



ECLT FOUNDATION
Eliminating Child Labour in Tobacco-growing

ANNUAL REPORT 2003—2004



Child labour in tobacco-growing

Agriculture accounts for 70% of the 250 million child labourers world-wide. Like other agricultural sectors, tobacco-growing is not exempt from the phenomenon of child labour, which sees children denied of their right to education, safety, health and well-being: in short, child labourers are deprived of their basic human rights. The challenge to eliminate child labour is particularly difficult in the least developed countries due to widespread poverty: the worsening economic and social conditions in which families live and the poor performance of the education system force smallholder farmers to involve their children in their own economic activities. Child labourers face many health, safety and occupational hazards by working long hours, being exposed to toxic agrochemicals and performing strenuous work.

The ECLT Foundation and its guiding principles

The ECLT Foundation was set up in October 2001 and launched officially in April 2002 in Geneva. Its objective is to contribute to the elimination of the use of child labour in the tobacco-growing sector so that children are provided with an upbringing that gives them the best chance of success in all aspects of life. The ECLT Foundation is a pioneer multi-stakeholder alliance that groups:

- trade unions: the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF)
- tobacco farmers' associations: the International Tobacco Growers' Association
- multinational tobacco companies: Altadis, British American Tobacco, Dimon, Gallaher, Imperial Tobacco, Japan Tobacco, Philip Morris International, Philip Morris USA, Scandinavian Tobacco, Standard Commercial, Tribac and Universal Leaf Tobacco
- and, as advisor to the Foundation Board, the UN's International Labour Organisation (ILO).

The ECLT Foundation has developed a strategy within the framework of ILO Conventions 138 (Minimum Working Age) and 182 (Worst Forms of Child Labour), which focuses on two complementary areas: supporting field projects and carrying out independent research.

By supporting and funding different pilot projects in areas where child labour is prevalent, the ECLT Foundation acts concretely in favour of children and their communities. In the longer term, these projects will help to build best practice that will be shared among the projects' partners and with organisations interested in addressing the issue. The ECLT Foundation's projects do not tackle child labour in isolation; rather they apply a comprehensive and integrated approach that focuses on:

- prevention
- protection and rehabilitation of child labourers
- improvement of the communities' living conditions and labour standards.

When developing and supporting field projects, the ECLT Foundation's action is guided by the 10 following principles:

- building multi-stakeholder partnerships
- raising awareness on child labour
- fostering dialogue between social partners
- co-operating closely with local and national authorities
- integrating projects within the national framework of action against child labour
- building local capacity to ensure ownership and long-term sustainability
- improving access to education
- setting up vocational training for older children
- improving the communities' livelihoods and living conditions
- ensuring project accountability through monitoring, impact assessment and evaluation mechanisms.

On-going projects

Malawi, Together Ensuring Children's Security (TECS)

TECS is a Malawian development trust that works with three local NGOs (Total Land Care, Creative Centre for Community Mobilisation, Nkhoma and Livingstonia Synod) in 60 villages in the two tobacco-growing districts of Dowa and Kasungu. This 4-year project (2002-2006, budget USD 2,200,000) focuses on:

- food security, agro-forestry and water programmes
 - to enable farmers to generate additional income through small scale irrigation schemes so that it becomes easier for them to send their children to school
 - to set up tree nurseries and planting in order to allow a better soil conservation and maintain fertile land. This alleviates the burden left to children of fetching wood
 - to build topped shallow wells to provide clean and drinkable water. Children benefit more specifically from this programme as they need to spend less time fetching water and have thus more time available to attend school and study.
- awareness-raising and education programmes
 - to mobilise communities around the issue of child labour
 - to improve access and attractiveness of schools by rehabilitating school blocks and training teachers.

An independent mid-term evaluation of TECS project was carried out in November 2003. By December 2004, the following impact had been achieved:

- ▶ Ngala primary schools (Dowa district): children's enrolment rate was up 45% (630 additional children); dropout and repeat rates were down 33%
- ▶ Dwanga primary schools (Kasungu district): children's enrolment rate was up 9% (160 additional children); dropout and repeat rates were down 33% and 30% respectively
- ▶ 3 primary schools were rehabilitated; 4 new classrooms were built
- ▶ 480 treadle pumps were installed (vs. 150 in the original 4-year project) which provided irrigation to 69 ha. (vs. an initial target of 18). Farmers who benefited from this programme generated an average of USD 350 resulting from the sale of green maize and vegetables. The overall food security situation of the communities thus improved dramatically
- ▶ the provision of safe water through the project's shallow wells reduced the incidence of water-borne diseases and death: cholera cases were down 97%
- ▶ as a positive and unexpected result of the mobilization campaign, the communities developed their own initiative – outside of the project framework – and built kindergartens and one additional primary school.

Malawi, Association for the Elimination of Child Labour (AECL)

AECL is an association that groups representatives of trade unions, tobacco growers and government departments. The 2-year project (2002-2004, budget USD 170,000) focuses on awareness-raising and the construction of a junior primary school that serves 7 villages in Nkotakota district.

The school was completed in September 2003 and started to operate in January 2004 after being handed over to the Department of Education. 328 children were enrolled: 61% of them were former child labourers. Teachers' houses, a borehole and latrines were also built. A parent-teacher association was set up; child labour and school committees were formed to consolidate and ensure a long-term impact of the project, beyond its completion.

AECL project will end in March 2005.

New projects

Philippines, Department of Labour and Employment (DOLE)

This 2-year project (2003-2005, budget USD 100,000) started in August 2003. DOLE has built a wide partnership with six other governmental departments (including Education, Health, Agriculture, Social Welfare & Development, and Interior & Local Government), five tobacco companies and trade unions. The project is being implemented in the four provinces of Region 1 (north Luzon) and focuses on:

- raising awareness on child labour
- enabling child labourers to attend school by providing them with educational assistance (school fees, uniforms, transportation)
- providing livelihood assistance for parents as alternatives to employing their own children.

By December 2004, 100 children had received educational support through the project. Training of their parents on livelihood assistance projects had started, mainly in livestock-rearing. More than 1,200 farmers took part in the awareness-raising sessions on child labour. It is estimated that the project has had a spill-over effect on 300-500 additional children who started to attend school on a regular basis.

Uganda, Trust on the Elimination of Child Labour in Tobacco, Uganda (ECLATU)

ECLATU is the project's steering committee, which is composed by representatives of Ugandan trade unions, tobacco growers' associations, the International Labour Organisation, the tobacco industry and local and national government (including the Ministries of Education, Gender, Labour & Social Development and Local Government). The implementation of this 3-year project (2004-2007, budget USD 517,000) started in January 2004 in Masindi district. The project focuses on:

- raising awareness and sensitizing parents, children, teachers and local officials on child labour
- identifying, withdrawing and placing younger child labourers in primary schools
- opening a new vocational training centre for older child labourers.

By the end of 2004, the following impact had been achieved:

- ▶ as a result of the project advocacy campaign on child labour and the interest developed by the communities on the issue, more than 7,000 participants (initial target was 2,400) took part in the workshops held by the implementing NGO, Bucodo
- ▶ as a consequence, more children enrolled in and attended the primary schools of the project's targeted area: pupils' enrolment was up 10% (1,400 additional children, who had never attended school before); absenteeism rate was down 28% (3,000 children who often missed school now attend classes on a regular basis)
- ▶ the construction of the vocational training centre started in October 2004. It should open in September 2005 and enrol up to 250 children every year. More than 1,000 children have already been pre-identified. Most of them come from tobacco-farming families and had to drop out of school at an early age to work in tobacco fields. They show limited interest to formal education and refuse to reintegrate primary schools and share classes with much younger pupils. It is therefore necessary to provide them with training programmes in agriculture, carpentry, construction and other marketable skills. Once operational, the centre will be handed over to the Ministry of Education and the district authorities.

Tanzania, Urambo Tobacco Sector Project (UTSP)

The ILO is the ECLT Foundation's partner in Tanzania and in charge of the implementation of this 3-year project (2004-2007, USD 558,000), which started in January 2004 in Urambo district (Tabora region). The ILO is cooperating closely with trade unions, tobacco growers and multinational companies to:

- raise awareness and sensitize local communities on child labour
- withdraw children from labour and return them to formal education and vocational training
- develop income-generating activities for poor households so that the basic family needs are met and children can attend school
- help and train farmers on establishing saving and credit facilities
- develop good farming practices to increase the productivity and quality of the crops, which contribute to reducing the household poverty.

By the end of 2004, the following impact had been achieved:

- ▶ the integrated UTSP project was being implemented in 36 villages (vs. 25 in the original planning)
- ▶ 717 children were reintegrated into primary schools (vs. an overall target of 550 in the initial project)
- ▶ 62 children had undertaken vocational training courses. Another 180 children are to benefit from this programme in 2005
- ▶ 15 classrooms were being built in order to address the chronic overcrowding in schools
- ▶ 130 parents of former child labourers had started small income-generating activities, mainly in cattle-rearing, crop diversification and the set-up of small businesses
- ▶ the local and regional authorities were fully integrated in UTSP implementation.

Prospects

The ECLT Foundation held negotiations in **Kyrgyzstan** and **Zambia**, which led to the creation of local steering committees on child labour, grouping representatives of trade unions, the ILO, tobacco growers, government and tobacco companies. New ECLT-funded projects are to start in 2005 in these two countries.

Regarding **Mexico**, the ECLT Foundation Board approved in October 2004 a partnership agreement with the Blossom Project, which is a 3-year old local initiative that has been providing care to the children of migrant workers hired during the tobacco harvesting period in the state of Nayarit. This partnership, to be developed in 2005, aims at providing a better coordination among Blossom Project's stakeholders and improving the living conditions of the migrant workers and their families.

In **Mozambique**, which has seen a dramatic increase in tobacco leaf production due to the situation prevailing in neighbouring Zimbabwe, the ECLT Foundation organised a workshop in May 2004 in Chimoio (Manica province) with tobacco growers, trade unions, government and the ILO in order to raise the issue of child labour in the public domain. Future activities are to be developed in 2005 in this country.

On-going research

The ECLT Foundation has built a partnership with the ILO to research on:

- the extent of child labour in tobacco-growing in Indonesia
- the HIV/AIDS pandemic and its impact on child labour in tobacco-growing in sub-Saharan Africa (Malawi, Tanzania and Uganda): how to provide support to vulnerable young orphans who have to fend for themselves while at high risk of being exploited?
- the reality of child labour in tobacco-growing and cigar-manufacturing in the Dominican Republic.

The research results and recommendations, which will be made public in 2005 on the ECLT Foundation website www.eclt.org, will help in designing new child labour programmes and improving the Foundation's overall response.

ECLT Foundation Board

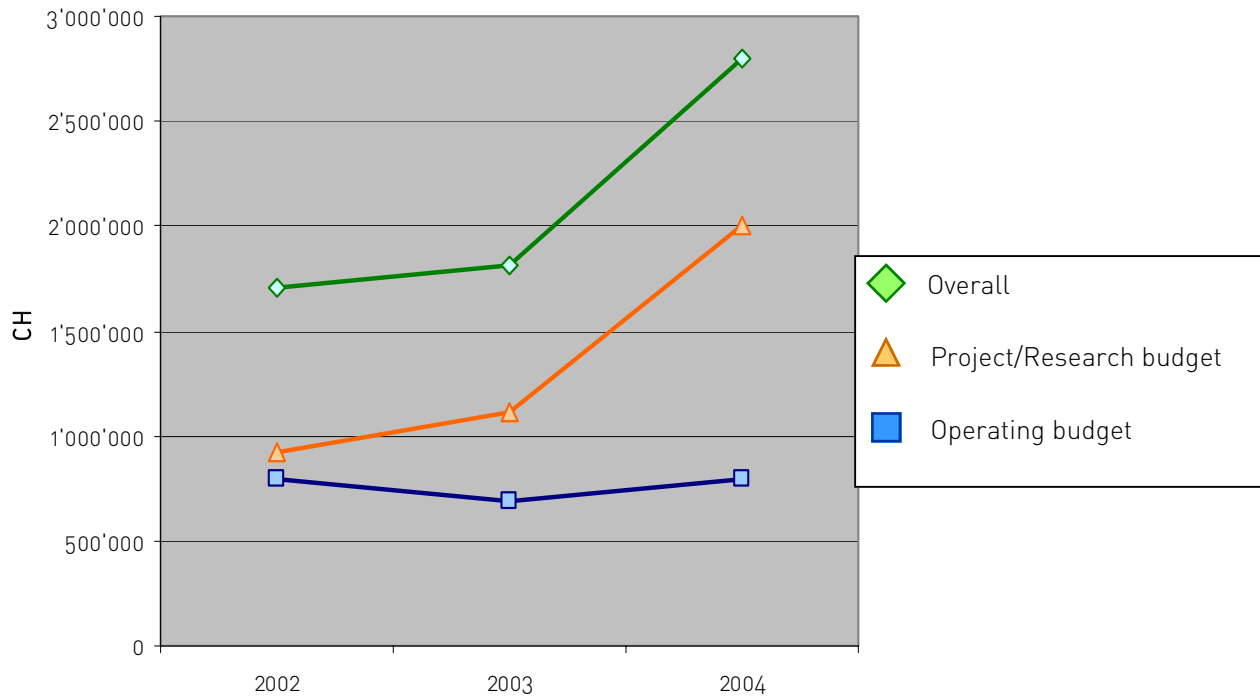
The ECLT Foundation held 7 Board Meetings which were chaired by its President, Ron Oswald, IUF General Secretary. One of these meetings was held in Malawi in June 2003 to visit the two projects supported by the Foundation and meet its beneficiaries and all concerned stakeholders. Two additional tobacco companies joined the Foundation Board: Altadis (2003) and Tribac (2004).

Communication

A new brochure was produced in June 2004 and is available on www.eclt.org. It details the 10 guiding principles that drive the ECLT Foundation's activities and are reflected in the field projects. They all have in common the ultimate objective of reducing the use of child labour in tobacco-growing. A Spanish version will be made available in 2005.

Budgets

Due to the new activities developed and supported by the ECLT Foundation, its Project/Research budget increased by 122% between 2002 and 2004.



The ECLT Foundation operates with two annual budgets:

- an Operating budget, which covers the running of the ECLT Foundation office in Geneva
- a Project/Research budget, which provides funds to local field projects and research.

A funding formula has been established and agreed upon between the ECLT Foundation Board Members who contribute collectively to the entire ECLT Foundation budgets.

► FINANCIAL ACCOUNTS 2003
AS AT 31 DECEMBER 2003

The financial accounts for 2003 and 2004 have been audited by an independent Geneva-based firm, Jakar SA Fiduciaire. They have been approved by the Foundation Board, upon recommendation of the Foundation Treasurer. The currency used is Swiss francs (CHF). Extracts:

BALANCE SHEET CHF	
ASSETS	
Treasury	1,453,621
Debtors	33,345
Fixed assets (gross value 79'581)	1
TOTAL	1,486,967
LIABILITIES	
<u>Creditors</u>	
Deposit from members	897,258
Transit liabilities	121,521
Subtotal	1,018,799
<u>Capital and reserves</u>	
Foundation capital	50,000
Provision for renewal of assets	15,296
Reserves: membership fees	295,000
Profit from previous years	57,575
Profit of the current year	56,419
Expenses from previous years	(6,102)
Subtotal	468,188
TOTAL	1,486,967

INCOME AND EXPENSES CHF	
INCOME	
Members' contributions	
Operating costs	693,321
Project/Research costs	1,117,238
Other income	11,015
TOTAL	1,821,574
EXPENSES	
Operating costs	692,168
Project/Research costs	1,072,987
Subtotal	1,765,155
PROFIT	56,419
TOTAL	1,821,574



**REPORT of independent accountants
to the Foundation Board of**

**The Foundation for the Elimination of Child Labour in Tobacco-growing
Vernier (Geneva, Switzerland)**

In our capacity as independent accountants, we checked accountancy and the accounts (Balance Sheet, account of Expenditures and Receipts) of the Foundation for the Elimination of Child Labour in Tobacco-growing for the third financial year, i.e. period of January 1, 2003 to December 31, 2003.

The responsibility for the establishment of the accounts falls to the Director of the Foundation whereas our mission consists in auditing these accounts and to emit an appreciation in regard to them. We attest that we fill the legal requirements of qualification and independence.

Our revision was carried out according to Swiss standards of the profession. These standards require to plan and carry out the checks in manner such as significant anomalies in the accounts can be noted with a reasonable insurance. We completely revised the posts of the accounts and the indications provided in those. Moreover, we appreciated the way in which the rules relating to the presentation of the accounts were observed, the significant decisions as regards evaluation, as well as the presentation of the accounts as a whole.

We estimate that our revision constitutes a sufficient base to form our opinion. According to our appreciation, accountancy and the annual statements are in conformity with the Swiss law and the statutes.

We recommend the approval of the 2003 accounts which are submitted to you.

JAKAR SA

Carouge, February 3rd, 2004

APPENDICES : Annual statements (Balance Sheet, account of Expenditures and Receipts, Note)

► FINANCIAL ACCOUNTS 2004
AS AT 31 DECEMBER 2004

BALANCE SHEET CHF	
ASSETS	
Treasury	2,065,118
Debtors	25,802
Fixed assets (gross value 82,098)	1
TOTAL	2,090,921
LIABILITIES	
<u>Creditors</u>	
Deposit from members	887,824
Transit liabilities	301,185
Subtotal	1,189,009
<u>Capital and reserves</u>	
Foundation capital	50,000
Provision for renewal of assets	33,079
Reserves:	
membership fees	95,000
available project funds	542,823
Profit from previous years	107,892
Profit of the current year	73,118
Subtotal	901,912
TOTAL	2,090,921

INCOME AND EXPENSES CHF	
INCOME	
Members' contributions	
Operating costs	795,664
Project/Research costs	2,000,029
Other income	1,931
TOTAL	2,797,624
EXPENSES	
Operating costs	724,477
Project/Research costs	1,457,206
Subtotal	2,181,682
PROFIT	615,941
TOTAL	2,797,624



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We estimate that our revision constitutes a sufficient base to form our opinion. According to our appreciation, accountancy and the annual statements are in conformity with the Swiss law and the statutes.

We recommend the approval of the 2004 accounts which are submitted to you.

Carouge, February 1st, 2005

APPENDICES : Annual statements (Balance Sheet, account of Expenditures and Receipts, Note)

 Member of the Swiss Institute of Certified Accountants and Tax Consultants