligence requirements. This approach also supports competitive and ethical trade practices that create safer, healthier, and more supportive environments for children and their families and advance responsible and sustainable supply chains in Africa.

MOVING FORWARD: ADDRESSING GAPS AND UNINTENDED CONSEQUENCES

Drawing from existing examples and experiences in countries, participants discussed how to move forward to ensure trading partners effectively benefit from the increased accountability

arising from legal developments in responsible business conduct from a competitiveness perspective while ensuring child rights are protected.

1. Making children's rights visible

Participants stressed the need to ensure that children's rights are adequately addressed and taken into consideration when devising measures to increase responsible business conduct. To do this, it was suggested to:

- Ensure that child rights and the UN Convention on the Rights of the Child (UNCRC) are explicitly included in legal frameworks on responsible business conduct.
- Support businesses in aligning with international regulatory frameworks while ensuring that compliance does not only focus on the elimination of child labor but rather addressing critical vulnerabilities (e.g., poverty) that will prevent child labor.
- Strengthen collaboration between private sector actors and government systems to address these gaps (e.g., by ensuring interlinkages between national protection systems with corporate grievance mechanisms).

Snapshot on Rwanda: bringing together the public and private sectors to reduce risks for children, address child malnutrition and increase tea productivity and quality for exports

In Rwanda, tea is among the top cash exports, with most tea plantation workers being young women. Some of these young women are pregnant, breastfeeding, or are imminent mothers. Bringing their children to the plantations would potentially expose children to health and protection risks. Some of them would leave their children in the forest, thus exposing them to security risks. As a result, some of tea plantations workers would decrease their working days to manage childcare responsibilities.



© UNICEF/UN0311414/Houser

UNICEF partnered first with a tea company to establish early childhood development (ECD) centers around its tea plantations and built preschools in the surrounding communities. Seeing the positive results in terms of child outcomes and workers' productivity, salaries, tea productivity and tea quality, and aware of the need to bring impact to scale, UNICEF engaged the Rwandan Government and the National Agricultural Export Development Board. The project has now expanded to 61 ECD centers in all (20) tea companies and multiple other sectors, such as mining and rice, manufacturing, and banking.

2. Addressing the root causes of child rights deprivations

It was highlighted that often business operate in environments with severe child rights deprivations and inequities that they can exacerbate or contribute to it. Child labor is both a cause and a consequence of wider child rights deprivations, as such it cannot be addressed effectively without addressing its root causes. For example, it was noted that low wages have a direct link with child labor. Similarly, lack of services and systems of protection of children, expose children to higher risks of falling into forms of economic exploitation.

Addressing holistically child labor, by addressing its root causes and strengthening Governments' systems that prevent child labor, would:

- Decrease business' exposure to risks of involvement in child rights abuses, while remaining competitive and improving their sustainability.
- Support States to uphold their child rights obligations.
- Enhance trade and economic relationship anchored to respect for human and child rights.
- Realize the rights of children.

From the experiences shared, it was clear that to address root causes, commitment and action from both private sector and governments are needed. Business can also contribute to address the root causes of child rights deprivations through their human rights and environmental due diligence. This would include, for example, addressing the impacts of their own conduct by ensuring decent work opportunities for adults and young workers; adopting responsible purchasing practices; designing products and services in a way that prevent potential adverse impacts on children's rights; advocating before States for improved services and public financing allocation of corporate taxes in social programs and services.

3. Strengthening multi-stakeholder engagement

The value of multi-stakeholder platforms was emphasized to foster dialogue and take collective action when one actor alone cannot solve the challenge, such as in the case of child labor. Such forums are critical for addressing cross-sectoral challenges and identifying practical solutions, especially in sectors with significant child rights impacts. Participants pointed to the effectiveness of coordinated approaches between the public and private sector in specific value chains (e.g., agriculture and manufacturing), such as in the example of Uganda or the cocoa sector in Côte D'Ivoire and Ghana, and suggested replicating these in other sectors.

4. Providing incentives and disincentives for responsible business conduct for children's rights

Participants recognized that in addition to mandatory human rights and environmental due diligence legislation, other levers can be used by States and financial actors to raise the bar for business' respect of children's rights:

- Incentives to encourage businesses to address child rights risks, by opening a dialogue with the private sector on what is needed and work with donor governments to create incentives.
- Disincentives, such as financial penalties, to ensure accountability and compliance with human rights standards.
- Engagement with financial institutions to integrate child rights considerations into lending and investment practices.
- Divestment from companies that fail to respect children's rights.

Participants also highlighted the increasingly evident link between trade and sustainability and the additional lever that trade agreements can offer when sustainable development and human rights are included.

5. Promoting cross-country learning and knowledge exchange

Participants noted the importance of sharing good practices across countries to build awareness and share knowledge on how to best collaborate for effective implementation of legislative measures, including from a child rights perspective. Examples of peer learning initiatives and

National Action Plans on Business and Human Rights were identified as effective tools for fostering government and private sector collaboration and dialogue.

6. Improving data collection and monitoring

Reliable data was deemed essential for effective decision-making and investor engagement. Improving data collection mechanisms, particularly around child rights deprivations and child labor, will strengthen the ability of businesses and governments to identify and address risks. Interactive tools for monitoring human rights risks were recognized as valuable assets in this process. Mobilizing young people as data collectors and agents of change was suggested as a potential measure to give visibility to identified risks at farmer and community level in supply chains.

Türkiye: from brands to suppliers to address child labor and promote responsible business conduct for children

Another example of multi-sectoral approach to eliminate child labor from another region, that could be replicated to support effective and beneficial implementation of due diligence legislation in sourcing countries, was Türkiye.

Official statistics show that at least 720,000 Turkish children are working, with almost 30.8% in the agricultural sector and 23.7% in industrial manufacturing, particularly SMEs.

UNICEF drafted child and family-sensitive occupational standards for agricultural employment agencies, which were later adopted by the government. In partnership with the Turkish Confederation of Tradesmen and Craftsmen (TESK), it worked with SMEs to eliminate child labor where it is hardest to reach due to geography and informality by fostering public–private partnerships for strengthening workplace monitoring and preventive systems building.

In partnership with the Ministry of Labor and Social Security (MoLSS) Directorate of Guidance and Inspection Presidency, UNICEF increased the technical capacity of labor inspectors on combatting child labor and has been working on a New Labor Inspection Model for Promoting the Child Rights and Business Principles (CRBP), informed by the recent developments on human rights due diligence, including the EUCSDDD.

Several Dutch brands and their Turkish suppliers were also engaged to analyze child labor in the garment supply chain and promote responsible business practices, including with a code of conduct on child labor cases and family friendly policies for workers.

This work helped identifying more than 5,500 children at risk of child labor who were referred to education and protection services. Additionally, 1,000 workplace owners were trained on the Child Rights and Business Principles (CRBP); more than 1,400 master trainers were connected with certification programs equipping them to deliver market-relevant, safe and inclusive workplace learning for students. UNICEF also provided occupational health and safety training for over 600 workplace owners; benefitting at least 2,000 students to improve workplace-based learning opportunities for children and young people.



© UNICEF/UNI685346/Kiliç

RECOMMENDED ACTIONS FOR STATES TO EFFECTIVELY IMPLEMENT LEGISLATION ON RESPONSIBLE BUSINESS CONDUCT AND ACHIEVE OUTCOMES FOR CHILDREN

1. Integrate child rights into policies and legal frameworks:

- Ensure child rights are embedded in National Action Plans and sectoral strategies on business and human rights (e.g., through child rights impact assessments).
- Ensure that children's rights and the UNCRC are explicitly included in legislation on responsible business conduct.
- Leverage existing frameworks and lessons learned from other countries to inform policy revisions.
- Ensure that social and child protection systems, as well as legal and judicial systems, in value chain countries are strengthened to address the root causes of child deprivations and inequities.
- Integrate a child rights and human rights-based approach to trade relationships.

2. Facilitate multi-stakeholder dialogues:

- Convene cross-sectoral discussions to address systemic challenges in value chains that are inclusive of child rights approaches.
- Identify key entry points for collaboration with governments and private sector champions.

3. Foster business' engagement and commitment:

- Ensure that business undertake due diligence that integrates child rights and contribute to tackling the root causes of child rights deprivations.
- Develop mechanisms to incentivize businesses to integrate child rights considerations in their practices.
- Provide support to business for compliance with human rights due diligence legislation, including through capacity building and technical assistance.
- Support the strengthening of mechanisms and channels in place for private sector to inform government systems to address child rights risks.

4. Strengthen Monitoring and Data Collection:

- Build reliable systems for tracking child labor and other human rights risks in value chains.
- Utilize innovative tools and platforms to enhance data accessibility and transparency.

5. Promote Knowledge Exchange:

- Facilitate peer learning opportunities for governments and businesses.
- Advocate for regional and global cooperation to share successful interventions and foster systemic change.

FOR MORE INFORMATION

Soledad Sanchez-Cañamares-Rios | UNICEF Eastern and Southern Africa Regional Office | ssanchezcanamares@unicef.org
Maria Pia Bianchetti | UNICEF Programme Group | mbianchetti@unicef.org